

Northwest Enterprise Strategy

Executive Summary



June 2008

Introduction

We have a vision of a more prosperous Northwest.

We believe that the Northwest is being transformed. With the right approach and ambition, the region can take its place among the most productive in the world, with thriving businesses and communities.

To achieve this, enterprise is absolutely crucial. We need more individuals who can respond positively to change. People who can take risks. Who can be competitive, innovative, creative and proactive. And who can generate new ideas and new ways of doing things.

That is why the Northwest Regional Development Agency (NWDA), Northwest Enterprise Forum (NWEF) and regional partners have developed a new Enterprise Strategy, which will turn our vision into reality.

Our approach has been developed in parallel with the Government strategy, 'Enterprise: unlocking the UK's talent,' launched in 2008.

In our Strategy you will find recommendations for ways to stimulate enterprise in the Northwest. Its aim is to help make the region's economy more dynamic and flexible, creating jobs and benefiting all communities.

People Who Can and Do.

What is enterprise and why is it important?

Enterprise is about more than just starting or growing a business. It's about having a 'can do' attitude.

It's about 'People Who Can and Do'; people who are the driving force behind new businesses, and who help existing businesses grow through innovation.

Some environments make it easier for people to be enterprising. If we are to realise our potential, we need to create the right conditions for enterprise to thrive.

This positive culture of enterprise needs to include people of all ages, in all areas. People with the passion and the perseverance to succeed. People who have the self-confidence to break through any barriers. These attitudes need to be nurtured through individuals' lifetimes, and supported by the right skills and knowledge.

Of course, most support for enterprise comes from the private sector and from family and friends when setting up a business, but the Strategy highlights how the public sector can step in to fill the gaps, and direct help to where it is most needed.

Government also plays a key role in encouraging a competitive business environment and removing barriers to growth.

The aim of this Strategy is to bring the public and private sectors together to nurture and support enterprise in the Northwest. It builds upon the actions in the 2006 Regional Economic Strategy and looks ahead over the next 20 years.

The overall goal of the Enterprise Strategy is for the Northwest to achieve a 20% improvement in recent levels of enterprise performance. This would mean an additional 185,000 businesses by 2026.

The main aims of the Strategy are to:

- develop an enterprise culture and ensure that individuals have the right attitudes and skills to be enterprising
- improve individuals' and businesses' access to support, as well as simplifying that business support and tailoring it to their needs
- prioritise the types of business that need to be supported by the public sector
- provide a clear rationale for the allocation of public sector resources to support the growth of enterprise
- provide a framework for co-ordinated action and delivery, and provide measures to monitor performance
- increase understanding of the region's challenges and opportunities when it comes to enterprise
- influence national government policies to overcome barriers to enterprise

So what would a more enterprising Northwest look like in 2026?

The vision is that enterprise would be embedded in everyone's thinking, from school age through to adulthood.

People who were enterprising would be admired and respected. Taking risks, including any failure, would be recognised as a step to future success.

More people would take the career option of starting a business, with entrepreneurs being recognised for their achievements, not only in business circles, but in their local communities.

Enterprising people in businesses would be supported and rewarded for their contribution to their company's success.

Successful business people would regularly feature in the media, and they would act as role models to inspire others to follow in their footsteps.

In short, the Northwest would have an enterprise culture, and the region would be benefiting from the productivity and prosperity that it brings.

Growth and Opportunity

The Northwest is a very diverse region, covering major cities as well as rural areas, areas of growth and areas of disadvantage, businesses in fast-moving new areas as well as those with a strong history. This means that the region faces a number of particular challenges in terms of enterprise.

There are some positive indicators of improved enterprise performance, with 3 year business survival rates being at the national average.

However, the Northwest remains in the bottom two or three UK regions according to most measures of business start-ups. Fewer new VAT registered businesses are starting here, relative to the size of population, than in almost any other area.

In 2006, compared to a national average of 39 business start-ups per 10,000 adults, there were 32 in the Northwest.

And the number of VAT registered business start-ups in the Northwest has declined marginally over the last three years in a row reflecting the national trend.

The number of people expecting to start a business in the next 3 years is 6.6% in the Northwest, compared to 7.4% nationally.

The number of people who know somebody who started a business recently is lower in the Northwest than the rest of the UK, at 23.8% versus 25.7%.

The Northwest needs another 91,000 people to start new VAT registered businesses (38,000), or become self-employed (53,000), to reach the national average.

Encouragingly the Northwest has seen significant improvements in entrepreneurial activity, in particular, in women, 18–24 year olds and some ethnic groups. Also existing companies are showing their competitiveness by improved levels of innovation.

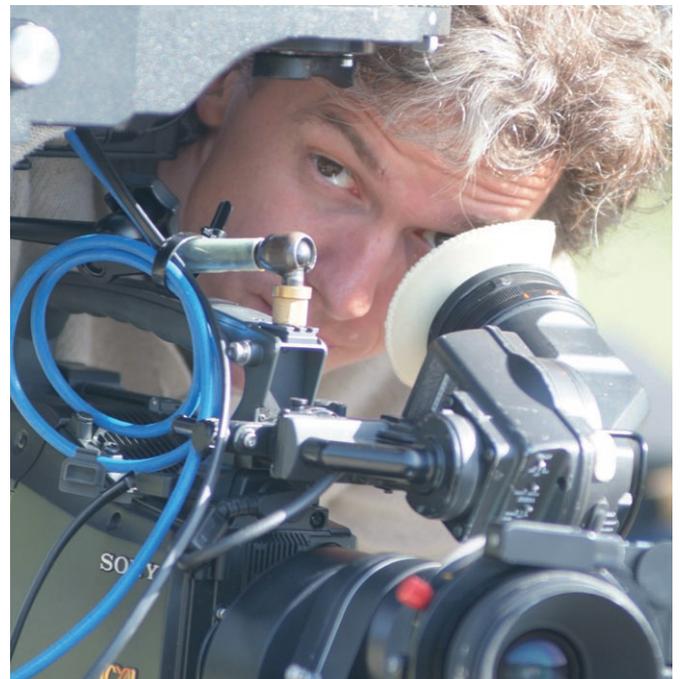
Clearly, the region as a whole needs to act decisively, to become more enterprising. The Strategy, in turn, needs to be responsive to specific local needs.

The Strategy

The Strategy is based on the three core themes of developing enterprising people, businesses and places. It has a vision of stimulating an enterprise culture, and giving individuals the passion and belief, the ambition and confidence, and the skills to succeed. It's about supporting People Who Can and Do.

This will create more new businesses and realise the potential of our workforce to make businesses more innovative and competitive. In turn this will lead to a more productive and wealthy region.

We need to make accessing business support much simpler, but also to make sure that it is better targeted and accessible when and where it is needed.



What the Strategy aims to achieve

This is set out under the three core themes – enterprising people, enterprising businesses, enterprising places.

Enterprising People

The Strategy aims to support people who have, or who want to have, the attributes that are needed for enterprise. People who can spot opportunities and make the most of them. We need to realise the potential of our workforce through a positive enterprise culture in our businesses.

In order to provide this support, the Northwest needs to:

- help educators in schools, Further Education and Higher Education work together and share best practice in the area of enterprise
- support individuals in developing lifelong enterprising attitudes and skills
- help provide better leadership and management and workforce skills

The Strategy also addresses the needs of groups which are underperforming in terms of enterprise because of the specific barriers that they face, especially in starting a business. These groups include women, people from Black and Minority Ethnic groups, people with disabilities, young people, and those over the age of 50. There is a need for greater understanding of the barriers facing these groups, and for the right kind of support to be provided for them.

Enterprising Businesses

The Strategy addresses the needs of business at different stages of development, from start-ups and businesses with high growth potential, to mature companies. It recognises the need for more businesses to have the ambition to grow and that easily accessible, intensive and specific business support will be required alongside the help available from Business Link Northwest.

Support for small and medium firms with growth potential will be key to the region's future prosperity. Social enterprises are also important forms of business, helping to deliver local services.

Support will also be required for firms which are major employers in their area and critical in the supply chains of the region's priority sectors.

Enterprising Places

The Northwest has significant variations in areas of growth and deprivation. The Strategy recognises that tailored approaches are required to respond to local needs and opportunities and that activities need to be targeted where they are most needed. This will require partners at regional, sub-regional and local levels to work together to pool resources, agree priorities, share knowledge and be able to provide easy access to support in all communities. There is a key role for local authorities to create a business-friendly environment, with the right kinds of supporting infrastructure.



Action Areas

The specific recommendations in the Strategy, for action to promote enterprise, are as follows. They are grouped according to the Strategy's three themes, enterprising people, enterprising businesses, and enterprising places. A detailed version of the Strategy and Action Plan is available at www.nwda.co.uk/enterprise. The Action Plan will be updated annually to identify priorities for the following three years.

Enterprising people

Inspire young people to be enterprising.

Raise awareness of enterprise among young people throughout their primary, secondary and tertiary education, and help them develop enterprising attitudes and behaviours. This approach should run in tandem with initiatives to influence young people through their social, leisure and community networks.

Stimulate enterprise in business.

Develop enterprising attitudes among employers and employees, as a way of increasing business innovation, productivity and growth. Areas of focus should include leadership and management, and mentoring support.

Overcome the cultural barriers faced by potential entrepreneurs.

Awareness-raising initiatives should stimulate interest in enterprise, and in the idea of starting a business, among groups who currently under-perform in this area, e.g. women, Black and Minority Ethnic people, people with disabilities, the young, and those over the age of 50.

Enterprising businesses

Encourage business start-ups among people from under-performing groups and areas.

Provide intensive and tailored business support to enable women, Black and Minority Ethnic people, people with disabilities, people over 50 and all individuals in priority areas to start and develop a new business.

Stimulate high growth, high added value start-ups.

Provide specific business support to meet the needs of start-up businesses with the potential for high growth and high added value, including mentoring, access to non-executive directors and access to specialist advice.

Support SMEs with high growth potential.

Provide targeted business support to SMEs with high growth potential, including access to business finance, international trade, innovation and sector-specific support.

Develop a long-term relationship with strategically important businesses.

These companies will be pivotal in their sectors and supply chains, and as major local employers they need high-level engagement and ongoing, appropriate support.

Support social enterprises' growth and diversification.

Provide specific support to help social enterprises to find new sources of income and growth by winning new contracts e.g. in the delivery of public services.

Enterprising places

Develop infrastructure and exploit enterprise opportunities in local areas.

Develop a portfolio of sites, workspace and related infrastructure that businesses can use. Target business support at major areas of improvement e.g. regeneration areas. Make sure that initiatives on the ground are joined-up, and provide business support in rural areas as well as urban ones.

Create a good business environment and raise perceptions of the region as an enterprising place.

Ensure that the wider environment in the region – including housing, education, transport and quality of life – is attractive to business, and promote these advantages to inward investors.

Leadership and co-ordination

Provide leadership to the region's Enterprise Strategy.

Develop the role of the Northwest Enterprise Forum and its Stakeholder Group in supporting this Strategy, and in sharing best practice.

How do we know when we get there?

It is essential that progress in achieving this Strategy is reviewed closely over the coming years. This will involve reviewing individuals' attitudes to enterprise, the number of business start-ups each year and the total number of businesses, and impacts in terms of wealth creation and jobs. Progress will need to be followed regionally and in sub regions/local areas. Short-term progress towards these long-term objectives will be measured by reviewing the performance of each individual enterprise support project.

Key Performance Indicators

Entrepreneurial Attitudes

GEM survey of entrepreneurial attitudes and perceptions:

- Expect to start a business in 3 years
- Know someone who has recently started a business
- See good start-up opportunities
- Have the skills to start a business
- Fear of failure

Start-up Levels

- VAT registered start-ups/survival rates
- Business density
- Self-employment rates
- Total entrepreneurial activity (GEM survey)
- Government plans to monitor business start-ups via PAYE returns

Business Performance

- New/improved products
- Number of exporters
- Business productivity

The Strategic Framework and Actions

Vision

People Who Can and Do.

Stimulate an enterprise culture, a lifelong enterprise journey and individual attributes:

- Passion
- Attitude
- Belief
- Aspiration
- Trust
- Confidence
- Ability
- Skills

Aims

Support a growing supply of Entrepreneurs

- Inspire people to want to start a business
- Address barriers to start-ups
- Target priority groups/areas and high growth start-ups
- Increase total entrepreneurial activity
- Achieve a step change in the region's enterprise performance

Maximise the competitiveness of existing businesses

- Develop an enterprising management and workforce
- Support growth ambitious businesses
- Increase the rate of GVA growth in businesses
- Increase the proportion of high value firms in the business stock
- Step up levels of innovation in business processes

Actions

Enterprising People

- Inspire young people to be enterprising
- Stimulate enterprise in business
- Overcome the cultural barriers faced by potential entrepreneurs

Enterprising Businesses

- Encourage business start-ups among people from under-performing groups and areas
- Stimulate high growth, high added value start-ups
- Support SMEs with high growth potential
- Develop a long-term relationship with strategically important businesses
- Support social enterprises' growth and diversification

Enterprising Places

- Develop infrastructure and exploit enterprise opportunities in local areas
- Create a good business environment and raise perceptions as an enterprising place

Leadership and Co-ordination

- Provide leadership to the region's enterprise strategy



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