

**Institution:** University of Central Lancashire

**Unit of Assessment:** UoA 17 Business and Management Studies

Title of case study: <u>Building networks to collaborate with small and medium-sized</u> <u>enterprises</u>, <u>students and regional government</u>, <u>creating mutual benefit and impact</u>

Period when the underpinning research was undertaken: 2007-2017

Details of Staff conducting	the underpinning research from	the submitting unit:
Name(s):	Role(s) (e.g. job title):	Period(s) employed

Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Professor Robert Richie	Director, Institute for Innovation, Enterprise & Entrepreneurship	02/2004 - 11/2013
Dr Lorraine Dacre-Pool	Principal Lecturer, Centre for Excellence in Learning and teaching (CELT)	09/2005 - present
Peter John Sewell	Principal Lecturer, CELT	10/1998 - 04/ 2014
Professor Phillip B Whyman	Director of the Lancashire Institute for Economic and Business Research	01/1999 - present
Professor Susan Smith	Chair, Centre for SME Development (CSME)	08/2015 - present

Period when the claimed impact occurred: 2008-2020

Is this case study continued from a case study submitted in 2014? N

#### **1. Summary of the impact** (indicative maximum 100 words)

The Centre for SME Development (CSME) has capitalised on GBP22,500,000 of cross-university funding which has assisted 1,744 SMEs, created 236 jobs and generated an annual GVA of GBP15,000,000 [B]. This significant economic impact has led to the CSME being highlighted in the UK's Industrial Strategy for responding to business needs. The former Minister Jo Johnson commended everything that had been achieved by CSME as "**impressive initiatives.**" [C] Research conducted by the CSME has directly influenced Regional Government industrial and economic strategies, with Preston being described as the UK's most improved city in 2018. Through the creation and implementation of the CareerEDGE model and the development of the Propeller scheme, the CSME has also created, supported and nurtured long-lasting student start-up businesses, ranking consistently highly in this area.

## **2. Underpinning research** (indicative maximum 500 words)

Richie's ESRC-funded research in 2007 evaluated the effectiveness of existing approaches to knowledge exchange between Small and Medium-sized Enterprises (SME) and Higher Education. The development of an 'Engagement Progression Framework' recommended how effective partnerships could be established [1]. Whyman drew upon one of its key findings, namely the pivotal role of networks and clusters in SME engagement, to establish the ESRC-funded SME network known as The Knowledge Network for Business (K4NB), which was in place from 2012-2014. This provided masterclasses to 75 local business leaders, drawing upon action learning and research relating to access to business finance, human resources and dispute resolution, marketing and flexible work organisation. Positive feedback from this initiative, measured by satisfaction and business performance data, led directly to the later

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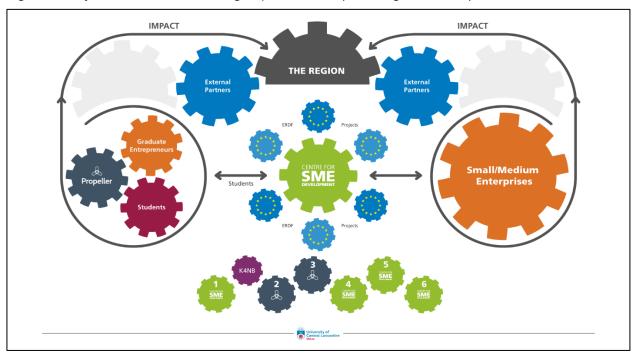
development of CSME with a subsequent paper on SMEs and workplace flexibility [2]. In parallel, research conducted by Dacre-Pool and Peter Sewell developed the CareerEDGE model of graduate employability. It was the first such model to give Emotional Intelligence a prominent position in the concept of employability [3]. The practical result was the development of the University of Central Lancashire's Propeller business-incubation and student-enterprise unit to further support student and graduate enterprise and employability, using the CareerEDGE approach as the foundation of its interactions. Propeller is located within CSME, where SMEs and students connect for mutual benefit. Smith was recruited to CSME in 2015 to build upon earlier successes and to draw upon her long-standing record of SME research and business support practice, particularly around building peer-learning communities to enable business growth and regional economic development. Collaboration between Smith, Professor Steve Kempster (University of Lancaster) and Dr Stewart Barnes (Chief Executive Officer at QuoLux<sup>™</sup>) has antecedents in their joint work on the LEAD management programme. established in 2004. This continues to examine the role of educators in developing entrepreneurial leadership learning and the ethics of care through utilisation of SME peerlearning communities [4,6]. This work had significance for theory and practice in respect of understanding the dynamics, challenges and opportunities involved in the construction and ongoing maintenance of peer networks. It also addresses how to stimulate entrepreneurial leadership learning which, in turn, has an impact on the regional economies in which the SMEs reside. The practical outcome was CSME's creation of a growing SME membership package of currently 1,000 SMEs, to deepen existing knowledge exchange networks and create award winning Communities of Practice [G].

CSME's engagement with policy stakeholders in the regional economy resulted in the Lancashire Enterprise Partnership (LEP) and Lancashire County Council (LCC) commissioning research by Smith and Whyman to identify the drivers of productivity within the Lancashire economy [5]. Recommendations were made that research evidence suggested could improve productivity performance, particularly relating to the SME community. The findings were used by the LEP and LCC as part of the evidence-base for the region's Local Industrial Strategy and Strategic Economic Plan [E].

- 3. References to the research (indicative maximum of six references)
- 1. Richie, R. (2008) 'Higher Education and Business Engagement. Effectiveness, barriers and Challenges' ESRC/ISBE Report
- 2. Whyman, P.B. and Petrescu, A.I. (2015), Workplace flexibility practices in SMEs: Relationship and Performance via Redundancies, Absenteeism and Financial Turnover, *Journal of Small Business Management*, Vol. 53, No. 4, pp. 1097-1126.\*
- 3. Sewell, P. & Dacre Pool, L. (2010). 'Moving from conceptual ambiguity to operational clarity: employability, enterprise and entrepreneurship in higher education. *Education and Training*, 52 (1) 89 94.\*
- 4. Smith, S. and Kempster, S. (2019) "In whose interest? Exploring care ethics within transformative learning". *Management Learning*, Volume: 50 issue: 3, page(s): 302-318\*
- 5. Smith, S. & Whyman, P.B. (2018) '*Productivity in Central Lancashire*'. Report commissioned by the Local Economic Partnership (LEP).
- 6. Barnes, S., Kempster, S. and Smith, S. (2015) *Leading Small Business: Business Growth through Leadership Development*. Edward Elgar ISBN: 978 1 78347 549 0
- \* indicates peer-reviewed publications All outputs can be supplied by the HEI on request
- 4. Details of the impact (indicative maximum 750 words)



CSME is business led, responding to the needs of the SME community from pre-start-up/fledgling SMEs via 'Propeller' through to established SMEs stimulating innovation and growth. Our starting point is to ask: "What is right for the SME?". CSME facilitates the engagement of SMEs across the university with academics, business support projects, research, students and graduates. It also shapes government responses to productivity challenges in the region in a cyclical manner, enabling impacts for all (see diagram below).



# **Local and National Policy Impact**

CSME's research and business-support activities have been recognised by the former Universities and Science Minister, Baron Johnson of Marylebone, as "impressive initiatives" [C] and have been highlighted as responding to business needs and local opportunities by UK Government [A]. It has also been described by George Osborne (then MP and Chancellor of the Exchequer) as "chiming with the Government's approach to business support" [H]. Smith was invited on the LEP's Business Support Management Board, enabling her to inform policy debate and to have an impact via influencing practice among Regional SME support organizations.

CSME works closely with Regional Government, policy makers and business support organisations. The interdisciplinary research for the LEP and LCC addressed productivity issues in Lancashire, which has been used to inform business-support initiatives through Lancashire's Growth Hub. According to Lancashire County Council, this work has "directly influenced the development of the emerging Local Industrial Strategy which responds to the challenges set out in the National Industrial Strategy, including raising productivity rates across the UK. It has also been used as part of the evidence base for Lancashire's refreshed Strategic Economic Plan" and "has informed the deployment of government funding by the LEP, as well as in the selection of Lancashire's strategic investment propositions aimed at improving productivity levels and increasing employment. These 'shovel-ready' propositions recently forwarded to Government represent a combined investment of £38m to support the levelling-up agenda in the UK." [E]

#### **Economic Impact**

CSME is dedicated to making an impact by creating tangible connections in the local social and economic ecosystem and brokering collaborations between the university and SMEs. The Director of CSME is a founding member of North West Mutual, a Regional cooperative bank with the social mission of serving the financial needs of ordinary people, community groups and small and medium sized companies, including cooperatives. CSME is a key driver to changes in the

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business base in the region, via its research, networks and ecosystem building. As a result of this, significant economic changes have taken place. For example, data produced by the Office of National Statistics (ONS) show that whereas in July 2013-14, 26.7% of Lancashire's population wanted a job, the equivalent figure for 2018-19 was 15.8% [F]. ONS indices also show that the GVA per-hour-worked between 2014 and 2017 increased by 7.1 points in the LEP area [F]. This was the single largest increase of all 38 LEPs in the UK; the average increase among the other 37 LEPs was 1.1 points and the next largest increase (achieved by Greater Birmingham and Solihull) was 4.3 points. Research was conducted by the accountancy firm PricewaterhouseCoopers and the thinktank Demos. This used a range of measures including employment, workers' pay, house prices, transport, the environment, work-life-balance and inequality to rank 42 UK cities. It found that Preston had improved the most in its 2018 Good Growth for Cities index. The CSME's work has been attributed to having contributed to this [F].

### **Impact on SMEs**

The CSME facilitates the engagement of SMEs with the University of Central Lancashire's holistic business support offer, creating an internal hub of projects, each based on topical and specific research findings and facilitating the sharing of academic best practice and innovative solutions to business problems. Through delivery of its own European Regional Development Fund (ERDF) projects and signposting SMEs to business support-projects across the University, 1,744 enterprises have been supported by funded ERDF and European Social Fund (ESF) business-support projects and in these enterprises, 488 new jobs have been created. This equates to a gross annual GVA contribution of GBP15,000,000, based on the average level of GVA per FTE in the Lancashire economy [B]. As one SME owner, Anne-Marie Craven of Cafe2U has noted: "The help has had a real impact on my bottom line and on the way that I think and approach the business.... I am not just thinking outside the box but I've removed the box (a line I picked up at a Centre event). My business model has changed completely, I am in an exciting phase where I have two further opportunities in the pipeline. I would not be in this position without the valuable support provided by the Centre." [J]

### Impact on Graduate Enterprise and Employability

The CareerEDGE model has been a worldwide success and established Dacre Pool as an expert in the area of graduate employability, with her expertise sought widely, including by AdvanceHE and the Department for Education. The model aims to explain in a clear and practical way that employability encompasses personal, educational, career and professional development and is not solely concerned with the 'job getting' elements. The CareerEDGE model is widely cited and adopted by academic staff at other universities in the UK and worldwide, with CareerEDGE being used extensively by Careers staff and students across the UK. Dr Doug Cole at Nottingham Trent University highlights the impact of the CareerEDGE model, stating: "I have continued to use CareerEDGE as an exemplar model when explaining to people what really matters for graduate employability over the last 13 years, highlighting the importance of this piece of work and the fact that it really hasn't dated at all. It is broad enough to still be entirely as relevant today as the day it was written" [I]. It has been incorporated at institutional policy level at the University of Central Lancashire, embedding employability into the curriculum.

The University of Central Lancashire's Propeller service works with the university's students, partners, graduates, staff and CSME development members to support people looking to start businesses and offering further support to these businesses throughout their first three years of trading. Propeller offers expert coaching and mentoring to students via skills and knowledge workshops, networking events and business advice clinics which cultivates enterprise skillsets and student start-ups. Additionally, it provides an online platform which connects 139 freelance working students and graduates to the region's business community. In the 2017 annual HEBCIS survey Graduate Start Up metrics [D], the University of Central Lancashire ranked first across all universities for the indicators 'number active' and 'number active after three years', second across all universities for 'estimated employment of active firms', third across all universities for 'the

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number of graduate spin-offs established'. Founder of the small business Beer Candle UK, Katie Wright highlights the impact of Propeller's mentorship, stating: "12 months ago, I would have been really worried about setting up a business or pitching for funding but the support I've received from Propeller has helped me to become more confident and excited about trying the new opportunities that the business has brought me. Without the UCLan support, I probably wouldn't have set the company up as a proper business. The belief that the help the team and my mentor...have given me will help the company continue to grow." [J]

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

[A] HM Government, (2017) Industrial strategy: Building a Britain fit for the future (see p.81) URL:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf Accessed 17/02/2021

- [B] Independent evaluation of ERDF/ESF business support projects by ekosgen (2020)
- [C] Jo Johnson's (Universities and Science Minister, 2017) speech at the Hefce conference
- URL: <a href="https://www.timeshighereducation.com/blog/full-jo-johnson-speech-hefce-annual-conference-2017">https://www.timeshighereducation.com/blog/full-jo-johnson-speech-hefce-annual-conference-2017</a> Accessed 17/02/2021
- [D] Funding Benchmarks report: University Business Interaction Intelligence for UCLan
- [E] Letter of support from Lancashire County Council
- [F] Regional Economic Impact Pack
- [G] International award for internal knowledge exchange initiative of the year, 2020 by PraxisAuril and Times Higher Education awards, 2019 and Propeller (nee Northern Lights)
- [H] Letter from George Osborne, MP and Chancellor of the Exchequer as of date of letter
- [I] Pack CareerEDGE
- [J] Pack with case studies of Propeller and CSME