



# INCube Inc. and the TAP Programme –

AN INNOVATIVE PROGRAMME FOR CONSUMER-RUN BUSINESS DEVELOPMENT IN NEW YORK CITY

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## INTRODUCTION

With financial support from the New York City Department of Mental Health, Mental Retardation and Alcoholism Services, INCube Inc., a consumer-run technical assistance agency, helps people with mental health problems to start their own businesses. Gerold Schwarz has been seconded to INCube for the past year from FAF, the German social firm support agency. Here, he gives a general overview of the activities of INCube, Inc. and describes INCube's latest business development programme — TAP.

**Mike** is diagnosed with a major depression and post-traumatic stress disorder. He used to be a client within our general business development programme. Over the last ten months we have helped him to write a business plan and to explore options for expanding his business, which is already successful on a small scale. He produces custom-made pillows in different sizes and colours, decorated with inspirational phrases or pictures. He already sells pillows on a regular basis. Right now he is getting known by more people through word of mouth and his orders are increasing on a steady basis.

**Steve** is a client of our supported employment programme. He also has a severe mental illness. He attended our group for a while because he hoped that we could help him to find a job somewhere in the mainstream. One day he told us that he has a great idea for a new business: he wants to make audiotapes for visually impaired people. His idea is based on

the fact that blind people listen to music CDs and tapes but they cannot read the cover-text, so there must be a need for someone to provide them with this information. He told us that he wanted to copy CDs on to audiocassettes and then speak the introduction before the music on the tape begins.

If we are honest we have to admit that nobody really believed in this idea but we suggested that he should do some research to see if there is a market for these tapes. We asked him to go to one library and tell them about his idea. He came back three weeks later with an option for a first contract of over \$10,000 which he received from a library in New York City.

What do these two people have in common? Both of them have a great idea for a small business. Both of them are willing to work hard to eventually become independent from the benefit system. Both of them need support, in terms of assistance and in terms of funding, in

order to get their businesses started; and both of them applied successfully to INCube under our new TAP programme.

### Introducing INCube

INCube Inc., the organisation responsible for the TAP programme, is a not-for-profit organisation. INCube is run by consumers<sup>1</sup> and to date employs 14 people, all (but one) of whom had to overcome psychiatric illnesses themselves. Consumer-operated programmes are planned, delivered, and evaluated by consumers themselves. Some are entirely consumer-operated while others incorporate the use of non-consumers in certain areas of planning, implementation and evaluation (Fleming, 1983; Stroul, 1986; Campbell & Ralph, 1993). INCube represents the second category. Nevertheless, the control over INCube stays with consumers. Consumers have a majority on the board of directors and are responsible for the management of the agency.

In July 1997, INCube received a grant from the City Department of Mental Health, Mental Retardation and Alcoholism Services to develop new jobs for people with mental health problems in consumer-run businesses: TAP — Technical Assistance Programme for Recipients<sup>2</sup>.

INCube was started about eight years ago as a technical assistance agency for consumer-run businesses. It has developed into an organisation that, to date, provides a range of services for people with mental health problems, including a 50-unit scattered-site housing programme, a supported employment and placement programme, a youth advocacy programme, a systems advocacy programme and a business development programme.

INCube is one of the most developed consumer-run organisations in the United States. While consumer-run programmes have been in existence for 20 years, most of them focus on the human service arena, including systems advocacy, peer-counselling, case management services, crisis alternatives to hospitalisation, support

groups and consumer satisfaction programmes (see also Mowbray *et al.*, 1997).

Since its inception, INCube has consulted with more than 70 consumer-run businesses that have provided full-time and part-time employment for 70 mental health clients, including both volunteer and stipended positions. INCube has provided shelter for over 50 families, including the homeless mentally ill. We have supported 60 institutionalised children in peer services and planning for transition programmes leading to community independence programmes. INCube represents a comprehensive service for people with mental health problems in New York City.

### The INCube ownership model – the consumer-run business

INCube has created innovative methods and models to assist individuals in the creation of autonomous consumer-run enterprises. The management and ownership of these businesses belong directly to the consumer principals. Consumers are completely responsible for all facets of running a business — decision making, budgeting and planning, with technical assistance, peer support and professional coaching from INCube. Our methods have enabled mentally ill people to achieve truly meaningful employment, increased productivity and involvement in the community.

### The TAP programme

The main purpose of the TAP programme is to create new work opportunities for people with mental health problems. Over the next three years we will help to set up 15 (at least, depending on the funds available) new independent consumer-run businesses. The new businesses set up through the programme must be consumer owned and run. Only people who are consumers of mental health services according to the New York State Office of Mental Health definition<sup>3</sup> can take part in this programme.

<sup>1</sup> 'Consumer' stands for consumer of mental health services. There are numerous terms used to identify people who use mental health services, but for the purpose of this article, 'consumers' will be used.

<sup>2</sup> 'Recipients' stands for recipients of mental health services, that is, the consumers of mental health services.

<sup>3</sup> According to this definition, people with an axis 1 diagnosis (severe, persistent mental illness, such as schizophrenia, major depression and so on) are eligible for certain programmes.

Through the TAP programme INCube provides a wide range of support to consumers:

- financial support for the new entrepreneurs. Grants are used as seed money to help the business in the start-up phase, as long as it will earn enough money by itself
- through the TAP programme, INCube provides the entrepreneurs with technical assistance and training during the preparation- and start-up phase of the business
- development of community networking. INCube helps clients to create linkages with the community, with other support structures and with other consumer-run businesses in New York City.

## How does the TAP programme work?

### *Outreach*

To give as many people as possible a chance to participate in the programme, INCube organised comprehensive outreach into the consumer community. We designed and printed a brochure. We sent information to about 1000 other vocational integration services and mental health services throughout New York City. We presented the TAP programme at five mini-conferences that we organised in five psychiatric hospitals, each in one of the five boroughs of New York City. These conferences were well attended and although one might have thought that a psychiatric hospital might not be the right place to find people who wanted to become self-employed, we had very lively discussions with our audiences and many people applied to the programme.

### *The application*

In the following months we received more than 60 applications to our programme. The proposals represented a wide range of business ideas, most of them within the service sector; for example: a graphic design business, a photographer, a catering service, cleaning services, a messenger service, a comic store, secretarial services and a tourism project.

### *Screening and assessment*

Once an application has been received, we invite applicants to an interview to explain to us in person their business idea. Through our application forms and interviews we assess all the business aspects of the application and the skills and training of the applicant. We also take into consideration characteristics necessary for entrepreneurship, such as motivation, responsibility, stability in taking supported risks, and the seriousness and commitment of the applicant. We also make sure that applicants have a support system that is strong enough to help prevent a possible relapse. Leadership and the relevance of the proposal for the consumer community is also taken into consideration. We promote proposals that have a high significance for the overall development of consumers in their community.

### *Development of the business idea*

After assessing the business idea and the general background of our clients, we put a lot of effort into the further development of the applications. The task is to develop a business plan with our clients that demonstrates whether the idea is feasible and if we can take the risk of investing in their idea. The business plan represents an important instrument for us and for the clients to clarify their ideas. It helps us and the clients to focus and to concentrate on the important questions and issues that have to be considered when starting a business.

We give our clients a lot of homework to do: we ask them to:

- write down their idea in a way that everybody else can understand it
- do research about similar businesses
- find out information about their potential competitors
- explain to us how they want to beat the competitors
- think about how they want to market their product, to whom they want to sell it, and how they think they can make enough money to survive after the funding through the TAP programme has run out.

At the same time, we provide support on all issues that a client has to consider when starting his or her own

business, such as legal issues, incorporation, information on insurances and licenses and many other aspects of entrepreneurship.

This, of course, can be a very long process. Some of our clients came to us with a very developed concept and did not need much support in this phase. Many other clients need a lot of support and some clients might come with an idea that is not feasible at all.

#### *Acceptance into the programme*

As a last step in the preparation phase we present the proposals to an independent advisory committee. The advisory committee makes the decision whether a project is accepted for funding under the TAP programme or not. The advisory committee has a consumer majority; it represents multicultural sensitivity, borough representation, expertise in programme, fiscal and business management, experience in mental health and fund-raising and development skills.

The main criteria for funding businesses is their potential for creating work opportunities for consumers. In order to evaluate the proposals, we have developed a comprehensive weighted rating system that takes a series of factors into consideration, such as the feasibility of the business proposal, the capability and experiences of the applicant, his or her support network and the relevance of the proposal for the community.

#### *Ongoing support*

Once the TAP businesses have started to work, INCube provides ongoing technical support in all areas that the business might need, such as establishing an organisational structure, and setting up accounting, legal, marketing and networking support systems. INCube stays in close contact with the businesses and intervenes whenever difficulties might arise. All participating clients also are encouraged to participate in INCube's business development activities, such as the focus groups, seminars and the entrepreneurial living room, which are described below.

## Technical assistance

### *Focus groups*

Currently about 70 clients participate in INCube's different programmes. Some of them already run a business. Some of them are starting one, and some have a business idea and are planning to start their own business at some time in the future. At the beginning of 1998, INCube started to create a series of groups where similar businesses can meet, learn from each other, get input from INCube and start networking.

Each group meets once a month. INCube provides space, INCube staff deliver introductory presentations and foster the exchange of information and expertise among the members of these groups.

### *Seminars*

INCube offers seminars and workshops to enhance entrepreneurial skills. Subjects are chosen according to the levels of consumer interest. Past seminars have included topics such as developing your business plan, marketing your product, work, benefits and PASS (Program for Achieving Self Support) Programmes<sup>4</sup>, systems advocacy and many others.

### *Entrepreneurial Living Room*

The Entrepreneurial Living Room, started as an experiment in the autumn of 1997, turned out to be one of the biggest successes of INCube in the last year. Once a month all clients are invited to come together, present their businesses to others, learn about INCube's current activities and exchange experiences and network in a relaxed atmosphere.

## Who are our clients?

In co-operation with the New York State Department for Mental Health in Albany, INCube started to carry out comprehensive research on all its clients. Data on all clients have been collected over the last few months. The evaluations are based on outcomes such as the jobs and business structures created, capital gains, and the

<sup>4</sup> A PASS Programme permits people who receive social security income to put aside money and assets to help support themselves. The goal of the plan may be to start a business or to get a job.

self-esteem and well-being of clients. Consumers entering INCube's programmes receive questionnaires that are coded to produce data to document the process and outcomes. Businesses are followed up on a yearly basis, and so the first results will be available at a later stage.

So far, INCube has collected information about the situation of 140 clients (including about 60 TAP clients) who have entered INCube's programmes during the last years. Most of the clients are between 31 and 70 years old (74%); 39% are female and 61% are male; 36% are African-American, 61% are Caucasian, 1% are Asian and 2% are Native American.

Most of our clients (87.4%) have a severe, persistent mental illness. They are diagnosed as:

- schizophrenic (29.9%)
- with a major depression (35.1%)
- bipolar disorder (22.4%).

Some 43% of our clients live alone, 20% with their family or relatives, 10% with their spouse and 19% with other people. Their average monthly income is about \$800: the minimum income per month is \$136, the maximum \$3,000.

These are only the first outcomes of INCube's research activities. The figures reveal, however, that INCube works mostly with clients who have to overcome serious psychiatric illnesses. INCube's activities concentrate on a population that, in many cases, is not considered stable enough to find and hold a job in the open labour market or to become self-employed and open their own business.

### Why is INCube successful?

A recent study on vocational rehabilitation services in the United States (Mowbray *et al.*, 1997) concluded that these services often have a poor quality and a high relapse rate. This is due mainly to a lack of understanding of the needs of people with severe mental illness, a lack of awareness in vocational rehabilitation agencies, the time-limitation of the current

programmes and a procedure that concentrates mainly on people who are easy to place.

INCube is fully aware of the special needs of people with severe mental illnesses. INCube staff went through the same experiences themselves. Within its eight years of existence, none of INCube's staff have relapsed. This means that INCube seems to be one of the few programmes that has a very high success rate on a long-term basis. INCube, therefore, knows exactly what kind of support people with severe mental illnesses need to get back to work and to stay there.

INCube takes people with mental illnesses seriously, people who are not taken seriously by other mental health services. At INCube we understand the difficulties that our clients have and we try to work with them to make the best out of their potential, instead of talking their deficits.

INCube is also about choice and ownership. We concentrate on helping people to take back the control over their lives on the basis of informed choices and the specific support they need. We work with our clients on the basis of their own ideas, we help them to realise their dreams and to re-gain control over their vocational situation.

Another important aspect is the peer-to-peer support that INCube provides. INCube staff work as a role model for our clients. INCube does not provide time-limited programmes, but is there for its clients as long as they need support. Another important element of INCube's success is the creation of strong and reliable support networks among clients, INCube and other mental health services.

### Summary

In summary, INCube uses a client-oriented, flexible, step-by-step approach. INCube works as closely as possible with clients, takes their special individual needs seriously and uses all of its know-how, imagination and talent to help clients to become and to stay independent. The TAP programme, for the first time in INCube's existence, gives us the possibility to provide all the support that our clients need. At the same

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time, the TAP programme is, as far as we know, the only one of its kind in the mental health sector and one of the most innovative programmes in vocational rehabilitation for people with mental health problems. Our experiences from the first half-year show that there is a great need and demand for these kind of services. We are very optimistic that the programme will be a great success and we are looking forward to presenting the first outcomes of the new businesses during 1998.

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