

<b>Institution:</b> Newcastle University		
<b>Unit of Assessment:</b> 17 Business and Management Studies		
<b>Title of case study:</b> Implementing an innovative method of learning for micro-businesses across a range of contexts: enhancing capabilities, performance and policy awareness		
<b>Period when the underpinning research was undertaken:</b> 2015–2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Dr Fiona Whitehurst Dr Paul Richter	Senior Lecturer in Management Lecturer in Innovation and Entrepreneurship	2006 to date 2005 to date
<b>Period when the claimed impact occurred:</b> 2016–2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<p><b>1. Summary of the impact</b></p> <p>This case demonstrates how funding, leveraged from national and regional agencies, has stimulated lasting impacts for micro-businesses, and had far-reaching implications for the design and delivery of micro-business support. Newcastle researchers used their collective research expertise on business engagement and micro-businesses to co-produce, deliver, and evaluate an innovative intervention with over 130 micro-businesses and 30 larger businesses in North East England. The intervention partnered each micro-business with a ‘mentor manager’ from a larger local firm through a series of researcher-facilitated workshops. It resulted in enhanced capabilities and improved performance over time for the micro-businesses, policy learning, and enhanced capabilities of ‘mentor managers’. Further research conducted during the COVID-19 pandemic has supported 20 businesses to build their resilience and adaptability.</p>		
<p><b>2. Underpinning research</b></p> <p>Research funded by the UK Commission for Employment and Skills (UKCES) (Grant 1) and the North East Local Enterprise Partnership (NELEP) (Grant 2) enabled Whitehurst and Richter to co-produce, pilot and evaluate an innovative short-term intervention to support the development of micro-businesses. This was novel research as micro-businesses (employing 0–9 people) are a significantly under-researched subset of small and medium-sized enterprises which face particular challenges associated with their lack of resources (time, people and finance). The research underpinning the intervention was innovative as it explored how the concept of ‘anchor institutions’ – organisations that in addition to their main function make a strategic contribution to their local economy – can be broadened to include private sector organisations playing a role in their locality by supporting micro-businesses (PUB1). The research-based intervention, known as ‘Captured’ in its initial iteration, was co-produced through ‘engaged scholarship’. It was pioneering as it was, to the researchers’ knowledge, the first intervention developed by an academic team to demonstrate that, contrary to received academic wisdom, managers from large firms can play a role in supporting the development of micro-businesses (PUB2).</p> <p>The development of the intervention capitalised on Whitehurst’s research expertise in business engagement (e.g. Grant 3), and the role of universities in regional development (PUB 3), and built on Richter’s in-depth qualitative research with small firms (PUB4; Grant 4). To enable a practice-informed approach, the Newcastle team partnered with the SFEDI® Group, the UK government’s recognised Sector Skills Organisation for enterprise and business support, and Leigh Sear, Chief Executive of SFEDI® Solutions Ltd, who has 20 years’ experience of supporting enterprise development at national and international level, to co-produce the ‘Captured’ model of business support. The ‘Captured’ model involves a short-term intervention, comprising four half-day facilitated workshops spaced over two months. For workshops two and three, the micro-business owner (MBO) is paired with a manager from a larger regional firm. The pilot was both facilitated and researched by Whitehurst and Richter, in conjunction with Sear. Through running six iterations of the intervention over the initial nine-month period of the funding (Grant 1) and conducting follow-up interviews, focus groups and surveys, Whitehurst,</p>		

Richter and Sear explored how NUBS acted as an 'anchor institution', able to encourage private sector businesses in the region to take part; what motivated the micro-businesses and managers from the private sector businesses to participate; and, most significantly, the learning process through which the MBOs developed themselves and their businesses (PUB1,2).

PUB5 provides a rare in-depth empirical study of the learning processes of micro-business owners, obtained from researching the intervention over a three-year period. It identifies three key themes in designing support interventions for micro-businesses. First, the *learning setting*, where universities and business schools have a convening 'power' that enables them to recruit both the micro-businesses and the large firms required for the 'Captured' model, and also have particular characteristics that can facilitate openness, honesty and empathy. Second, the *learning process*: the innovative combination of learning opportunities (one to one with the large firm 'mentor', learning from peers, and informal conversations), based on listening and questioning, feedback and challenge. This was novel, valued, and 'forced' the business owners to reflect, which the literature notes micro-businesses do not usually have time to do. The process was found to offer the challenge and accountability provided in larger firms by non-executive directors, but rarely experienced by micro-business owners. The finding that managers from large firms can play a significant role in the learning process is novel as most literature suggests large firms are not an appropriate source of support for small businesses. Finally, the *learning outcomes*, where certain common themes were detected, including gaining a stronger identity as a business owner with more confidence in decision making and renewed focus and drive.

The original research has built a community of MBOs to such an extent that from May 2020, Whitehurst conducted further research with 20 of the MBOs: they were interviewed and committed to producing weekly videos reflecting on their experiences during the pandemic.

### 3. References to the research

The underpinning journal articles are published in a leading international small business and entrepreneurship journal which utilises a rigorous peer-review process. The 2018 conference paper received a 'best paper in track' award. The initial grant funding for 'Captured' was awarded following a highly competitive commissioning process, and built on a successful track record of securing ESRC grant funding.

1. Mallett, O., Richter, P., Whitehurst, F., and Sear, L. (2016) 'Reconceptualising anchor institutions: a new direction for regionally focused small firm support'. In: *ISBE 2016 Institute for Small Business and Entrepreneurship*. Paris, France (available on request).
2. Whitehurst, F. and Richter, P. (2018) 'Engaged scholarship in small firm and entrepreneurship research: Grappling with Van der Ven's diamond model in retrospect to inform future practice'. *International Small Business Journal*, 36(4), 380–399. <https://doi.org/10.1177/0266242618758155>
3. Whitehurst, F., Siedlok, F., and Race, J. M. (2008) 'Reach-in and Reach-out: The story of the MSc in Pipeline Engineering at Newcastle University', *International Small Business Journal*, 26(6), 709–733. <https://doi.org/10.1177/0266242608096090>
4. Pollard, J. S., Richter, P., Down, S., and Ram, M. (2018) 'Financialisation and small firms: A qualitative analysis of bio-science and film and media firms', *International Small Business Journal*, 36(3), 247–264. <https://doi.org/10.1177/0266242617741340>
5. Whitehurst, F. and Richter, P. (2018) 'Stimulating learning in micro-business owners through introducing external perspectives'. In: *ISBE 2018 Institute for Small Business and Entrepreneurship*. Birmingham (available on request).

### Grants and Other Funding

	Grant Title	Funder/Sponsor	Dates	Amount GBP
1	UK Futures Programme (UKFP): Captured (PR17838)	UK Commission for Employment and Skills	October 2015 – June 2016	133,000
2	Captured: Phase 2	North East Local Enterprise Partnership	March 2017 – November 2017	14,750

	Grant Title	Funder/Sponsor	Dates	Amount GBP
3	Exploiting the potential of the Subsea Energy Cluster in the North East of England	ESRC	April 2008 – May 2009	75,300
4	Situating small business regulation: A longitudinal study of how small firms receive, understand and respond to regulation	ESRC	November 2009 – June 2012	188,689
5	Enabling anchor institutions to support women's enterprise in the West End of Newcastle	Newcastle ESRC Impact Acceleration Account	January 2020 – October 2020	4,811

#### 4. Details of the impact

Across all OECD countries, between 70% and 95% of all enterprises are micro-businesses, and the figure for North East England is 95%. 'Captured', developed through research at Newcastle, was recognised in 2018 by AACSB International (a non-profit association which accredits more than 840 business schools worldwide) as one of 30 initiatives in their 'Innovations that Inspire Challenge' [IMP1], and the model has had significant short-term and long-term impact on the businesses it has supported. It has also been a source of policy learning and awareness and influenced the practices of the managers who have supported the micro-business owners.

#### Enhancing the Capabilities of Micro-Business Owners

Since 2016, 'Captured' has recruited more than 120 micro-businesses owners (MBOs), matching them with managers from over 30 large regional businesses, including Virgin Money, Sage plc, HSBC and IBM. To ascertain changes in their capabilities, several weeks after participation the MBOs were asked questions in a survey adapted from the European Union's EntreComp framework [IMP2]. This was completed by 52 participants. As a result of participating, 94% agreed or strongly agreed that they were more able to believe in themselves and keep developing; 88% were more able to 'communicate a compelling value proposition'; 87% to 'stay focused and not give up'; 79% to 'prioritise, organise and follow-up'; and 88% to 'reflect and learn from both success and failure'. When asked if they would recommend 'Captured' to a fellow MBO, the average score was 9.1 out of 10.

Quotes evidencing increased confidence and belief, and a subsequent increase in performance, included the following: *'I've been able to take myself and my business more seriously. It has springboarded me onto other areas of work that I had considered were out of my reach'* [IMP2#15]; *'I have been confident enough to put my prices up'* [IMP2#12]; *'Boosted confidence, made new business contacts, increased sales'* [IMP2#21]; *'Certainly helped me gain confidence and clarity. I've learnt to business forecast and plan for events more successfully'* [IMP2#40].

Many participants described how their decision making had improved, and that they had gained a drive to move forward, predominantly emanating from discussions with the manager from the larger organisation. This is identified in these illustrative quotes: *'The process has given me the perspective to make some big decisions and the confidence to push through with them'* [IMP2#29]; *'Captured allows you time to focus on working on the business instead of in the business, with the support of industry professionals who can see the bigger picture and help direct and motivate your actions to achieve success in chosen areas'* [IMP2#39]; *'Captured has given me a lot more confidence to develop myself and business ... I have a far better idea of planning and the steps needed in developing the business'* [IMP2#27].

Micro-business owners are frequently criticised for insufficient strategic planning, but many participants emphasised the benefits of 'Captured' in terms of planning and structuring their business: *'We now have a detailed plan of the growth objectives of the business and the strategy to employ to achieve them'* [IMP2#38]; *'It's enabled me to gain some traction*

*developing our business plan and I'm better able to articulate the vision (and what it means!) to my fellow business partners and employees' [IMP2#25]; 'My mentor helped me to view the organisational aspect of my company in a very pragmatic way and help to structure how it can move forward in an efficient manner' [IMP2#22]; 'We now "capture" our sales figures on a daily basis. This has given us an insight into our performance. It has also enabled us to act quickly if sales have fallen and has given us the confidence to finance more equipment and take on a new member of staff in the run up to Christmas' [IMP2#52].*

Other examples of impact were more personal. A 2019 participant, already coping with long-term post-traumatic stress disorder, had permanently lost her speech due to an attack outside her shop in 2018. She was concerned about taking part as she struggled to go to unfamiliar venues on her own but, due to the supportive environment that 'Captured' created, she completed the programme. Three months later she sent an email [IMP3a]: *'I thought you would like to know that I won an award this week, the entrepreneurial spirit award at the regional finals of the great British entrepreneur awards ... Doing capture [sic] has definitely made me realise I do have skills and perseverance that others don't have. It's also given me the confidence to do more.'*

### **Longer-Term Impacts on Business Performance**

There is evidence that the impacts of 'Captured' are sustained and that business owners attribute the improved performance to their participation. In a follow-up survey conducted in 2020, participants were asked about changes they had made to their business practices as a consequence of participating in 'Captured'. Examples included: *'growing class sizes and marketing opportunities. It also gave me confidence to implement changes, for example bringing in new teachers to enable growth' [IMP4#16]; 'Generally utilising technology more. Installing a practice data management system and diary. Installed new software and harnessed new NHS e-payments system which allowed us to go paperless for NHS payments. Saving significant admin time' [IMP4#12]; 'The main change has been in my role where I made a conscious decision to step away from getting involved in every day-to-day activity and solving every problem' [IMP4#15]; 'we import our fair-trade goods directly from the makers now. This gives us more flexibility and allows us to pay the makers better prices' [IMP4#2].* When asked whether they had gained customers or clients from participating, 9 of the 16 respondents said they had. Illustrative quotes included: *'Yes without doubt the business grew, we increased our numbers of classes and customers attending by over 20%' [IMP4#16]; 'I have gained two clients as a direct result of the Captured programme' [IMP4#8].* Others identified indirect effects: *'I have used the lessons gained to deliver successful pitches for work' [IMP4#11]; 'Our team has also grown significantly ... Whether this growth is directly attributable to Captured is hard to say, but Captured definitely provided the space to think more about the business and the on-going conversations with my mentor helped to keep this discipline' [IMP4#15].* There are examples of longer-term relationships developing; for example, *'I have continued to work with [my mentor] beyond the programme, developing business growth planning and governance. The positive impact on [the business] and relationships with my fellow directors and staff has been invaluable' [IMP3b].*

### **Impacts on regional, national and international policy learning and business support**

Regionally, the North East Local Enterprise Partnership has been influenced by 'Captured'. Their Business Growth Director notes: *'We have been involved with 'Captured' from its inception, including providing funding to continue the UKCES pilot and being an integral part of its industry chaired steering group. Seeing the results from Captured, where there was evidence that, contrary to what might be expected, small firms could benefit from being paired with managers from larger firms ... encouraged us to be involved in an early pilot of the UK Government backed Mentoring for Growth programme which matches experienced business professionals with the leaders of small and medium-sized businesses' [IMP6].* The 'Captured' intervention was successfully adapted by Whitehurst and Richter as part of a European Regional Development Fund project to work with micro-businesses in the creative sector, and supported a further 12 micro-businesses in North East England. In 2019 funding was secured to develop the intervention in partnership with a local charity to deliver it to women in deprived areas across North East England, although this has been paused due to the pandemic. 'Captured', as a project funded by UKFP, was required to deliver policy learning for future national business

support interventions [IMP7, p. 27]. One lesson, specifically from the ‘Captured’ project, was that it was *‘apparent that the larger firms could benefit from being involved in these types of programmes’* [IMP7, p. 5]. A longer-term evaluation published in 2019 noted that for the larger businesses in ‘Captured’, *‘the act of mentoring a smaller business encouraged greater self-reflection of their own performance or business management practices and helped to keep the larger businesses engaged in the project’* [IMP8, p. 22]. Internationally, ‘Captured’ was cited in a May 2018 report by IFF for the British Council as a potential model that could be used during their five-year Creative Spark programme [IMP9]. Overall, ‘Captured’ has become a recognised novel model of micro-business support, emerging from a small pot of funding, which has leveraged in substantial valuable private sector time.

### **Influencing the practices of the ‘mentor’ managers from the larger firms**

As detailed above, there is evidence from independent evaluations that the ‘mentor’ managers and their businesses benefitted; this is also evidenced by from case studies commissioned by the ‘Captured’ team. Representative quotes from case studies [IMP5] show that the managers felt their management practices had been positively influenced by taking part. The Commercial Director of a regional bus company felt ‘Captured’ had *‘highlighted the importance of making time to step back from the day to day operations of running a business, to give yourself headspace and much needed strategic thinking time’*. A lawyer said it had been *‘fantastic for my personal development. To actually be able to apply what I do on a day-to-day basis to benefit somebody has been absolutely brilliant.’* Another experienced manager said: *‘I know that it built my confidence in my own skill set and the ability to offer good guidance’*. ‘Captured’ also helped the managers understand issues faced by small firms in their supply chain and customer base: *‘The programme has also been beneficial in enhancing my own role at Virgin Money, helping me gain a deeper understanding of the issues facing our supply chain of small businesses’* [IMP5].

### **Supporting micro-businesses through pandemic times**

As mentioned above, further research has been undertaken with 20 of the MBOs in 2020. The FSB (Federation for Small Businesses) estimates that at least 250,000 small businesses will go out of business in 2021. However, the video reflections produced as part of the research have helped participants build confidence and resilience, adapt to an ever-changing situation and make difficult decisions which will help them survive. Unsolicited emails [IMP10] include comments such as *‘Thank you so much for all your support and helping to build confidence and resilience in we small business owners’*, and *‘It’s really useful to keep reviewing and reflecting on this situation and the best way to adapt and progress going forward’*. In the 2020 follow-up survey, one MBO said that participating in the research was *‘like therapy, through the darkest of times and helped me immensely. It helped me clear my mind, assuage my grief and clarify the need to make difficult decisions in the best interests of saving the business’* [IMP4#12].

## **5. Sources to corroborate the impact**

**IMP1** [AACSB Innovations that Inspire Challenge 2018](#)

**IMP2** ‘Captured’ Follow-Up Survey combined responses 2016–2019

**IMP3a and 3b** Participant emails dated 31 October 2019 and 16 February 2021

**IMP4** ‘Captured’ Longer-Term Impact Survey 2020

**IMP5** ‘Mentor manager’ case studies featured on the [Newcastle University Captured website](#) and [YouTube](#)

**IMP6** Testimonial: Business Growth Director, North East Local Enterprise Partnership, 23 February 2021

**IMP7** 2016 [Evaluation of the UK Futures Programme: Final Report on Productivity Challenge 5](#)

**IMP8** 2019 [Evaluation of co-designed programmes for boosting productivity: a follow-up of selected UK Futures Programme projects](#)

**IMP9** [Creative Spark: Higher Education Programme: Driving creative enterprise: analysis of UK higher education and partnership potential for Wider Europe: A report for British Council](#) 2018

**IMP10** Unsolicited emails (various from July–December 2020)