



## Business support – fit for the future

Sharing insight and analysis

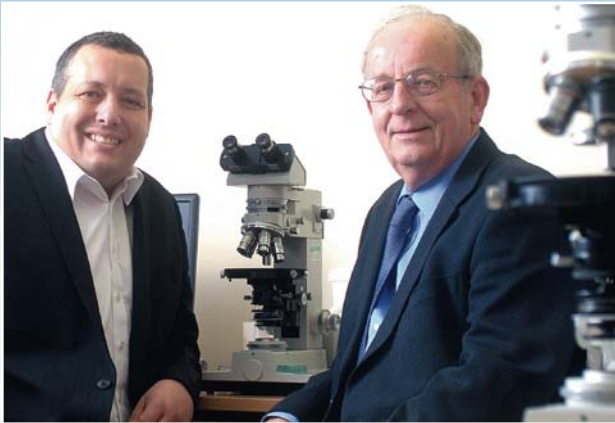
**PENINSULA ENTERPRISE** commissioned three pieces of research in the late spring and early summer of 2011, and this document is a summary of the findings and conclusions.

The research reviewed:

- **Impact and Attribution:** the impact and benefit of the Business Link service in Cornwall and the Isles of Scilly, Devon and Somerset
- **Environment and Sustainability:** the awareness and experience of environmental business support schemes across the three counties
- **The Knowledge Economy in Cornwall and the Isles of Scilly:** assessing impact on the future prosperity and growth of the county.

The aims and content of the three studies were different – but there are common findings that can be extracted as a means of influencing services to help drive business growth.





### WHAT DO CUSTOMERS WANT FROM A BUSINESS SUPPORT SERVICE?

Targeted, relevant and personally delivered

Holistic advice that is relevant leads to a solution.

*"As a small business, I don't want advice on energy reduction, I want advice on my business and the energy-reduction piece to be just one part of it."*

Simplicity and ease of access also rule: businesses are looking for clear, succinct advice that is independent, unbiased and local. And they would ideally like it to be delivered by a real person: *"One-to-one is always best,"* said one respondent. *"It's more immediate and it allows you to find the answers quicker than searching through lots of information. It allows immediate feedback and gives you someone to bounce ideas off."*

Of course, in the current economic circumstances, one-to-one public service delivery is not always a viable option: it is, however, what businesses regard as the most effective channel to meet their needs, followed by:

- events, including seminars and workshops geared to local businesses in a similar field where there is an opportunity to learn from the peer group
- telephone support, providing a consistent point of contact to save time in further research and offer ongoing reassurance.

To gain the full commitment of the small business community, online support must be tailored to individual need and provide a direct route to precisely what the searcher is looking for. The preference for

one-to-one support upholds the approach taken by forthcoming government-funded initiatives such as the Business Coaching for Growth and Volunteer Mentoring schemes, which will be available for businesses that are capable of the greatest potential positive economic impact.

### Peninsula Enterprise recommendation

Achieving the right balance between what the market desires and what is viable is fundamental to success in new service design. In our experience of treading this delicate line, it is possible to achieve very high levels of customer impact through multi-faceted support that focuses on the strength of each delivery channel. A truly balanced approach might involve a mix of public and private sector provision, including tailored advice that in the client's eyes justifies an element of payment.

### ENGAGING BUSINESS

Focus on real savings and other benefits

Building on these findings, it is apparent that a marketing focus on tangible business benefits such as cost-savings or increased profits represents the most attention-grabbing and convincing approach.

It is also vital to realistically position the service with all stakeholders: accurately setting and managing expectations upfront ensures a match between what customers need and what the service can actually deliver.

The right selection and mix of marketing techniques is key to getting service messages across to the right audience, whether through generalist media (e.g. print, broadcast, etc.), events, or by personal means (e.g. phone, email, social media, etc.).

According to the research, the most popular and effective techniques for engaging business interest are:

- case studies on similar local businesses capture attention, particularly when focused on the real savings that they have made through taking environmental and other improvement action

- tailored events that get across information on specific topics and raise awareness of what is on offer
- phone calls, the two-way communication that enables businesses to question and clarify what is available
- emails, provided they are well-targeted, short and to the point with benefits clearly highlighted up-front.

Targeted customer segmentation is critical in both service design and marketing, placing a premium on the ability to identify the different needs and behaviours of different customer groups. The main attributes to consider are the size of the business, its sector, its likely motivation for seeking advice and the levels of support and encouragement that it is likely to require.

#### Peninsula Enterprise recommendation

Ensure a diverse mix of primarily low-cost marketing techniques – but no matter what methods you select, ensure that you talk the language of the target market without descending into jargon. Also, make sure that all communications are targeted at a specific market segment – not at a generic, all-encompassing business audience. Highlighting flexibility for a truly tailored solution promotes the potential for a properly commercial service.

#### ENSURING THE EFFECTIVENESS OF ADVICE AND SUPPORT

Follow-up on progress encourages implementation and drives success

The research revealed some significant differences in the impact of services upon the businesses that were supported.

Overwhelmingly, though, it found that those businesses that took full heed of the advice given and implemented action plans were those that regarded the exercise as most successful. This might seem obvious, but it nonetheless is a key concern that not every business recognises the link between actions and commercial improvements.

#### Peninsula Enterprise recommendation

Above all, the support and advice that is presented must match and be flexible to the needs of the business and the type of business leader(s) involved. It must also be capable of implementation within the business's planning timescales. Wherever possible, advice and action plans must be easy to understand and with clear outcomes. Follow-up on progress is particularly effective at stimulating non self-starters into positive action and gaining the benefits of support – it is the adviser's responsibility to highlight the links between recommendations, action and the benefits to be gained. Successful outcomes occur when the adviser can motivate businesses to take positive steps.

#### FUNDING – ACCESSING RELEVANT, PRACTICAL SOLUTIONS

Overcoming the key barriers to action

It is hardly surprising that businesses prefer grants to loans, and that they see funding as a positive step to implementing improvement initiatives. But, as the research shows, it is not always as simple as that. For example, they often find it hard to complete work within the time constraints of a funding contract, particularly if they are reliant on other contractors to supply or install equipment. Some concerns were also expressed about the amount of paperwork involved in the application process; and a commonly cited barrier to progress was the difficulties involved in raising match-funding if levels are set too high.

#### Peninsula Enterprise recommendation

A business support service needs to match all funding stipulations to the individual circumstances of every business. Providing tailored, holistic advice that covers all potential sources of funding and other forms of finance is a valuable service, provided all information is relevant and of practical use to the recipient. When match-funding is involved, it is vital to get the balance right between a value that is set too low (and therefore seen as not worth the effort of application) and one that is too high (and perceived as off-puttingly tough to match).



## SECTOR SEGMENTATION

Building the knowledge economy for high-value employment

The research also identified that the concentration of support efforts on to the particular needs of key knowledge-intensive sectors will deliver a disproportionate beneficial impact across the Cornish (and, by inference, the wider South West) economy.

The four sectors which have potential employment opportunities include:

- low-carbon goods and services, supporting the transition of the economy
- creative industries, requiring greater investment in high-speed broadband and greater employment of creative arts graduates
- high-tech services, particularly those linking businesses and exchanging knowledge
- advanced manufacturing, where advanced technology and high-value services come together.

## Peninsula Enterprise recommendation

In addition to focusing on individual businesses within these sectors, support should be aimed at building the success of clusters of such employment and expertise across the region. Efforts should also be made to identify those 'anchor institutions' – major sites like Cornwall's Eden Project – that can form the heart of networks delivering financial, intellectual, market, social and cultural benefits. Not only should these institutions be thinking about how they can better support entrepreneurialism and high-value employment, they should also be used as a catalyst for new business networks, university links and infrastructure investments like broadband connectivity and other new facilities. The provision of a strong local networking infrastructure, potentially via an umbrella organisation acting as a catalyst for change, would overcome any danger of isolationism and strengthen shared benefits across the region.

Peninsula Enterprise is committed to supporting the economic and social development of the South West. Based in the heart of the region, we work in partnership with the public and private sectors to develop solutions and deliver services that inspire change and drive growth. In Cornwall and the Isles of Scilly, Devon and Somerset, Peninsula Enterprise delivers a range of Government and EU funded business support services.

