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| <b>Institution: 10007140 Birmingham City University</b>   |   |  |
| <b>Unit of Assessment: 17. Business and Management Studies</b>  |   |  |
| <b>Title of case study:</b> Promoting Sustainable Performance (PSP) for Small and Medium-Sized Enterprises (SMEs)   |   |  |
| <b>Period when the underpinning research was undertaken:</b> 2010 to 2020   |   |  |
| <b>Details of staff conducting the underpinning research from the submitting unit:</b>  |   |  |
| <b>Name(s):</b><br>Mark Gilman<br><br>Jacob Salder<br>Hatem El-Gohary<br>Javed Hussain<br>Cindy Millman   | <b>Role(s) (e.g. job title):</b><br>Professor of SME Growth and Development<br>Research Fellow<br>Professor of Marketing<br>Professor of Finance<br>Associate Professor in Business | <b>Period(s) employed by submitting HEI:</b><br>2015 to present<br>2015 to 2019<br>2009 to present<br>1990 to present<br>2004 to present |
| <b>Period when the claimed impact occurred:</b> 2016 to 2020  |   |  |
| <b>Is this case study continued from a case study submitted in 2014?</b> No   |   |  |
| <b>1. Summary of the impact</b><br><br><p>Birmingham City University has had a profound impact on SME growth. Key to this has been its PSP diagnostic, which has been the basis for 630 practical SME interventions in the UK (predominantly in the West Midlands), 396 interventions in Canada, and 351 interventions in Indonesia. Working with national and local governments, and NGOs, PSP has provided direct support to firms, with dissemination in workshops, one-to-one interventions, and a diagnostic report. It has been used in four funded West Midlands projects, and one of those alone is estimated to have created £2.5M GVA and 118 jobs in the regional economy.</p>   |   |  |
| <b>2. Underpinning research</b><br><br><p>Researchers in the Business School's Centre for Enterprise, Innovation and Growth (CEIG) have been undertaking applied research on SMEs that has enhanced our understanding of business practices linked to firm growth. Through its research, CEIG has built and extended a set of tools with the specific objective of connecting business research and practice. Key to this has been the development and application of the PSP diagnostic (<b>R1</b>), and this innovation makes three contributions: (1) it incorporates a model of SME growth which examines firm objectives; (2) it models SME context and environment in the growth model; (3) the diagnostic provides metrics which guide the SME in their strategic decision-making, simultaneously providing the researchers with data to enhance the dataset. This final element is achieved through a personalised growth report, the framework for which was developed by CEIG researchers.</p> <p>The PSP is a longitudinal project (involving the addition of observations though time), in collaboration with colleagues from Mount Royal University, Canada, and the Institute of Technology Bandung, Indonesia (<b>R2</b>). The research team have developed a framework that supports firms in understanding their business context, which is then used to assess their comparative performance in a variety of country-settings. Drawing on previous research (<b>R3</b>, <b>R4</b>), this cross-cultural understanding has been used to support the extension of the diagnostic to the Indonesian case. Research had found that there were patterns related to particular geographical and industry settings, which were incorporated into the model.</p> <p>There are also internal factors, such as HRM practices and use of high-performance work systems, which shape firms' growth trajectory, and are incorporated into the diagnostic (<b>R2</b>,</p> |   |  |

**R5).** Connections, too, are important, and it is necessary to interpret growth in terms of network-based capacity (**R6**). Knowledge transfer aims to address the gap between research and business practice, and help develop university “triple helix” offers (i.e. the set of interactions between academia, industry and government). These have been limited as academia-business interactions can be inefficient, with capacity constraints on academic time. To address this, CEIG developed an enhanced diagnostic method (reported in **R1**) through which the data collection process provides a real-time analysis. That is, the diagnostic produces results immediately on submission of the data, thereby providing timely feedback for SMEs, and incorporation of further observations into the research dataset.

Research outputs which underpin the research are all published in journals which are at least “internationally recognised” by the Chartered Association of Business Schools Academic Journal Guide (CABS AJG). **R6** is in an “internationally excellent” journal, and **R2** is in a journal considered world leading. Local government bodies and industry associations have promoted the use of the PSP diagnostic because of its benefits, and in a 2020 assessment, it was awarded an “exemplar” by the CABS Small Business Charter.

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

**R1.** Gilman M, & Salder J. (2020) 'The role of diagnostics as a means of engaged scholarship and enhancing SME research'. *The International Journal of Entrepreneurship and Innovation*, online, <https://doi.org/10.1177/1465750320969614>

**R2.** Gilman, M., Raby, S. and Pyman, A. (2015) The contours of employee voice in SMEs: the importance of context. *Human Resource Management Journal*, 25(4), pp.563-579, <https://onlinelibrary.wiley.com/doi/abs/10.1111/1748-8583.12086>

**R3.** Hussain, J and Millman, C. (2014) The role of guanxi networks in the performance of women-led firms in China. *International Journal of Gender and Entrepreneurship*, 6(1), pp.66-82, <https://www.emerald.com/insight/content/doi/10.1108/IJGE-03-2013-0014/full/html>

**R4.** Shah, S., El-Gohary, H., and Hussain, J. (2015) An Investigation of Market Orientation (MO) and Tourism Small and Medium-Sized Enterprises' (SMEs) Performance in Developing Countries. *Journal of Travel and Tourism Marketing*, 32(8), pp.990-1022, <https://www.tandfonline.com/doi/full/10.1080/10548408.2014.957372>

**R5.** Stoian, C. and Gilman, M. (2017) Corporate social responsibility that “pays”: A strategic approach to CSR for SMEs. *Journal of Small Business Management*, 55(1), pp.5-31, <https://doi.org/10.1111/jsbm.12224>

**R6.** Chau, V.S., Gilman, M. and Serbanica, C. (2017) Aligning university-industry interactions: The role of boundary spanning in intellectual capital transfer. *Technological Forecasting and Social Change*, 123, pp.199-209, <http://www.open-access.bcu.ac.uk/601/>

The funding for the knowledge exchange using the PSP diagnostic came from a number of European Union sources. Specifically:

- European Union (ERDF), Innovation Vouchers programme (1 and 2), 2016-2019. The value of the project was £534,848, with a value to the University of £262,749.
- European Union (ERDF), Enterprise for Success, 2016-2022. The value of the project is £915,000, with the value to the Business School £206,171 (with partners Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and the Growth Hub).
- European Union (ERDF), Innovation Vouchers 3 programme, 2019-2022. The value of the project is £1,606,542, with the CEIG scheduled to receive £178,588 in funding.
- European Union (ERDF), Growing You, 2016-2019. The value of the project was £2M, and the value to BCU was £360,962 (with partners GBSLEP, the Growth Hub, Greater Birmingham Chamber of Commerce, Aston University, and Library of Birmingham).

#### 4. Details of the impact

Research and ERDF funded interventions have provided SMEs with knowledge and support that improves growth performance. It has had substantial impact in the West Midlands, and the PSP model has been applied in the Alberta District and Calgary (Canada), with 396 SMEs participating (**S01**, **S02**). In Indonesia, we have worked closely with the Institute of Technology Bandung and a Government Ministry to carry out PSP and SME interventions in five regions of the country, involving 351 SMEs (**S03**). In the West Midlands, interventions were delivered in partnership with a number of partners identified in section 3.

##### 4.1. Innovation Vouchers and Workshops

The Innovation Vouchers programme offer vouchers and workshops to help SMEs develop new processes and systems to improve efficiency and introduce new products and services. Within this programme, we have engaged with 339 SMEs, targeting improvements in the quality of their products and services. In the initial phases, between 2016 to 2019, 270 SMEs were assisted. In Innovation Vouchers 3, since June 2019, a further 69 businesses were supported, including through the COVID-19 Pandemic. This phase is scheduled to run to June 2022. The workshops use the individual reports and data from the PSP diagnostic to support SMEs, and 63% of participating respondents considered that they had improved the management of innovation within their business as a direct result of attending the workshops. SMEs reported that the most significant impacts were 'improvements to the quality of products or services' (reported by 93% of respondents).

The impacts of the first two phases of the whole programme were independently assessed, in May 2019, by Regeneration Action Ltd, in partnership with Research by Design (**S04**). The independent report was commissioned by Aston University, to undertake a summative assessment of the Innovation Vouchers project (phases 1 and 2). This was guided by a standard set of research questions contained within the summative assessment guidance, issued by the Ministry for Housing, Communities and Local Government. The report summarised the outcomes and impacts, for the project as a whole (including partners), as:

- Total GVA to the time of the summative assessment plus the GVA expected over the next 3 years was likely to be £14.9 million. This included £0.9 million at the time of the summative assessment and a further £14 million within 3 years.
- Gross jobs created estimated to be 532 over the next 3 years, with 114 created at the time of the summative assessment (in May 2019).

If GVA is split proportionately between this REF period and the next (since it spans the two), we can attribute an £8.2M contribution to GVA from the project up to December 2020.

The report also provides independent estimates (**S04**) of the specific impact of the Business School's CEIG diagnostic and workshops. These are:

- £4.6 million GVA, with £0.3 million generated by the time of the summative assessment (May 2019), and a further £4.3 million expected within three years.
- 214 new jobs to be created as a direct result of the workshops. This includes 22.5 before the summative assessment, and a further 150 after three years.

If the economic contribution is split proportionately between this REF period and the next (since it spans the two), we can estimate our Innovation Vouchers impact to be a £2.5M contribution to GVA, with 118 jobs created as a result of our work, up to December 2020.

##### 4.2. Enterprise for Success

Enterprise for Success is an ERDF programme delivered with local partners including local authorities across the GBSLEP (**S05**) and the regional Growth Hub (**S05**). Its aim is to

enhance the leadership capabilities and marketing skills of local SMEs through providing them with business intelligence to inform decision-making. Participating SMEs complete the PSP diagnostic, and targeted interventions were identified by the team on this basis, with support including a workshop series and one-to-one assists. To date, 152 SMEs have been supported through the programme. Programme participants have attested to its value:

“The process was very beneficial; to have someone with an objective point of view helping work your way through the strategy proved priceless” (Managing Director, Pregnancy Bump Box)

“(the strategy was) a lifesaver. We now have a true framework that can steer us over the next 5 years, creating a road map for success: I no longer feel overwhelmed” (Managing Director, The Business Support Organisation)

Participants have talked about how the changes have assisted them to make the move from ‘busy fools’ to ‘strategic leaders’, taking their business to another level.

Formal evaluation of Enterprise for Success was delayed due to COVID-19, but if the GVA and employment effects are similar to those estimated independently from our Innovation Vouchers intervention (with 270 businesses), we could expect substantial impact from the 152 SMEs participating in Enterprise for Success. Variants on the Enterprise for Success model are presently being delivered in Canada (**S01**), with 396 SMEs participating in Alberta and Calgary. There is also support, at the ministerial level, for the series of workshops and diagnostics that have been delivered in Indonesia, with 351 SMEs participating in 2019-20 (**S03**). As observed by a Deputy Government Minister (**S03**):

“This collaboration ... will improve the welfare of thousands of enterprises that aim to grow and develop their performance, leading to employment and economic benefits” (Deputy Minister, Ministry of Cooperatives and Small and Medium Enterprises, Republic of Indonesia)

### 4.3. Growing You

This programme delivered a locally focused and unique business support programme, helping entrepreneurs from the BAME SME community to find ways to overcome barriers to firm growth, and supporting them to develop their business towards sustainable success. In total, 139 SMEs from Birmingham accessed this programme and benefitted as following:

“Well over 100 SMEs from Birmingham accessed this programme and benefitted from the data and insight provided by the PSP diagnostic. Upon completion of the programme, each business was assigned a personal mentor by BCU, to guide and advise along the way, thus making it a truly sustainable initiative” (Growth Hub Operations Manager, Chamber of Commerce, **S06**)

### 4.4. Stakeholder Engagement

Birmingham City Council, Solihull Borough Council (**S07**), Sandwell Council, GBSLEP (**S05**), Growth Hub (**S05**), Greater Birmingham Chambers of Commerce (**S06**), and the Black Country Chambers of Commerce have all engaged CEIG to work with them on the design and delivery of these programmes. Others, such as the Federation of Small Businesses (**S08**), and the Manufacturing Training Centre, have engaged with PSP, and endorsed it to provide support to their members.

“[the] diagnostic and research have been important in forming our own Growth Hub processes, helping us to identify growth businesses quickly and enabling them to get advice and guidance in a timely and effective manner” (Growth Hub Manager, GBSLEP, **S05**).

**5. Sources to corroborate the impact** (indicative maximum of 10 references)**S01 Canadian Regional Authority**

Testimonial from Director, Logistics and Industrial Policy, Canadian Regional Authority

**S02 Mount Royal University**

Testimonial from Director, Institute for Innovation and Entrepreneurship, Mount Royal University, Canada

**S03 Institut Teknologi Bandung/Indonesian Ministry**

Testimonial from Dean, School of Business and Management, ITB/Indonesian Ministry

**S04 Innovation Voucher Evaluation**

'Innovation Vouchers Project Summative Assessment' report (May 2019)

**S05 Greater Birmingham and Solihull Local Enterprise Partnership, Letter from Regional Growth Hub**

Testimonial from GBSLEP and Regional Growth Hub [Named Corroborator 001]

**S06 Chambers of Commerce**

Testimonial from Growth Hub Operations Manager, Chambers of Commerce

**S07 Solihull Borough Council**

Testimonial from GBSLEP Enterprise Programme Coordinator Economy & Infrastructure Directorate, Solihull Borough Council

**S08 Federation of Small Businesses**

Testimonial from Development Manager for Staffordshire and West Midlands, Federation of Small Businesses