



Why leadership matters for micro and small firms in the East Midlands?

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Executive summary

The backdrop of economic and political uncertainty increasingly affects businesses both directly and indirectly. This report highlights the importance of micro- and small firms in the East Midlands economy. It explores the adverse and rapidly changing conditions, and explains why business leadership, resilience and competitiveness are vitally important in addressing them.

The strengths and vulnerabilities of the micro and small firm sectors in the East Midlands economy are summarised, including concerns over productivity levels and their effects on smaller firm competitiveness. Local Enterprise Partnership strategies for productivity improvement in Nottinghamshire, Derbyshire and Leicestershire are summarised.

East Midlands microfirms are less likely than the national average to export; use external finance; innovate or develop new-to-market products; and to improve productivity. Too many are lower value-added businesses, competing on price rather than service and innovation.

The prolonged lead-up to Brexit highlighted a lack of strategic planning and risk management within East Midlands SMEs, business owners being busy running day to day operations with limited time for contingency planning.

The challenges facing small firms in the East Midlands are summarised as:

- An uncertain economic outlook, at global, national and regional levels;
- This is affecting business confidence on spending and investment;
- The effects of Brexit, especially a 'no-deal' exit;
- Increasing competition, including the potential removal of tariff barriers to imports;
- Firms experiencing the effects of new digital technologies which they have not adopted;
- Limited investment in innovation limits the value firms can add through new processes and products.

The readiness of Micro and Small-Medium sized Enterprises (MSMEs) in the East Midlands towards these factors is explored. They also share national concerns regarding skill shortages and recruitment difficulties, as well as declining profitability. Smaller firms have low rates of innovation and R&D investment, and are also less likely to have formal management practices. Their growth rates are relatively low, especially in the manufacturing sector, when compared with services.

The East Midlands Chamber Quarterly Economic Survey in Spring 2019 posed five questions for organisation on their plans for investment in leadership development. In summary, these responses to the Chamber QES indicate that:

- Most MSMEs don't have a formal approach to support leadership development
- Most spent no or a negligible amount on leadership development
- They have no immediate plans to change this
- For firms which have had leadership training, nearly 60% say it had an impact
- There is relatively little interest in exploring this.

However, there is growing and significant evidence, both from business and research organisations, and from well-established leadership programmes for MSMEs, of the strong connections between investment and commitment to leadership development; and improvements in firm performance and resilience.

This evidence demonstrates the value of carefully designed and delivered leadership development programmes which can help smaller firms, including microfirms, to enhance productivity and other aspects of their businesses.

The East Midlands is at a growing competitive disadvantage in which regional MSMEs could lose out, in a critical period for the economy. There is no single voice for economic development or for businesses in the region, unlike the West Midlands, where the WMCA can achieve a stronger and strategic focus for action through its partners. However, there is scope for the University Business Schools, including those accredited with the Small Business Charter award for support for small businesses, to work on this with national and regional business organisations, including the CBI, IoD, FSB and Chambers of Commerce, as well as the LEPs.

An example is the way they can work together with the Small Business Charter on a national pilot project, to drive productivity improvement in micro-businesses through leadership and technology adoption. This forms part of the BEIS 'Business Basics 2' portfolio, announced on 30 October 2019.

The programme is called 'Leading to Grow' through managing new technology adoption. It is targeted in scope, to 150 microfirms across the region, from January to July 2020.

Leading to Grow provides a rationale for three Business Schools to collaborate across the region with EMC, LEPs and other organisations by delivering an initial programme which raises the profile of small business leadership in this period. This will be comprehensively evaluated and can inform future support programmes, both in the region and nationally. From this and other initiatives, stronger support for MSMEs can be developed.

Data for the report was provided by the Director of Policy and External Affairs, East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire)

Why leadership matters for micro and small firms in the East Midlands?

1. Introduction

This report is written at a time when the health and prospects for micro- and smaller firms in the East Midlands regional economy, as well as nationally, are of major interest and some concern. The development of Local Industrial Strategies (LIS) by the Local Enterprise Partnerships in the region demonstrate how central small firms are to economic activity and employment across the region. Yet they also reveal that national concerns in relation to new firm starts, growth, investment, exporting and productivity are reflected in relatively poorer performance by the sector at regional level.

It is also clear that economic conditions are becoming more complex, uncertain and concerning in their implications for business activity and smaller firms. In Autumn 2019, the timing of the UK's departure from the EU, and whether this would take place with or without a trade deal, was still unresolved. However, the potential implications of Brexit and the different scenarios are being more clearly anticipated¹. These include the impact of a 'no-deal' Brexit possibly leading to recession and a reduction in UK growth until 2022².

At a global level, the US trade policy and the dispute with China is causing instability and slowing growth in both countries as well as affecting the wider economy, including unexpected tariff increases on some UK exports to the US. Tensions in the Gulf, centring on Iran and Saudi Arabia affect both security and oil prices. There are growing predictions of a global economic slowdown in 2020, with recessions considered likely in several countries, including high-performing economies such as Germany and Singapore. The UK risks being among these.

Meanwhile, a host of other factors, notably from the effects of climate change and the policy and market responses to environmental factors, to the potential impact of technologies such as Artificial Intelligence and Blockchain on business activities and employment, continue to emerge. Collectively, these create a complex, rapidly changing and unpredictable business environment.

But whilst this context and the factors at play within it are complex and need to be understood, they also illustrate why business leadership, resilience and competitiveness are increasingly important in addressing them. That is the focus of this report.

2. Leadership in fast-changing times

Adverse and rapidly changing conditions are a test of effective leadership. Agile, well-informed and determined leadership will be essential for firms to survive, thrive and succeed in the next few years. The following points set out the reasons for this.

Despite global uncertainties, the East Midlands economy continues to be remarkably resilient. With a diverse business base, a broad range of sectors and good access to local, national and international marketplaces, the wider economy spreads both its success and exposure to risks.

The large proportion of Small- and Micro-businesses within the business population based within the East Midlands economy are part of its strength, reducing its overall dependence on a small number of large firms, whose investment and location decisions may be governed by factors at global level, as seen in the automotive sector for example. Many smaller firms operate within complex supply-

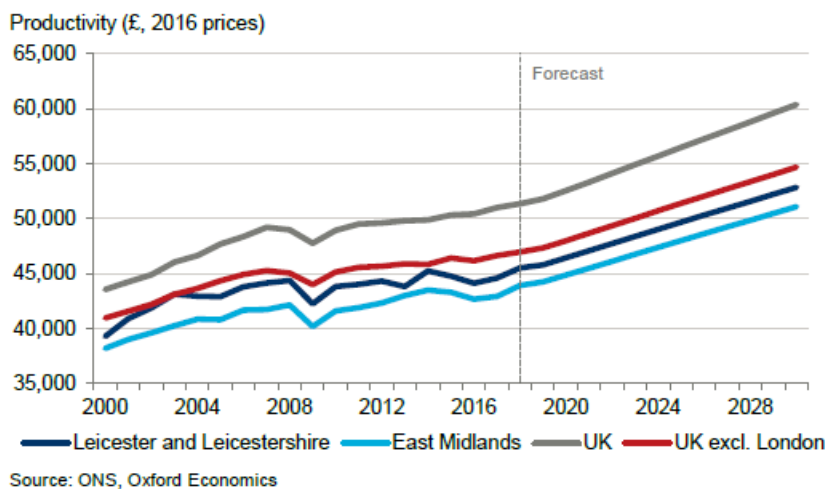
¹ House of Commons Exiting the European Union Committee (2019), The consequences of "No Deal" for UK Business, 19.7.19

² Nabarro & Schultz, IFS, 8.10.19. <https://www.ifs.org.uk/publications/14421>

chains driven by significant Original Equipment Manufacturers (OEMs) based in the region. This brings advantages, but also their fortunes are intertwined with the future plans of those OEMs. The supply-chain culture in the UK tends not to support longer-term partnerships which enhance competitiveness indicators such as innovation or creativity within suppliers. Instead it emphasises transactional short-term gains from lower prices.

The region has been named one of the best places to start a business in the country. This attractiveness is reinforced by major investments in transport and logistics infrastructure which are boosting connectivity and demand for local services, production and distribution. The existence of these businesses serve the wider economy well, supporting competition, which can in turn lead to lower prices. However, the Chamber’s QES survey consistently lists increasing competition as the greatest growing concern of businesses in the region, which marks it out from the same survey conducted elsewhere in the country. Hence improving business competitiveness must be a priority.

An important factor in competitiveness is business productivity. Measured by Gross Value Added (GVA), the GVA per employee in the East Midlands is £42,900, lower than the UK (£51,000). The reasons for this are various but are being better understood from research by the Enterprise Research Centre (ERC) and for the Local Industrial Strategies³. Compared between LEP areas, the local productivity levels remain relatively static over time. However, for individual firms, improving productivity drives overall business competitiveness, as well as contributing to business resilience through higher added value, higher profit margins and stronger innovation. Yet the UK picture is of a continuing decline in business productivity⁴. This figure compares the LLEP, East Midlands and UK performance, with a prediction up to 2030⁵.



Regional productivity 2000 - 2028

³Prashar et al (2019) Understanding Local Productivity Disparities, ERC presentation, march.

³ Roper, S and Hart, M (2019), The State of Small Business Britain, ERC Report, July.

⁴ ONS, 8.10.2019.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/bulletins/labourproductivity/apriltojune2019>

⁵ Local Industrial Strategy Economic Review, Leicester & Leicestershire Enterprise partnership, June 2019

3. Local Enterprise Partnership strategies for productivity improvement

In Leicester and Leicestershire, the LLEP Economic Review commented that:

“Low productivity is the major challenge faced by the LLEP, and to some extent the Midlands as a whole. Productivity is a key determinant of the pay and living standards of the LLEP area’s residents: in the long run, increasing productivity levels is the way workers become richer, businesses grow more profitable, and living standards improve. In some senses, almost all of the challenges and opportunities faced by the LLEP area relate to how to enable or promote improved productivity across its economy.”⁶

The report recommends these priority actions to address this challenge:

1. Encourage local businesses to adopt new technology, new processes or develop the skills of employees
2. Provide sufficient business advice will be required to support this
3. Develop appropriate skills in the business base through FE and business collaborations
4. Improve the retention of higher numbers of University graduates.
5. Develop strategies to promote private sector businesses clustering of the around the University research/innovation specialisms
6. Promote and support research linked to the Grand Challenges over the long term (10 years and more).
7. Provide support by continual improvements in infrastructure including road, rail, schools, FE colleges, commercial space and housing.

However, there are challenges. Consultations suggested that local firms are not investing enough in technology, skills or leadership. leadership skills may need to be improved across local firms, but it is difficult for managers and owners to find time away from the business to train.

This has led to, ‘many firms doing what they always have’, by competing on cost which results in low wages and productivity. The “Leicester and Leicestershire Business Survey 2017” found that just one in four of the responding firms had increased capital investment and ICT / digital skills spend in the previous 12 months. Interestingly rural firms performed better with 30 percent reporting an increase in capital investment in the past 12 months. One third of all companies (34 percent) had started offering a new product or service.

In Nottinghamshire and Derbyshire, the D2N2 Strategic Economic Plan⁷ concluded that:

“We don’t have a long tail of very unproductive businesses, or a lack of exceptionally productive firms but we do have a disproportionately large number of businesses that are around the average, either just below or just above. Our productivity gap is not due to our sector profile or having under-productive places. Over time, this gap will result in a steady loss of competitiveness, with long-term employment impacts.”

The D2N2 strategy for tackling the Productivity Gap includes:

“Tackling the productivity gap requires a shift in the focus of business support outcomes towards productivity gains rather than just job creation. The ‘deep dive’ review identified a range of interventions that are required to close the UK gap and where we need to focus activities in D2N2. To close the gap, we will support firms: to create efficiently use new technologies to enhanced management practices and organisation to access to finance with enhanced infrastructure and market access.

⁶ Local Industrial Strategy Economic Review, Leicester & Leicestershire Enterprise partnership, June 2019

⁷ Vision 2030: D2N2 Strategic Economic Plan, 2018.

This will support the entry of better firms and weaker firms to exit. In line with the evidence, in D2N2 we will; target the middle firms across sectors; support increased investment in new capital; support more firms to export; support firms to access management, leadership and coaching support; support small productive firms to grow – not just small firms; support higher level skills to support the use of better technologies, particularly digital technologies.

This strategy will not only focus on investments in infrastructure and connectivity to provide better access to labour, supplies and markets, but also develop a range of support to individual businesses to enhance their productivity. This will include;

Working with firms to benchmark their current productivity and identify how they can improve their performance. For example, the tool developed by Sir Charlie Mayfield's Productivity Leadership Group enables businesses to check their performance under the themes of leadership, employee engagement, future planning and digitisation⁸.

Having a coherent suite of business-friendly support options available across the drivers of productivity – including leadership and management, digitalisation, innovation, skills, capital investment and exporting – with the mix of support required driven by the needs of the business. Supporting businesses to implement process or 'new to the firm' innovations, adopt new management practices and new methods of work organisation, and exploit the opportunities from digitalisation productivity and identify how they can improve their performance.

Coaching to enable the business to identify the specific actions required to address their needs"

Micro and smaller businesses are often founded and driven by one individual who has seen and developed an opportunity to establish their own enterprise. The challenges such businesses often face are how they can respond to new opportunities as they arise; how they move their businesses beyond the initial phases of growth, into continued expansion; how to access relevant business improvement and development support when required; and how they respond to rapid changes in the economic environment.

The East Midlands region also has higher closure rates for businesses compared with other parts of the country. This indicates businesses which are marginal and not sustainable in the long term, and also family firms which fail to develop new leadership talent to evolve and transform their fortunes. A degree of business churn is a sign of a healthy economy, but national rates of business start and closure have converged. They indicate declining rates of start-ups and also lower growth rates of newer firms. East Midlands microfirms are less likely than the national average to export; use external finance; innovate or develop new-to-market products; and to improve productivity. Too many are lower value-added businesses, competing on price rather than service and innovation.

The prolonged lead-up to Brexit highlighted a lack of strategic planning and risk management within East Midlands SMEs, with business owners often busy running the day to day operations, and less able to prioritise factors which affect medium- to longer-term sustainability. The immediate issues are being addressed via Brexit preparation briefings, but these highlight the short-term focus of many businesses.

Whilst the business support sector in the region has many offers for these businesses, there has been, and continues to be, less investment and take-up of support for the skill development required by the leadership of these organisations to continue growth and build business resilience. The East Midlands Chamber survey consistently sees businesses predicting much stronger growth in turnover than in profitability, suggesting businesses are having to work harder to generate less profit than before. If competition tightens further in a downturn, this is likely to become a more pressing

⁸ <https://www.bethebusiness.com>

concern for business sustainability. Other factors identified above which affect business competitiveness, including lower rates of productivity, innovation, exporting and training, make firms more vulnerable to both uncertain business conditions and any downturn.

It is essential that the profile of leadership skills and their importance to business growth, resilience and productivity gains, are addressed with development organisations, funders and SME leaders themselves. It is also important that the quality of support that exists addresses the challenges of the times, is consistent, flexible and accessible.

In summary, the challenges facing small firms in the East Midlands include:

- An uncertain economic outlook, at global, national and regional levels;
- This is affecting business confidence, spending and investment
- The effects of Brexit, especially a 'no-deal' exit;
- Increasing competition, including the potential removal of tariff barriers to imports;
- Firms experiencing the effects of new digital technologies which they have not adopted;
- Limited investment in innovation limiting the value-added firms can offer through new processes and products.

4. How well prepared are Micro and SMEs in the East Midlands?

The OU Business Barometer (2019)⁹ assessed the impact of skills shortages on firms across the UK. It found that 62% of organisations reported their organisation lacked agility because of skills shortages; 47% struggled to fill a management role and 20% could not fill leadership roles. Within the East Midlands, the cost of skill shortages is estimated at £431.6 million annually, or £21,680 per organisation, representing employer spending including fees, pay and training. Other OU research shows that firms, including SMEs, are increasingly concerned at the level of digital skills in use and the effects of skill deficits on productivity. This found that training spend on digital skills was increasing, by 13 per cent to £52,850 per SME (the report did not include microfirms)¹⁰.

The 'State of Small Business Britain' report (ERC 2019) concluded that the UK faces declining rates of business confidence, entrepreneurship (through decreasing start-up rates) and convergence of business start-up and closure rates, together with falling profitability, with 76% reporting profits in 2018. Only 20% of SMEs reported export sales. Smaller firms have low rates of innovation and R&D investment, and are less likely to have formal management practices. Their growth rates are relatively low, especially in the manufacturing sector, when compared with services. These national trends are broadly consistent with the East Midlands.

The ERC has also published research on the resilience of small firms to unexpected threats and changes to the business¹¹. This concluded that:

- Male- and female-led businesses were equally likely to have experienced an existential threat to the survival of their business in the past five years. However, male business owners judged the potential for future threats to be less significant than their female counterparts.

⁹ The Open University Business Barometer, July 2019

¹⁰ The Open University, Bridging the Digital Divide, June 2019

¹¹ Wishart, M Roper, S and Hart, M (2018) 'Understanding business resilience among under-represented groups in London', ERC Report, December.

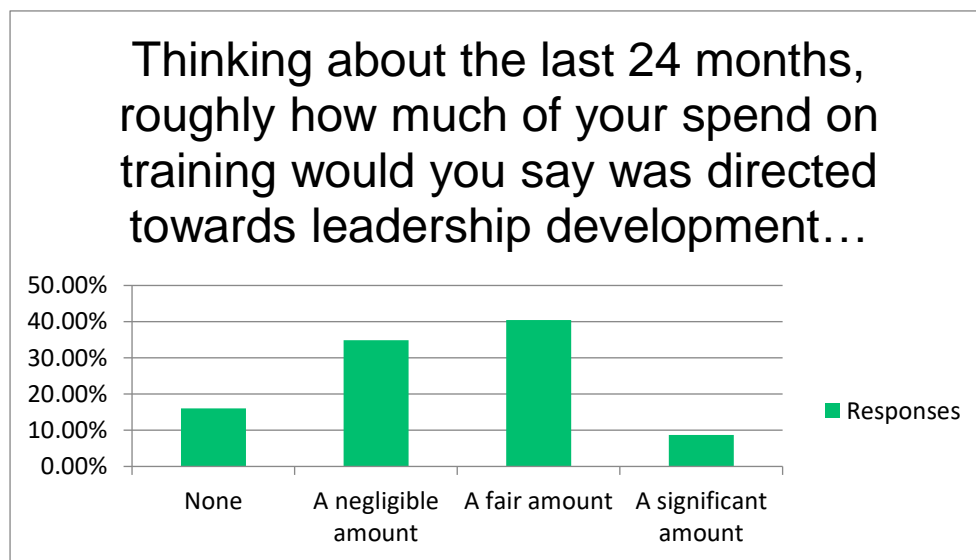
- Ethnic-led businesses were significantly more likely than non-ethnic-led businesses to have experienced a threat to the survival of their business. This effect was more evident for younger ethnic businesses and those located in low-income areas.
- Ethnic-minority business owners also judged the potential for future threats to be greater than their non-ethnic counterparts. Key issues included increased competition from new and existing sources, cost rises, problems with premises and changes in regulation or legislation.
- Psychological measures of personal resilience on average vary little between male and female business leaders and those from ethnic and non-ethnic groups. There is more significant variation within each group.

5. What do business leaders think?

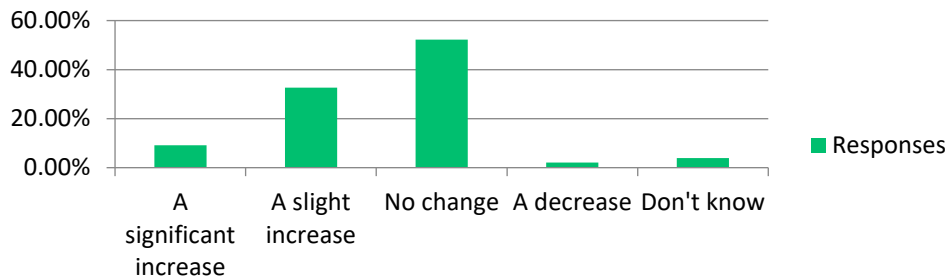
Following these general assessments, we consider regional business leaders' views on leadership development.

The East Midlands Chamber Quarterly Economic Survey (QES) in Spring 2019 included five questions for organisation on their investment for leadership development. The questions addressed recent spending on leadership development; plans for leadership development; the impact of leadership development; preparedness for future challenges and opportunities; and their interest in Chamber support.

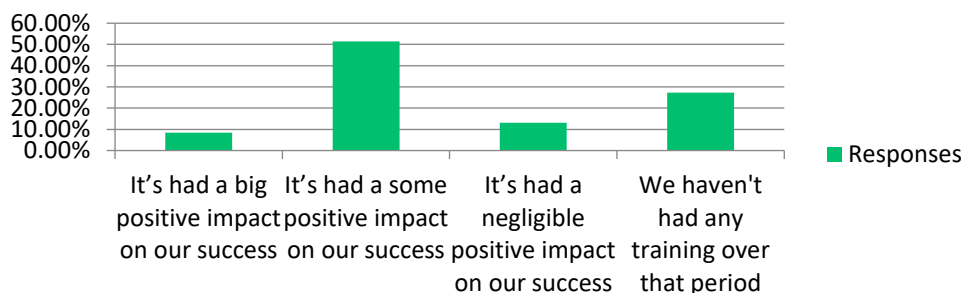
The graphed results from these questions are shown below. Between 261 and 285 organisations responded to each question.



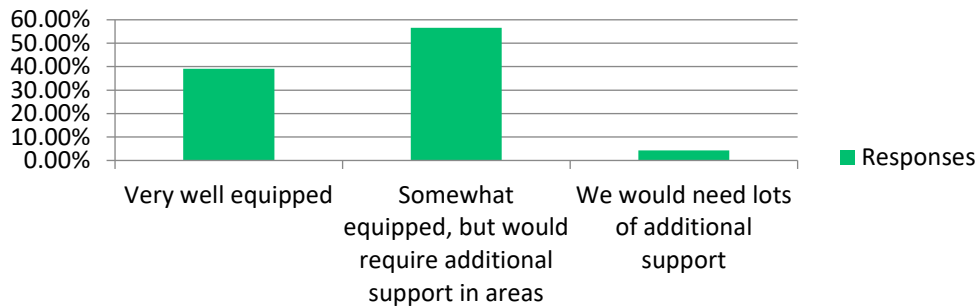
Looking ahead to the coming 24 months, what - if any - changes have been made to your future plans for investment in leadership...



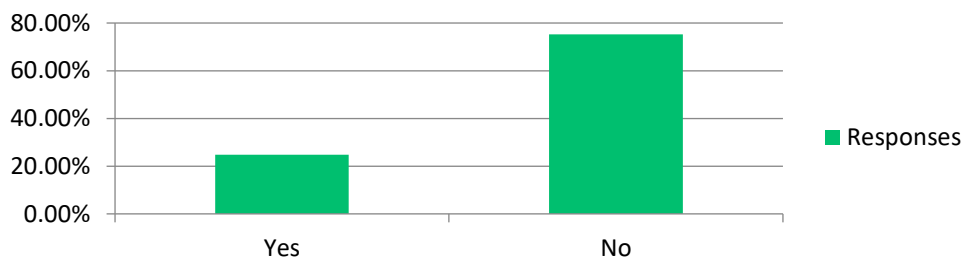
If you or fellow leaders have received some form of training in the last 24 months, what impact do you think this has had on your organisation's success?



How well equipped do you feel you and fellow leaders within your organisation are when thinking about the challenges and opportunities your business faces over the...



The Chamber offers a range of support around business leadership, both directly and through partners. Would you be interested in...



In summary, these responses to the Chamber QES indicate that:

- Most MSMEs don't have a formal approach to support leadership development
- Most spent no or a negligible amount on leadership development
- They have no immediate plans to change this
- For firms which have had leadership training, nearly 60% say it had an impact
- There is relatively little interest in exploring this, at least with the Chamber.

These responses are neither encouraging nor entirely surprising. For most firms, there may appear to be little connection between leadership development and their everyday operational concerns, as it is neither an external requirement nor offers immediate solutions and returns. Traditionally, smaller firms have tended to dismiss leadership development as 'not relevant to their needs'. This has not been helped by a lack of focussed awareness-raising by development organisations, such as LEPs and Business Schools, to communicate the benefits and rewards from leadership development effectively. It also suggests that firms may not be sufficiently aware of the connections between business leadership, digital technology adoption, and the positive effects these connections can make to enhancing business productivity, competitiveness, and resilience.

However, there is now quite significant evidence, both from reports by organisations including the CBI and ERC, and from well-established leadership programmes aimed at MSMEs, that there are strong connections between investment and commitment to leadership development; and improvements in firm performance and resilience. But awareness of these links and business benefits needs to be increased.

For example, 400 participants in the Goldman Sachs 10000 Small Businesses (10KSB) programme reported an additional 22% increase in productivity over four years, in addition to related benefits of internationalisation; innovation; improving business practices; digital adoption; and enhancing leadership and management skills¹².

Also, a report by the CBI¹³ demonstrated the links between ‘great people practices and great productivity’. This focused on the seven most effective habits that improve business’ people practices. A report from the ERC highlighted the links between skills, management practices and productivity in SMEs¹⁴. This demonstrated a symbiotic relationship between improving management skills and management practices in small firms. Supporting productivity growth requires a dual approach combining training and mentoring to build managerial skills and ensure these are embedded in Management Practices. These reports, and other evidence, provide a convincing case which demonstrates the value of carefully designed and delivered leadership development programmes which can help smaller firms, including microfirms, to enhance their growth prospects, productivity and other aspects of their businesses.

6. The case for action?

This evidence base provides an increasingly strong base for action. Unfortunately, in the East Midlands, there is limited institutional ability to do this. Economic development leadership is federated across three LEPS. All of these are aware of the need for improvement in small business productivity and resilience through the preparation work for their Local Industrial Strategies, but there is no single voice for economic development, unlike, for example in the West Midlands, where the WMCA can achieve a stronger and strategic focus for action through its partners. That is demonstrated by the high-profile launch of the Birmingham Economic Review, showing the West Midlands as the fastest-growing region outside London, in October 2019. Other city-regions such as Leeds and Manchester have similar advantages.

Businesses alone can’t change the political landscape to generate combined authorities, but there is growing concern in the East Midlands region about this. The East Midlands is at a competitive disadvantage, in which businesses could lose out, in a critical period for the economy. National and regional business organisations, including the CBI, IoD, FSB, LEPS and, of course, the Chambers, need to focus together on how to create the conditions for business resilience and growth in a period of quite unpredictable change. As the voice of business is distributed across different membership and representative organisations, communications and co-ordination between economic development and business organisations needs to be enhanced, for the benefit of the region and its future competitiveness. This should be considered at a strategic level by the East Midlands Business Forum.

¹² <https://www.goldmansachs.com/citizenship/10000-small-businesses/UK/news-and-events/rethinking-productivity-f/factsheet.pdf>

¹³ CBI/Pearson education and skills annual report, People and Skills
Great job: Solving the productivity puzzle through the power of people (CBI May 2019)

¹⁴ Peng, Mole & Roper (2019) Skills, management practices and productivity in SMEs, ERC Research Paper 75

At an actionable level for leadership development in microfirms, the Small Business Charter award, established in 2012, accredits University Business Schools with the commitment and capacity to support small businesses, local economies and student entrepreneurship. There are five accredited Business Schools in the East Midlands: at the universities of De Montfort; Leicester; Loughborough Nottingham; and Nottingham Trent. There is also considerable scope and experience of Business Schools working with national and regional business organisations, including the CBI, IoD, FSB and Chambers of Commerce, as well as the LEPs.

Three of these SBC accredited Business Schools (De Montfort; Leicester; Nottingham Trent) have been selected as partners to work with the Small Business Charter on a national pilot project, to drive productivity improvement in micro-businesses through leadership and technology adoption. This forms part of the BEIS 'Business Basics 2' innovation portfolio, announced on 30 October 2019.

The programme is called 'Leading to Grow: Managing new technology adoption', or 'Leading to Grow' for short. It is targeted in scope, to 150 microfirms across the region, from January to July 2020¹⁵.

Leading to Grow provides a rationale for these Business Schools to collaborate across the region with EMC, LEPs and other organisations by delivering an initial programme which raises the profile of small business leadership in this period. This will be comprehensively evaluated to inform future support programmes, both in the region and nationally. The project is a Randomised Control Trial in which each Business School will select 50 firms to participate in a workshop on how productivity can be increased through adoption of digital technologies, and half of the firms then take part in a 1:1 interaction with an Entrepreneur in Residence to gain insights and direction for implementation. Details are appended.

Other forms of support are available, via the Growth Hubs in each LEP area as well as nationally. For example, Innovate UK and BEIS are investing £25m in expanding the Management Knowledge Transfer Project (KTP) programme up to 2025, potentially funding 300-500 firms. This can provide in-depth knowledge exchange and University support to direct major change or innovation in a SME over a 1-3 year period. There is a Digital Growth Programme in Leicestershire. These, as well as other funding and development opportunities, need to be better communicated to local firms who can benefit, and this also represents an area for improvement.

Finally, it is vital that the role of leadership skills and their importance to business growth, resilience and productivity gains are addressed with development organisations, funders and SMEs themselves. At a time of growing uncertainty, strong leadership is needed. It is essential for all of us, from big business and Government, educators, business professionals and local decision-makers, to work together with the MSME community. By doing this we can help to ensure the region not only weathers the current storm of uncertainty, but emerges stronger through it.

Professor David Rae

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1 November 2019

¹⁵ <https://smallbusinesscharter.org/sbc-funding-leadership-programme/>

Annex to report: Leading to Grow Programme - Small Business Charter

Programme name

Leading to Grow: Managing new technology adoption

About the Programme:

1. The Leading to Grow Programme will support business owners to explore digital and new technologies that could help their businesses grow and equip them with the management capabilities to implement the technology within their business.
2. To help your business grow and thrive the government has provided funding from the Business Basics Fund for small businesses to take part in the programme.
3. The Leading to Grow Programme is free to join.
4. All participants will attend a half-day workshop led by small business experts at a local business school. In addition, some participating businesses will be selected for the opportunity to receive further one-to-one tailored support.
5. The Leading to Grow Programme is being delivered by the [Small Business Charter \(SBC\)](#) and a consortium of 15 accredited business schools, in partnership with the Department for Business, Energy & Industrial Strategy and Innovate UK.

What the Programme provides

6. The Leading to Grow Programme will equip businesses to grow, innovate and increase productivity through adopting digital and new technologies. The programme will provide:
 - Workshops and the opportunity for one-to-one advice on the management practices required to lead the adoption of new technology and stimulate growth
 - Tailored support and expertise specific to businesses of your size
 - A network of small business leaders in your area focused on growth
 - A peer-learning environment and input from successful business leaders based in your region
 - An impartial overview of new technologies that can help you to grow your business

Benefits of taking part

7. The Leading to Grow Programme will:
 - Develop your management capabilities to introduce digital and new technologies into your business
 - Help you to analyse the costs and benefits so that you can make informed decisions about the right technology for your business
 - Support you to maximise the benefits of digital and new technology in order to increase productivity and performance of your business

- Help you to encourage innovation and improve employee engagement within your business
- Create insights and knowledge to support other businesses like yours in future

Eligibility criteria

8. To join the Leading to Grow Programme, your business must:
 - Be registered with Companies House and have a trading history of three years or more
 - Employ between 1 and 9 people
 - Not have participated on a formal programme to raise productivity delivered by a business school in the last 12 months

Dates and participation

9. Programme details:
 - The programme will take place from January 2020
 - All businesses who take part will benefit from group training run by small business experts.
 - Participants on the programme will be part of a national trial. As part of the trial 50% of the businesses will be selected at random to receive one-to-one mentoring support with an Entrepreneur-In-Residence. The impact of the programme on all participating businesses will be recorded to inform the development of future programmes.

Background

10. The Small Business Charter is a national accreditation awarded by small businesses to business schools who excel in supporting small businesses, student enterprise, and the local economy.
11. The Business Basics Fund supports projects that test methods of encouraging small and medium-sized enterprises (SMEs) to boost their productivity through ways of working and technology. The fund is administered by the Department for Business, Energy & Industrial Strategy.
12. Data on the impact of the programme on the participating small businesses will be gathered and used to inform future policy and interventions for small businesses.

Twitter handle and Hashtag:

@SmallBizCharter #LeadingtoGrow