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Case Study

Institute for Minority Entrepreneurship

2011

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Recommended Citation

Manning, J., Cooney, T.: Beck Halstrøm (Sweden). European Entrepreneurship Case Study Resource Centre. 2011.

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European Entrepreneurship Case Study Resource Centre

Sponsored by the European Commission for Industry & Enterprise under CIP (Competitiveness and Innovation framework Programme 2007 – 2013)

Project Code: ENT/CIP/09/E/N02S001 2011

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BECK HALLESTRØM

Introduction

Beck Hallestrøm sat on the only chair in his humble apartment leaning on his small table looking out onto the streets of Stockholm. It was early January 2011 and he had made a New Year's Resolution that he really wanted to achieve. He did not want to spend another cold winter alone, penniless and despondent. As Beck explained:

"I have always been alone; I've never had any emotional, moral or financial support. But now things are finally starting to change since I realised that if I want to turn my life around, it's up to me to do it."

Eight months earlier, Beck Hallestrøm was released from prison. At 39 years old he had spent more time in prison than as a 'free-man'; at the age of eighteen Beck began a sentence of twenty years for murder. After his release, Beck had completed a course on Starting Your Own Business and was in the process of establishing his own business. As a trained and qualified mechanic, Beck has realised that establishing his own business was the only way to gain stable employment and to focus his efforts in a positive, productive way. In his years in, and out of, prison he has faced many physical and emotional challenges, but establishing his own business as an ex-prisoner had presented a set of challenges for which his past had not prepared him. He has a meeting in two days with a bank manager as he needed a small loan to get his business started, but he was not sure if he should be honest in these discussions and inform the manager about his past or whether he had a better chance of a new start in life if he mentioned nothing about his criminal record!

A Dark Past

Beck Hallestrøm was born in Kiruna, the most northerly town in Sweden, located 145 kilometres north of the Arctic circle. He grew-up in an area where poverty, boredom and alcohol were the main features of life for many of its young male inhabitants. The local job office was jokingly called Resebyrån (the travel agency) because the only message to unemployed youths was 'to move'. His mother was a single parent who raised him and his younger sister in a small apartment, and supported them by working nights in a local restaurant. His father had worked in the local mining industry, but he left town shortly after the mining jobs dried-up which was soon after Beck's sister was born, and was never heard from again. Although Beck was considered a bright student, he dropped out of school as a

teenager and spent his time hanging-out with the 'wrong crowd'. However, he got a job in a local garage as a trainee mechanic and was never involved in any serious trouble, only a minor incident of 'drunk and disorderly' and one occasion of 'drink driving' after having had three beers. As he approached his eighteenth birthday, Beck was considering moving away as he had realised that he did not want to spend his life living in a small town; however, he was soon to leave his home town for very different reasons.

Living in Lapland, long cold winter evenings were a feature of Beck's life. As a way of keeping warm and overcoming boredom, Beck and his friends would regularly meet in a local bar to have a few beers and to let the dark hours drift by unnoticed. One Friday night in late November, a number of them had been socialising together in the largest bar in the town when Beck questioned one of his friends over his drunken behaviour, and asked him to stop behaving like an idiot. He thought that the matter had been resolved, but a member of the public in the bar also challenged Beck's friend about his behaviour and there were raised voices. To make matters much worse, an argument then broke out between a number of Beck's friends and some local members of the public. The dispute continued when the two groups moved on to the street when heading towards another bar. A drunken fight suddenly escalated out of control and punches were exchanged. In the midst of the crowd, Beck was trying to protect himself and his friends when suddenly something happened that changed his life forever. Beck tried to explain further:

"It really was an accident, I had no idea that he would die. I was just protecting myself and my friends. I simply threw a punch at this person who had become involved. He fell badly, hit his head against the window-sill, and died instantly. I still can't believe it actually happened. There was blood everywhere, and on my hands, forever. That moment changed everything - for me, my family, him, his family, my friends, his friends, everybody involved."

Following the court trial, Beck was convicted of manslaughter and sentenced to what eventually became twenty years in prison. He left his life, family and friends behind, and spent the next two decades planning his future and trying to avoid trouble within the prison system.

To overcome his loneliness and the feeling of isolation, Beck completed his training and became a fully qualified and certified mechanic. His days became occupied with his work in the maintenance department of the prison - fixing doors, clogged pipes, etc. He also realised that the best way to survive was to keep his head down and not get involved with anyone or

anything. He discovered how to keep away from the different gangs that formed inside prison and quickly learned that keeping his thoughts and opinions to himself helped him to stay out of trouble. During his time in prison, his mother died of cancer and his sister had got married (she now has two children of her own). All of these major events had been missed as he was locked-up inside prison remembering the night that a complete stranger had died by his hands and the world as he knew it had been torn asunder. Before his final release, Beck spent time in a 'half-way house' which offers prisoners the possibility to interact within an environment that is more exposed than a prison, while at the same time support and assistance is provided by the Prison and Probation Service and other authorities. Eventually, after a long and lonely twenty years, Beck had served his time and he believed that he had paid his debt to society. Beck described his feelings on his release day:

"When those gates opened I was filled with so many mixed emotions; I was scared and anxious, but also very excited and happy. What would I actually do with my life, what could I do with my life? I had spent my first few years in prison thinking about that moment, but dreams and reality are very different. Nobody was there to meet me when the gates opened. I decided then and there to leave my past behind. I left everything behind those prison walls. It was the best and worst day of my life."

The excitement of starting a new life soon faded, as Beck realised he had no home, no friends and little hope for a better future.

Returning Home From Prison

Upon his release from prison, Beck immediately moved back to Kiruna, hoping to get a job and save some money so that he could move to one of Sweden's bigger cities. However, Beck faced as many challenges in moving home as he did in prison, and frequently felt even more isolated there than in prison. Beck endured discrimination, hatred and obstacles at every corner. No garage or engineering company would hire him, despite his qualifications, and despite his best efforts he could not even get an unskilled part-time job. Unfortunately, Beck quickly understood that because of a person's criminal record and the perceptions that society generally places on people who have 'done time', the possibility of a former prisoner beginning a legitimate lifestyle is very difficult. He had read in prison that those prisoners who were most at risk of re-offending were characterised as follows:

- gender males represent higher risks;
- age at first conviction the younger, the higher the risk;
- country of birth ethnic minorities display more recidivism;
- offence risks highest after violence and property offences;

• previous convictions - the more, the higher the risk.

The research showed that there are many reasons why former prisoners find it difficult to adapt to society upon their release, and unemployment is one of the biggest issues that they face. The recent trend of mechanisation replacing low-skilled jobs and the lack of skills, training or personal qualities by prisoners for the increasing importance of knowledge-based work means that their prospects of securing long-term employment is ever more challenging. The fact that they possess a criminal record also generates negative perceptions amongst potential employers and reduces their potential for being successful at a job interview.

Eventually, Beck decided that the only way for him to start afresh was to move to a new city, a place where nobody knew who he was, nor knew anything about his past. Having received a small loan from his sister to get him started, Beck moved in early summer to the opposite side of the country, Stockholm. On his arrival in Sweden's capital city, Beck spent two nights sleeping on a bench in a train station before he got a bed in a homeless shelter for a few weeks. He looked for a job, any job that was in the same field as his experience and training, but nothing was forthcoming. Unfortunately, the country was going through tough economic times and with no professional references and a gap of twenty years in his actual work experience, he could not even get an interview. In Sweden, like many countries in Europe, many organisations state that they do not discriminate against ex-prisoners, and that they will only reject the employment of a person with a criminal record if the reason for the criminal record is directly related to the position for which they are seeking employment. However, the stigma of a criminal record tends to follow ex-prisoners for many years and so Beck was once again lost and lonely, with only a small loan to sustain him for the foreseeable future.

Beck's Entrepreneurial Ambition

During his time in prison, Beck had read that recent research showed that the rate of reoffending in Sweden was thirty-six percent within three years of being released from prison.
This was an average figure for continental Europe, although much lower than the statistics for
England or USA. The research stated that a significant challenge in reducing the rate of reoffending was the difficulty faced by ex-prisoners in securing employment upon leaving
prison, a situation that contributed significantly to the high rates of recidivism internationally.
The report further highlighted that a number of social enterprises have researched the benefits
of employment for ex-prisoners and found that employment can reduce the risk of reoffending by between a third and a half. Beck noted that the report identified various social
enterprises throughout Sweden who offered courses, training and job application support for

ex-prisoners who were seeking paid employment. Furthermore, these social enterprises had also begun to invest in self-employment training and grant aid for ex-prisoners in order to help overcome the difficulties that ex-prisoners faced when seeking to secure a source of income. One such social enterprise called 'Next Step' was based in Stockholm and he found it quite interesting that this organisation argued that ex-prisoners and entrepreneurs had many characteristics in common. In their brochure, they stated that:

"Offenders, if given aid to develop their capacity for legal earnings and economic independence, have less financial need to offend. There are many common grounds that offenders and entrepreneurs possess, with one of the key characteristics required of entrepreneurs and criminals alike being a willingness to take risk. Furthermore, many people believe that the similarities run even deeper, with ambition, independence, a need for achievement, aspiration for personal motivation, and, in some cases, innovation counted among the resemblances. The key difference is that one party operates in the legal economy and the other is operating in the grey or illegal economy."

The brochure also noted that ex-prisoners were attracted to self-employment for three main reasons:

- It is a way of circumventing the discrimination that they face in the labour market;
- It offers the prospects of independence, particularly in terms of freedom from supervision;
- It promises higher income than generally available in the secondary labour market.

'Next Step' believed that training in business skills and entrepreneurship provided much more than possible future economic independence for prisoners and ex-prisoners, as it also brought about improvements in the attitude, confidence and motivation of ex-prisoners and in the development of their soft-skills (e.g. ability to work in a team, to communicate, etc). They further argued that the risks associated with self-employment were lower for ex-prisoners than for the general population because their marginal position in the labour market meant that they had less to lose. However, despite having greater motivation and lower risk, ex-prisoners still tended to need more assistance and support than was found amongst the general population.

Beck had never considered setting-up his own business when he first began as a trainee mechanic, it was something nobody in his family or amongst his friends had ever done. Even during his time in prison he completed his qualification simply to help him get a job after his sentence was completed, not to start his own business. However, looking back on his prison

days, he realised that there were some discussions which might have started him thinking about having his own business one day:

"In prison, people always talk about setting-up their own business; people in prison are really sick of authority and someone always telling them what to do."

However, now that he was living in Stockholm, Beck was far from being an entrepreneur. Over a month after his arrival in Stockholm, Beck still had no job or place to live. Landlords would not rent an apartment to him because he was an ex-prisoner and employers would not hire him, also because he was an ex-prisoner. Sometimes he lied on job and apartment applications, but fabricating the past twenty years of his life was not an easy task, particularly with no real references. Beck did not even have a bank account to try and obtain a loan, and he was too afraid to approach the bank for fear of further rejection, but he knew that he would have to open an account if he was to have his own business. Being completely computer illiterate, and only having used the internet on very rare occasions as prisoners are not allowed access to it, Beck had no idea how to access the resources available to ex-prisoners offered by various social enterprises throughout the city and country, until he once again came across a leaflet for 'Next Step' in the shelter in which he was staying at the time. A short time after signing up for their back-to-work programme, Beck found a very cheap and humble apartment, and began working part-time in the maintenance department of a hotel.

This assistance that Beck received from 'Next Step' encouraged him to begin dreaming about his entrepreneurial ambition; he was a trained and qualified mechanic, and an experienced maintenance 'handy-man'. However, Beck had no business or management training or qualifications, was computer and internet illiterate, with no market research or analytical skills, and no financial capital (the loan his sister had given him was spent keeping alive in the first weeks of his arrival in Stockholm). Knowing these challenges and the obstacles that he faced, Beck approached 'Next Step' for assistance. 'Next Step', in conjunction with the local city enterprise board, hosted various business and management courses, one of which particularly interested Beck - the Start Your Own Business course (which included computer training). Beck knew he would have to apply himself and that he would have to substantially improve his market and business knowledge if he was actually going to succeed and follow-through with his plan to become financially self-sufficient.

After two months, Beck completed the intensive Start Your Own Business course, and now it was decision time for Beck; was he actually going to establish his own business? Beck knew that the first thing he needed was finance, and secondly he must establish a customer base.

Both were very daunting prospects for an ex-prisoner. It was difficult to develop social skills in prison, and as a result Beck was a very quiet and insular person. Furthermore, in his part-time job in the hotel, a colleague asked if Beck could look at her car as she was having trouble with it, and before going to the official mechanics, wanted Beck's opinion. However, rumours of his past must have circulated as the following day she could not look Beck in the eye when she told him "it's ok, I don't think it's that bad after all". This was a huge set-back for him, as it posed a serious question:

"How can I convince strangers that I'm not a 'crazed killer' and that I'm actually a professional businessman, when a colleague I work with, and actually knows me, doesn't even trust me?"

During the Start Your Own Business (SYOB) course, Beck had become very concerned by a session which noted that the principal factors identified as barriers to self-employment for exprisoners included:

- lack of suitable contacts/role models,
- lack of financial support/credit history,
- difficulty in presenting oneself to the bank,
- poor educational and literacy abilities,
- stigma attached to having a criminal record,
- lack of follow-through, persistence, dedication (lack of will to overcome setbacks),
- problems related to the dulling effects that prison exerts on some individuals,
- lack of self-confidence (want to set up business while in prison, but rarely follow it up on release).

This work clearly highlighted that ex-prisoners had to confront additional and distinctive challenges beyond those difficulties that would be experienced by other persons seeking to establish their own business, but these challenges were frequently more related to behavioural issues than business issues. Beck now realised for the first time that he must overcome a wide range of personal, societal and business challenges if he was to ever succeed in having his own business.

Business Financing Options

Beck decided that his past had been weighing him down long enough, and his determination for a better life with a happy and productive future now outweighed his fear of failure and making himself vulnerable. As Beck explained:

"This is my time to really make a new life for myself; if I really want to make a genuine future for myself I know I'm going to have to address these challenges head-on. I'm alone, afraid and actually not too sure how I'm going to go about it, but I've decided that this is what I want and I'm not going to let my lack of confidence stop me now. I don't want to live the rest of my life with my past as a dark cloud over my head stopping me from achieving my goal."

With his decision made, Beck contacted 'Next Step' to discuss and evaluate his options. Over the months that Beck had been getting assistance from 'Next Step', he had built up a strong relationship with the employees of the social enterprise. As a result of this relationship, 'Next Step' had recently informed Beck that if he established a business plan then they would go through it with him and assist him in trying to receive finance.

Before designing his business plan, Beck evaluated his financing options with 'Next Step'. As Beck has no personal financial capital, he had just three avenues that he could pursue as sources of finance. First he could seek a financial business loan from the bank; his second option involved sourcing finance from friends and family; and finally he had a third option put forward to him by 'Next Step'. The non-profit social enterprise receives donations from various philanthropic organisations, and every year 'Next Step' utilises a portion of the funds received from these donations to fund and assist worthy beneficiaries in the establishment of their own business. In order to be eligible for this assistance, the 'Next Step' beneficiary must present a well researched business plan detailing the business implementation plan, objectives and a market analysis.

Beck began to evaluate each of the options regarding financing his business as follows:

1. Bank Loan: A bank loan is the most obvious, and ultimately, the first place many new entrepreneurs go to seek finance. However, Beck faced many obstacles in obtaining a bank loan as Beck had no credit history and at the age of 39 only opened his first credit account six days ago. More importantly, Beck is an ex-prisoner, which results in immediate discrimination and lack of trust, particularly when trying to obtain finance. Furthermore, in these tough economic times banks across Europe are 'tightening their belts' when it comes to taking risks and financing businesses. However, Beck is confident in his motivations and ability to make his business work, and if he could express this in the business plan that he wanted to present to the bank, both the bank and Beck could benefit from the investment. Also in his favour was the size of the loan that Beck was

applying for, approximately 90,000 SEK (approximately \$10,000)¹, a relatively small sum of money for establishing a business.

Beck estimated this cost from his research regarding rent costs of a garage location (deposit and the first two months in rent only), the cost of purchasing mechanical tools and equipment, signs and minor advertising, formal business establishment and documentation, and a computer. Beck knew he could only start small and on a tight budget, but the SYOB course had thought him a lot regarding what is needed in the first few months of establishing a business. Beck also realised that he could save money by renting a garage with a separate room where he could live, although this narrowed his options regarding location, he had found several locations in the suburbs of Stockholm that could facilitate this. Furthermore, the cost of commercial rent was decreasing amid the international economic crisis.

- 2. Loan from Family and/or Friends: Beck had few friends in Stockholm or Kiruna, and none that he could approach for a loan of this size. And the only family he had was his sister who had already loaned him a small amount of money when he left Kiruna. His sister Erika was struggling to keep her own family financially secure and he felt that approaching her for a loan to finance his business could ruin their relationship, which was already quite unstable. However, on the other hand, if Erika did provide him with the loan and the business was a long-term success it could be an opportunity to bring them closer together through their 'family business'.
- 3. 'Next Step' Financial Assistance: Although Beck had a good working relationship with 'Next Step' there was no guarantee that he would receive the funding for his business from the social enterprise. Firstly, there were always many applicants applying for the funding and only the best and most viable business plans would be supported. And like approaching the bank for a loan, Beck would have to submit a formal business plan and defend the implementation of his business in front of panel of judges that would consist of various donors, board members and business men and women from the local community. However, the office staff of 'Next Step' had agreed to assist Beck in the writing of his business plan and with his market research.

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¹ 1 Euro = 8.93 Swedish Kronor as of January 2011

For Spring 2011, 'Next Step' had decided to allocate 143,000 SEK (approximately €16,000) for the funding of two businesses, that is 71,500 SEK (approximately €8,000) per person. The deadline for application was January 31st 2011. Although this was less than Beck would be approaching the bank for, it was still a sufficient amount of money to establish his business, and the primary benefit of this funding was that it was not a loan, but a grant which Beck would not have to repay.

Beck was unsure which avenue to pursue to source the finance for the establishment of his business; however he had made an appointment with the bank to discuss the possibility and conditions in obtaining a business loan before he submitted his formal business plan. Beck was eager to start the process of establishing his business, but he was undecided whether he should inform the bank about his time in prison and the reason why he was there for twenty years. As Beck explained:

"It would be so much easer if I could just lie and forget about my past, but if I do this and the bank finds out, the consequences for me and for my potential business could be dire."

The Swedish Motor Trade Industry

Having considered his financing options, Beck also needed to evaluate the market in which he was proposing to operate. To enable him to gain a greater understanding of the market, Beck contacted the Vocational Training Board of the Swedish Motor Trade (MYN). MYN consisted of members from the employers association, as well as members from the trade union, and is responsible for monitoring the motor trade industry in Sweden while also ensuring that staff members were well educated and trained within the motor trade industry. Indeed, it was from MYN that Beck achieved his diploma in motor mechanics while in prison. Having reconnected with MYN to discuss the idea of opening his own business, Beck gained some vital knowledge regarding the motor trade industry in Sweden, but also received a renewed sense of self-confidence. As a member of MYN wrote in a reference for him:

"Automotive mechanics combine experience and knowledge of mechanical, electronic, fuel and computer systems to inspect, maintain and repair engines and related components in all states of disrepair. Motivated by the challenge of diagnosing the problem, they rely on their senses and computerised testing to find problems. Customer service skills are essential, as many clients are negatively impacted by a car or truck that isn't working and in dire need of fast, flexible, effective service. I feel confident that Beck would be a wonderful addition to the Swedish motor trade

industry, not only because he is very knowledgeable in this field, but he is conscientious in his approach to work and I believe, if given the chance, customers will feel satisfied with his work."

Beck also learned from MYN that Sweden's auto industry had a vital role to play in the context of its economy, and that Sweden is among the countries in the world that are most highly dependent on the motor vehicle industry. In a country of nine million people, 140,000 are employed in the auto industry, which accounts for 15 percent of Sweden's GDP. Dependence on the automotive industry as a source of employment had increased in recent decades as other industries had cut back their operations. However, amid the international economic recession, approximately 5,000 job redundancies had been made throughout various sectors of the auto industry. Spin-offs and developments in other segments of this industry had greatly increased, particularly in the area of small-micro independent mechanical garages, such as that which Beck was trying to establish, as former employees of large auto companies (particularly Volvo and Saab) transferred their knowledge to this sector of the auto industry. Nevertheless, MYN informed Beck that car mechanics was an expansive industry with many changes taking place. Skills and work tasks were rapidly changing, as the occupation was becoming more specialised and there were increasing demands for high levels of competency. Within the Swedish motor trade industry there were approximately 4,500 small and medium sized companies consisting of workshops for cars and trucks, machine and tractor companies, car body repairers, car painters, etc. There were approximately 40,000 people employed in this sector of the motor trade industry, although about 50 percent of these persons were sales personnel, managers and administrators, with the remaining 50 percent having technical occupations. Unfortunately for Beck, the majority of those technically employed in the motor trade industry, that is general car / truck mechanics, consisted mainly of one-person enterprises.

As the motor vehicle industry played such a central role in the Swedish economy, it had resulted in Sweden becoming one of the most motorised countries in Europe. As such, there was approximately one car per every 2.4 inhabitants. Car ownership was currently high, but leveling-off, which could be attributed to the slowing of new purchases as ownership reached saturation levels throughout Sweden. Dramatic fluctuations in the sales of new cars in Sweden are considered normal as the number of new cars sold in Sweden had varied significantly over the past few decades resulting in an estimated 11–12 year cycle. As such, 55 percent of the cars in Sweden were older than ten years. This was very beneficial to Beck, as the reduction

in the purchase of new cars resulted in an increased amount of older cars which in turn required greater levels of maintenance. In Stockholm, in particular, the number of cars in the city was approximately 800,000, with 64,000 motorcycles. There were approximately 400 cars per 1,000 inhabitants. Additionally, the population of the city was expected to rise by approximately half a million people over the next two decades, with the current population estimated at 1.25 million. Unfortunately for Beck, MYN (nor any other sources) had any details regarding the actual number of practicing mechanics in Stockholm. Therefore, the choice of Beck's location for his garage would not only depend on the cost of rent and the ability to use the premises as his personal dwellings, but also on the direct competition located in the surrounding area which he could only analyse by touring around the different neighbourhoods.

Although competition was potentially high, Beck had established that there was still a need for highly skilled, efficient and flexible mechanics operating small garages. Consumer trust and confidence was vital for repeat business and positive word-of-mouth, and following his meeting with MYN Beck has decided that this was how he would market his business; as a skilled and efficient mechanic that would work around his customers schedules and demands. However, if customers ever found out about his background (or word was spread by a competitor), then positive word-of-mouth could suddenly become very negative.

Development of Beck's Business Idea

As a result of the knowledge gained from his SYOB course, Beck was aware that he must also consider all the practical elements of establishing and sustaining his business:

"I must prove to the bank, to 'Next Step', or whoever I approach for funding that I know what I'm doing with their money. Setting-up a business is so much more than just getting money to 'set up shop'. I now need to think practically about how I'm going to actually create a long-term profitable business. First I need to know how exactly I'm going to run my business and next I need to consider how to attract a customer base."

Regarding the day-to-day operations, Beck intended to purchase a general mechanical tool-kit. However he was hoping to source a location which already contained basic mechanical tools, such as a car lift, engine stands. etc., with the remaining mechanical necessities being purchased over time depending on the requirements of individual customers. Book-keeping, accounts, purchases and payments would be recorded using the accounting system and software used by Beck on his SYOB course. Beck proposed that the business be an aktiebolag

(similar to private limited company) with no employees, and was considering offering his sister the position of alternate director (according to Swedish law there must be a director and an alternative director in an aktiebolag) as a sign of friendship and goodwill. Beck intended to create an informal flexible work environment which was focused on the needs of the customers, ensuring that they felt comfortable and confident with him and his work. Although Beck had an idea of how he intended to establish and operate his proposed business, sustaining his business with a customer base was a daunting thought for him. Positive word-of-mouth was a vital form of advertising in the industry, but recruiting customers on his very tight budget in order to encourage this positive word-of-mouth was an obstacle that Beck did not know how to address.

Conclusion

For the first time in his life Beck felt as if he had an opportunity for a better future. As he looked around his humble one-bed studio apartment, he had a feeling of satisfaction. Although he had not achieved a lot in the past, since moving to Stockholm his life had changed dramatically. While being very anxious and nervous, Beck was excited at the possibilities that lay ahead. But before he got too excited, Beck had a number of decisions to make. Firstly, Beck must decide if he was going to risk telling the bank the truth about his dark past and his time in prison. He also needed to decide which sources of finances he was going to prioritise and how he was then going to action his priorities. Furthermore, Beck had his final meeting with 'Next Step' in the morning to go through his proposed business plan, and he was hoping to receive advice on how he could realistically attract customers to his business. This was his last opportunity for advice in the establishment of his business before he meets the bank manager or before he submitted his application to the 'Next Step' business funding programme. Consequently, Beck must present himself as a confident businessman with a well researched business plan in order to obtain the finance needed to establish his business. Yes, he was excited and he was also scared!