

Institution: University of Northumbria at Newcastle		
Unit of Assessment: 17 (Business and Management Studies)		
Title of case study: Improving the performance of Small/Medium Enterprises in North East England through Northumbria University's Business Clinic		
Period when the underpinning research was undertaken: 2014 – 2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Nigel Coates	Principal Lecturer/Associate Professor	01/09/1988 – present
Ed Cottam	Senior Lecturer	01/03/2012 – present
James Cunningham	Professor	01/06/2015 – present
Alireza Shokri	Senior Lecturer/Associate Professor	01/10/2011 – present
Peter Galvin	Professor	01/12/2010 – present
Period when the claimed impact occurred: September 2013 – December 2020		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact (indicative maximum 100 words)		
<p>Research at Northumbria University into competitiveness and productivity of small and medium-sized enterprises (SMEs) identified the lack of specialised and ongoing support for businesses of this type. By filling the gap in provision for growth-focused and accessible support for SMEs, Northumbria University's Business Clinic (NUBC) has created a regional 'entrepreneurial ecosystem' through collaboration with key local stakeholders, such as the North East Chamber of Commerce and the North East Local Enterprise Partnership. Since 2013, 300 SMEs have benefited from the additional expertise worth GBP1,650,000. This has led to benefits including directly contributing to GBP50-70,000 increase in productivity, 100% increases in sales, new products, advertising and marketing plans, creating new jobs, and providing capacity and expertise which would otherwise be unavailable. In order to improve accessibility to the service, NUBC launched the Digitally Enabled Business Clinic (DEBC) in 2018 that has so far helped 47 SMEs, delivering consultancy worth GBP243,178 and leading the UK Department for Business, Energy, and Industrial Strategy to support Northumbria's research and toolkit to create digital business clinics nationwide.</p>		
2. Underpinning research (indicative maximum 500 words)		
<p>Northumbria University's Business School research investigating SMEs combined empirical and conceptual approaches to demonstrate that the barriers to growth and absence of advisory support were under-examined challenges in these businesses [R1-R6]. SMEs are understood as those with fewer than 250 employees and turnover below approximately GBP40,000,000. Northumbria research using a case study format and semi-structured interviews, demonstrated there was a gap in government-provided advice and support between 'start-up' businesses and large established enterprises [R1]. This gap in provision contributes to SMEs being 'time poor' and lacking the resources and financial security to innovate, including 37% of SMEs having too few staff or lacking the skillset for innovation and 27% finding it too challenging having attempted innovation without support [R2].</p> <p>The acquisition of external knowledge is of special value to SMEs, as due to their small size they tend to rely on the scope of the knowledge of the entrepreneur or SME owner [R2, R3]. Northumbria research showed that the existing literature focused on long-term collaborative relationships and the role of trust in these relationships [R3]. However, intensive, targeted consultancies specific to individual business needs as valuable means of knowledge- and skills-transfer, are overlooked in the existing literature [R3]. Intensive consultancies do not have the trust built on existing relationships or long-term collaborations [R3]. An empirical analysis of survey data collected from 293 SME owners was undertaken using confirmatory factor analysis and structural equation modelling and showed that SMEs may lack the resources to develop</p>		

long-term collaborations but be wary of trusting advice from short-term consultancies [R3]. Therefore, any reputational advantage that the advising body has through external endorsement or community-prestige contributes to quickly establishing trust in the collaborative relationships and improves the transmission of knowledge and skills to the SME [R2, R3].

Northumbria University applied these findings and conducted further research into the needs and best methods of supporting SMEs through their Business Clinic (NUBC), established in September 2013 [R1, R2, R4, R5]. This included 60 qualitative semi-structured interviews conducted in two stages, with 30 clients of the Digitally Enabled Business Clinic (DEBC) [R2]. As a result, NUBC switched from a pedagogic focus (delivering direct real-world experience and transferable skills for Business students) to tailoring the support model to meet an emergent need of regional SMEs [R1-R4]. SMEs had been unaware of the support or viewed universities as intimidating or inaccessible to enterprises of their size [R2, R5]. Through a multimedia targeted marketing campaign and working closely with regional organisations such as the *North East Local Enterprise Partnership*, *Santander*, and *North East Chamber of Commerce*, NUBC raised awareness among North East England SMEs that the University could offer this support [R5]. NUBC offered a *pro bono*, intensive, and tailored consultancy service for SMEs who do not have the resources to develop their own skills or knowledge independently.

Alongside this embedded work with North East (NE) regional SMEs and organisations, Northumbria research identified that the literature lacked a theoretical foundation that addresses the development and change of entrepreneurial ecosystems over time. Taking an industry lifecycle perspective, researchers built a dynamic entrepreneurial ecosystem lifecycle framework [R6]. This research demonstrates how targeted, intensive interventions in ecosystem life cycles can deliver important knowledge and skills at key moments, fostering 'intrapreneurship' (innovation within organisations) and entrepreneurship and regional connectivity and support options boosting both SME productivity and economic growth [R6].

The benefits of flexible and cost-effective methods of supporting SMEs were further demonstrated through Northumbria research funded by Innovate UK and the UK Department for Business, Energy, and Industrial Strategy to conduct a regional pilot delivering 47 consultancies with 60 two-stage client interviews and qualitative client surveys [G1]. This research showed that the provision of online consultancies and support could improve accessibility and increase support provision for SMEs [R5]. In 2018 Northumbria University established the DEBC to further research, demonstrate, and provide this flexible means of support. Northumbria continues to deliver online advice and consultancy as a core competency of NUBC, to reach and support SMEs who lack means or opportunity to travel to access the clinic in person [R5].

3. References to the research (indicative maximum of six references)

R1. Alireza Shokri and Nabhani, F. (2015) 'LSS, a problem-solving skill for graduates and SMEs: Case Study of investigation in a UK Business School curriculum' *International Journal of Lean Six Sigma* 6(2): 176-202. DOI: <https://doi.org/10.1108/IJLSS-06-2014-0014>

R2. Nigel Coates and Ed Cottam (2019) *The Digitally Enabled Business Clinic: How universities can improve SME productivity and help them scale-up*, Institute for Small Business and Entrepreneurship conference paper <https://app.oxfordabstracts.com/events/877/program-app/submission/132202>

R3. Geneste, L. and Peter Galvin (2015) 'Trust and knowledge acquisition by small and medium-sized firms in weak client-firm exchange relationships' *International Small Business Journal* 33(3): 277-298. DOI: <https://doi.org/10.1177/0266242613497379>

R4. Albats, E., Fiegenbaum, I., and James A, Cunningham (2018) 'A micro level study of university industry collaborative lifecycle key performance indicators' *The Journal of Technology Transfer* 43(2): 389-431. DOI: <https://doi.org/10.1007/s10961-017-9555-2>

R5. Nigel Coates and Ed Cottam (2019) *The Digitally Enabled Business Clinic: Final Report*, Newcastle: Northumbria University

https://researchportal.northumbria.ac.uk/files/20590214/DEBC_FINAL_REPORT_.pdf

R6. Cantner, U., James A. Cunningham, Lehmann, E.E., and Menter, M. (2020) 'Entrepreneurial ecosystems: a dynamic lifecycle model' *Small Business Economics* (published online 1st February 2020). DOI: <https://doi.org/10.1007/s11187-020-00316-0>

Research funding

G1. PI Coates, CI Cottam, Innovate UK, 2018-2019, GBP44,279 (22526)

4. Details of the impact (indicative maximum 750 words)

SMEs constitute 99% of UK businesses and, as the research has shown, can depend on affordable, accessible, and reliable external support, knowledge, and skills to support the owner. SMEs in North East England are a vital source of employment and growth but suffer below average productivity compared with the rest of the UK, especially London and the South East, inhibiting regional growth and opportunity. Northumbria University research contributed to the NE becoming an entrepreneurial ecosystem which led to productivity- and skills-enhancements for SMEs in the North East of England through intensive consultancies via Northumbria University Business Clinic (NUBC) and the Digitally Enabled Business Clinic (DEBC). Northumbria further created a research-informed report and a toolkit supported by UK Department for Business, Energy, and Industrial Strategy to establish digitally enabled business clinics to better reach SMEs nationwide.

4.1 Enhancing the regional business environment

NUBC research identified the importance of reputation-enhancing with key regional bodies to promote trust and accessibility with local SMEs [R2, R3]. Regional bodies and regional offices of national organisations supporting business, such as North East Chamber of Commerce and the North East Local Enterprise Partnership, have closely worked with NUBC and recommended Northumbria's service to local SMEs. These regional organisations identified the value in increased access to research-informed support, expertise, and skills provided by NUBC in helping regional SMEs innovate.

[text removed for publication] explains the '*NUBC is accessible for businesses who have little access to this kind of support elsewhere... and provides a valuable asset which underpins the success of many SMEs in the North East*' [E1]. [text removed for publication] the region's largest member organisation and representing over 3,000 businesses) established '*regular practice in [text removed for publication] to raise awareness and promote the use of the NUBC among SMEs*' as a result of the service's success [E2]. In order to expand accessibility, NUBC reaches out to smaller regional business support organisations. [text removed for publication], a North East regional not-for-profit organisation supporting the growth [text removed for publication]and operated businesses, are '*proud to work with regional institutions like the NUBC in promoting productivity*' because the '*specialised advice and dedicated support offered by the NUBC provides an invaluable service to the smaller and mid-size businesses in the North East*' [E3].

The NUBC also engaged with larger, national organisations on the regional level. [text removed for publication] a UK-wide retail and commercial bank, prioritises supporting SMEs through their [text removed for publication] programme and have worked with the NUBC through their North East office. [text removed for publication]as '*a regional leader in identifying the need for additional support for SMEs through their research*' and offering '*expert advice to SMEs that meet real regional needs [and] fostering the productivity of SMEs*' [E4]. [text removed for publication] recognises NUBC as a '*key regional partner*' [E4]. [text removed for publication] support and funding organisation for entrepreneurs, works in the North East with NUBC and promotes them to local business-owners as '*an important resource for growing business and entrepreneurs... and a real benefit in helping them improve productivity and growth*' [E5].

The endorsement of regional bodies gives NUBS a reputational advantage in being able to quickly build trust, a key determinant in the efficacy of consultancies with SMEs and contributed to a greater awareness of business support options in the North East. These kinds of partnerships contributed to greater awareness among SMEs of the NUBS support and allowed SMEs to benefit from that support.

4.2 Benefitting SMEs through supporting improved productivity and new marketing strategies and products

Since September 2013 NUBC has provided *pro bono* consultancy to 300 clients worth an estimated GBP5,500 per client (totalling GBP1,650,000) [E3; E6, p8]. 100% of clients confirmed the consultancy services guided their decision-making [E6, p8]. Individual examples from SMEs demonstrate the value of NUBC guidance. [text removed for publication], an award-winning national distillery, has seen a '100% increase in sales' directly attributed to implementing 'research-informed recommendations... on the design of the bottle, labelling, and branding' [E7, p1]. The Managing Director explains, '[w]e do not have the resources or expertise to devote towards these issues, so advice of this kind is invaluable... We never would have thought of this without the Business Clinic' [E7, p1]. [text removed for publication], a small market garden company, explained the benefits of working with NUBC, saying '[b]efore we worked with the Business Clinic we were selling about GBP150 a week, less than GBP8,000 a year. Because of the Business Clinic's advice and expertise they helped us begin Facebook advertising for the first time and we were able to reach a huge new customer base. Now sales through Facebook advertising alone are worth more than GBP20,000 to us!' [E7, p3].

[text removed for publication] training provider with over 150 private, public sector, and third sector clients. In [text removed for publication] stated that as a result of NUBC advice they 'market tested and have developed three new categories of our product' [E7, p4]. Further, [text removed for publication] confirmed the advice and guidance they received from NUBC offering detailed additional information about 'the education market for our specific product... has been worth about GBP50,000-70,000 pay back within the year' [E7, p4]. The guidance received from NUBC became the standard practice for project development and accessing NUBC advice became a part of their business development planning policy [E7, p3].

In some cases, NUBC's consultancy led to the creation of new job roles. Work with [text removed for publication] insurance firm, prompted them to adopt a new online and national marketing plan for their charity division [E7, p8-9]. This new marketing plan has directly led to two new jobs (2 FTE), an enhanced online presence in search engines negating the need for paid placement of advertising on search engines (saving GBP1,000 per month since June 2020), a >300% increase in enquiries, but most importantly to a new bespoke insurance scheme. [text removed for publication] Director confirmed that NUBC 'advice enabled a significant change to our service offering by helping us to create a bespoke insurance scheme which was launched in 2019' and now serves over 1,000 not-for-profit organisations across the UK [E7, p8-9].

4.3 Expanding the accessibility of consultancy support for SMEs digitally

NUBC has been supported by GBP44,279 in funding through Innovate UK (a UK-wide public body driving productivity and economic growth from research) and the UK Department for Business, Energy, and Industrial Strategy (BEIS) to roll out a network of DEBCs nationwide, to enable SMEs across the country to better access support, knowledge, and insights being generated at universities [E8, p1; E9, p13]. As part of the Business Basics element of the Innovation Strategy, designed to improve productivity of SMEs [E9, p4] BEIS and Innovate UK commissioned NUBC to write a 'How To' guide to implement this policy and 'underpin the formation of DEBCs in other regions', published online in March 2020 [E8, section1 p1; see also E6].

Northumbria demonstrated the efficacy of digital support for SMEs through their own DEBC. In 2018-2019 the DEBC worked with 47 SMEs, delivering consultancy worth GBP243,178 to participating SMEs, averaging GBP5,174 to participating clients [E10, p3]. 85% of participants

confirmed the collaboration had '*contributed significantly to the knowledge and/or culture*' of their company, with 91% implementing the recommendations made in their bespoke consultancy report from the DEBC [E10, p26]. These implementations include eight new marketing strategies, three new service design offerings, and three business process innovations [E10, p3]. Examples include a client deciding not to pursue growth into the pharmaceuticals market as he had been unaware of the labour-intensive regulatory environment and, after DEBC advice, decided he did not have the skills or time to meet the demands: '*a sort of one-man band like myself would find it difficult, so that's changed what I'm offering to customers and who I go after*' [E10, p23]. Other benefits to clients are illustrated by research-informed advice on the value of purchasing space on a Chinese server to host a new website for greater penetration into the Chinese market: '*just us in the office with our lack of experience, we probably would have just extended it and maybe offered a translation of what we have at the moment*' [E10, p23].

5. Sources to corroborate the impact (indicative maximum of 10 references)

Ref.	Source of corroboration	Link to claimed impact
E1	[text removed for publication]	<i>Accessibility and support for North East SMEs</i>
E2	[text removed for publication]	<i>Change in policy to promote the NUBC as a key regional resource</i>
E3	[text removed for publication]	<i>Accessibility and support for North East SMEs</i>
E4	[text removed for publication]	<i>Creating a regional culture of growth and entrepreneurial ecosystem</i>
E5	[text removed for publication]	<i>Creating a regional culture of growth and entrepreneurial ecosystem</i>
E6	The Digitally Enabled Business Clinic: How-To Guide. Written for Department of Business, Energy, and Industrial Strategy and Innovate UK published March 2020	Reach and benefits to North East SMEs through NUBC and outcome from E9/E10
E7	[text removed for publication]	<i>Impacts on client innovation and practices</i>
E8	UK Research and Innovation funding document and policy for nationwide digitally enabled business clinics	Northumbria University's DEBC as the model for nationwide roll-out of digitally enabled business clinic supporting SMEs
E9	Department for Business, Energy, and Industrial Strategy: Business Basics Programme Progress report	Northumbria University's DEBC as the model for nationwide roll-out of digitally enabled business clinic supporting SMEs
E10	The Digitally Enabled Business Clinic: Final Report. Written for Department of Business, Energy, and Industrial Strategy and Innovate UK June 2019 (also R5)	Reach and benefits to North East SMEs through Northumbria University's DEBC