The URBED Trust

Education for Capability: Revisited for 2026

A practical guide to helping people start businesses that last

In 1979 a small team in Hackney, London, set out to help people with a business idea actually start one. Over twelve weeks, fifteen would-be entrepreneurs worked on their plans in small groups, with advisers, bankers and tutors close by. The write-up, *Education for Capability* by Ronnie Lessem, appeared in 1980. Its lessons travel well. A market stall in Madurai, a home bakery in Coimbatore and a repair business in Hackney face the same early questions: what can I do, who will buy it, who can help me, and what happens on Monday? This guide pulls out what still holds true.

1. Start with the person, then the idea

The Hackney team began with a simple triangle linking the person, the business and the market. Early sessions asked participants to map their life history, their spare-time interests and their working experience, then look for the overlap where an idea could grow. A family background, a set of contacts and a few years in sales all became business assets. In 2026 the same exercise works on a phone or a flipchart: what do you know, who do you know, and what do people around you need but cannot easily get? Ideas that fit the person tend to survive the difficult second year.

2. Offer stages, not one big course

The programme ran as four linked stages: thinking about it, assessing the prospects, preparing to go and taking the plunge. Each stood alone, and people chose when to move on. Most people are not ready on day one, and few need everything. A first workshop, a weekend to test the idea, a short course on money and selling, then three months of supported trading suits a village hall as well as a London library. Keep every step small enough to say yes to.

3. Learn in a set of five

The heart of the programme was the action learning set: about five people with different businesses, meeting weekly with a facilitator while spending the rest of the week trading. Participants borrowed each other's strengths, such as a salesman's confidence or a craftsman's patience, and had to explain their plans out loud. Tamil Nadu's self-help groups already have the habit of regular meetings, shared records and mutual support, and make a natural home for the same method. The facilitator keeps things moving, links ideas across businesses and asks everyone for weekly objectives that are reviewed the following week.

4. Make the plan real

Bank managers like business plans, but plans can stay theoretical. The Hackney team asked people to include real brochures, letterheads, premises plans, supplier names and draft invoices, and staged a practice meeting with a bank manager. Plans ran from 3 pages to 53, so quality mattered more than length. The 2026 version: win a first order before finishing the spreadsheet, set up a UPI or card payment link, photograph and price the product, and rehearse the loan conversation with a real lender or microfinance officer.

5. Add challenge and expert help

Groups are supportive but can become cosy and rambling. The review found that rigorous work on costs and cash flow is best done alone or with an expert, and that people respond to a firm challenge such as a deadline, a panel or a real request for money. Build both in. Offer short clinics on pricing, tax and cash flow by video or messaging app, and end with a presentation to a panel of lenders, local business people and trainers who give frank feedback.

6. Build the surroundings as well as the skills

Participants were asked what made the programme work. Personal development (confidence, discipline, wider ideas) made up 39 percent of answers, a supportive environment (encouragement, space, networks) 35 percent and instruction 26 percent. Business techniques alone came to 16 percent. Lessem concluded that training should connect the person, the business and the local setting, and works best when it is local. Premises, introductions to banks, college links and earlier graduates acting as trainers all counted, and all still do.

Positive ideas that work today

- Start with a free taster session and an "idea map" of skills, contacts and local needs.
- Offer four small stages and let people choose when to move on.
- Run peer sets of five with a facilitator, in person or on a messaging group.
- Ask for weekly objectives and review them the following week.
- Require a real first customer, a price list and a payment link before the plan is finished.
- Practise the lender meeting, then arrange a real one.
- Run short expert clinics on pricing, cash flow and tax.
- Recruit graduates as mentors and trainers.
- Work with local anchors: banks, colleges, self-help groups and landlords offering affordable space.
- Ask people what helped most, and invest in confidence, networks and space as well as skills.

Based on Education for Capability: Developing New Enterprise, Ronnie Lessem, February 1980, describing the URBED Start Your Own Business programme in Hackney.