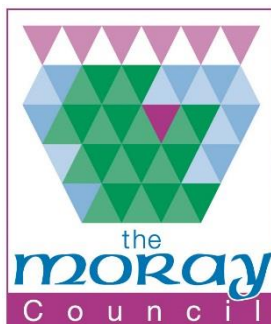


BUSINESS GATEWAY MORAY PERFORMANCE REPORT

Quarter 2

1 July to 30 September 2016



Quarter in Review

This report is an overview of Quarter 2 Business Gateway activity in Moray. Business Start-Up enquiries continue to exceed that of this time last year and enquiries from existing businesses and companies with potential to grow continue to be supported by BG Moray to achieve their aspirations. This activity has resulted in a high number of start-up businesses recorded and highlighted that the high number of new business start-ups supported and recorded over the first 2 quarters looks like it will skew the target set of 120 starts in 2016/2017 – we are currently sitting at 68% of the total target achieved at the halfway point in the year. Given the increased number of enquiries from personnel leaving the Oil and Gas Sector for various reasons, who are looking at utilising their skills to set up a new venture, this is inevitable, however I believe that as the year pans out, our initial target will look more realistic as these sectoral imbalances level out. Unfortunately, in the longer term, we must be mindful that this is likely to impact on the survivability levels at 12 months and 3 years as many of those with ambitions within the oil and gas sector will return and close their business.

Existing businesses continue to show growth aspirations with a number looking to increase their market share and target markets out with Moray and into the wider UK and Europe. We will work with these businesses to help them achieve their growth ambitions through one-to-one advice and the new Local Growth Accelerator Programme (LGAP). This proposed programme targeting ambitious innovating growing businesses has gone out to tender and the process of choosing a contractor is ongoing. We hope to be able to introduce aspects of this programme in Q3. Collaboration with our key stakeholders to ensure these businesses are supported at all stages in their development remains a priority and delivery partners will be sought and identified where possible.

Generally, our towns and villages in Moray are showing signs of revitalisation although some feedback has indicated that absent landlords do still cause problems when it comes to setting up tenancy agreements. However, Elgin BID have been engaging with Elgin Landlords and as a result, they now hold keys to all empty shops in Elgin giving anyone interested the opportunity to get inside the building and assess its potential without delay. Regeneration of our High Streets given the economic climate, is still challenging but there have been a number of new businesses starting up and taking premises and some business purchases happening in Moray recently which will result in jobs more likely to be created and retained in the area. BG Moray's recent partnership with Gairland Interspace in Fochabers offering free office accommodation to businesses which have aspirations to grow resulted in 2 businesses taking up these spaces and in addition the basement at the same location was also filled. This will be for a period of 6 months initially (**rent free**) with those business being offered the space on a long term basis at a reduced rent. The purpose of this partnership was to encourage new and existing enterprises to grow and develop within the communities they service and given the success of this project we would look to develop further such partnerships in the future.

Finally, some good news stories in Q2.

- **Zen Ink**, a start-up business which has encountered many hurdles prior to opening his doors in Buckie finally got off the ground with considerable support from Lorna Williamson at BG Moray. Planning, licencing, Prince's Trust and EHO's all worked collaboratively with BG as the conduit to take the business to fruition. Shaun has proved that perseverance can bring success and adversity is no barrier, with his business now fully booked with clients' weeks in advance.



- **Dogrobes** welcomed 20 local business leaders to mark them moving into new headquarters at Mansfield House in Keith after what has been an excellent period of business growth. This company is a great example of a wonderful product and a business model that obviously works. Dogrobes has gone from strength to strength over the past couple of years and this is another great milestone for the company which has quadrupled its turnover in the last 12 months alone and is going through the process of employing a graduate through the pilot programme in Moray delivered via BG.



- **8 to 8 Dental** – this business was supported but BG Moray at start up in Buckie, through to recruiting their staff and growth plans. They have recently opened their second NHS practice in Keith.



- **Everything is Peachy** - Business Gateway Moray, Screen Hi and Moray College UHI supported Moray Game Jam in 2016 and winning team 'Peacock Dreams' have now completed their six-week placement at Hunted Cow Studios. The game they won this year's Moray Game Jam with 'Everything is Peachy', is now completed as part of the placement and available on the 'Steam' platform via Apple. Peacock Dreams kept a blog of the journey of their placement with Hunted Cow and the progress of developing and publishing their game. You can follow their story on the Screen-HI website. Business Gateway will continue to support this new business to develop and grow.



Performance Statistics

Moray Core	Q2	Y to D	Target	Progress
Volume Start Ups Commenced Trading	33	81	120	68%
Higher Value Start Ups (PHVSU) engaged with	1	5	5	100%
High Value Start Ups - completed Action Plans for growth	1	4	5	80%
Attendees on Start-up Workshops	91	162	260	62%
Growth co.'s engaged with Growth Action Plans	10	18	25	72%
Companies accepted into Growth Pipeline – HIE	2	2	2	100%
Companies accepted into Account Management - HIE	3	3	1	300%
Businesses accessing local advisory services	82	162	300	54%
Moray LGAP	Q2	Y to D	Target	Progress
Specialist Advice				
Unique businesses assisted one to one	13	22	20	110%
HR Advisory Service				
Businesses assisted with one to one advice	14	33	18	183%
No of jobs created	7	11	18	61%

Growth Workshops				
Half day workshops delivered	21	36	24	150%
Unique businesses assisted	45	93	70	133%
**Growth & Leadership Programmes				
Programmes per annum	0	0	2	0%
Business assisted	0	0	16	0%
**Regional Specific Entrepreneurial Support				
No. of businesses supported to grow substantially	0	0	3	0%
**Key Sector Entrepreneurial Support				
No of businesses supported	0	0	10	0%

Additional Measurements	Q2	Y to D	Target	Progress
Local Events				
Local Events	2	8	10	80%
Local Events Delegates	295	570	110	518%
Enquiries				
Total Enquiries	216	425	800	53%
Repeat Enquiries	102	202	400	51%
Courses				
Start Up Courses	11	20	26	77%

*No. of Graduate Placement Approvals	0	1	5	20%
*No of New Jobs (Graduates placed)	0	1	5	20%

*GPP launched in Moray June 2016

** Programmes still being procured

Enquiries Breakdown by Month (Q2)

	Enquiries	Repeat Enquiries
July	63	33
August	65	34
September	88	35
Total	216	102

Location/town	No of New Enquiries	Fiscal YTD
Elgin	90	30 Sept 2016
Forres	29	30 Sept 2016
Buckie	35	30 Sept 2016
Lossiemouth	22	30 Sept 2016
Keith	9	30 Sept 2016
Speyside	31	30 Sept 2016

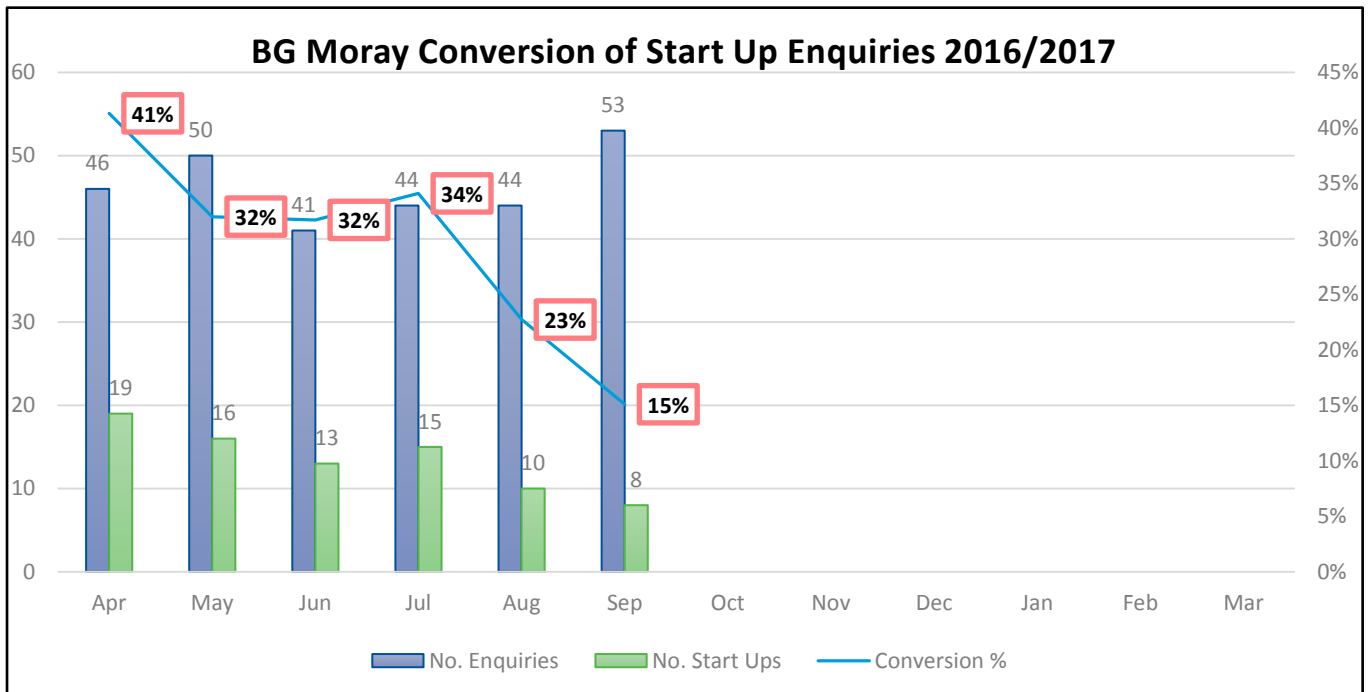
Sector	No of New Enquiries	Fiscal YTD
Creative/Cultural	28	30 Sept 2016
General Retail	21	30 Sept 2016
Hospitality/Tourism	18	30 Sept 2016
Agriculture/Aquaculture/Forestry	5	30 Sept 2016
Construction	7	30 Sept 2016
Food & Drink	17	30 Sept 2016
Service	110	30 Sept 2016
Transport Services	0	30 Sept 2016
Sports & Outdoor Activities	1	30 Sept 2016
Renewables/Energy	3	30 Sept 2016
Engineering	0	30 Sept 2016
Digital	3	30 Sept 2016
Life Sciences	1	30 Sept 2016
Manufacturing	2	30 Sept 2016

Business Start Up

As reported in the overview, enquiry levels are probably as high as they have ever been in Q2 which have resulted in BG Moray supporting a further 33 new start-ups - making a total of 81 that have now registered with HMRC and opened for business since April 2016.

We decided given the up-turn in start-up enquiries to have a look how our conversion rate from enquiry to start up looked from April 2016 – Sept 2016 given that in year ended March 2016 this was 19% - the average conversion rate over the last few years. The results could be linked to the decline of the Oil and gas sector and the need for those facing redundancy to find an income and look at self-employment as a serious option but the stats reveal that our conversion rate this year to date (April 2016 – Set 2016) is 30% (*see table below*) which is encouraging and at the same time revealing given the volatility of the Oil and Gas Sector. However, we will monitor this for the next 2 quarters to see how things develop.

These new businesses (including business purchases) cover a range of sectors including: A *Gelateria/Pizza takeaway, Tattooist, Catering Brokerage Service, Fuels and Lubricants Distribution, Photographers, Trades, Haulage and Logistics, Communications Consultancy, Equine Supplies and a Falconry business.*



Marketing / PR

- 2 businesses received Q & A editorial in the Northern Scot in conjunction with BG National / Wave PR (Oakwood Bathrooms and Weir Black Belt Academy)
- BG National business start-up campaign launched in September 2016 and this has resulted in an increased volume of enquiries
- Business Gateway good news stories appeared regularly in local press as editorials during Q2
- BG Moray's local Facebook Page continually showcases business skills and digital workshops & events
- Scottish Edge Competition was launched in August 2016 and a number of businesses in Moray have been passed to Atlantic Marketing for coaching in pitching in the competition
- Moray Business Week has been launched on Social Media and this will be followed by features in the local press and on MFR
- BG Moray article appeared in SPP Business Matters Supplement Sept 2016

Business Growth

During this quarter 10 businesses engaged with BG to investigate growth opportunities and have been supported by advisers to produce Growth Action Plans and segmented into GAS. These businesses include:

- Coffee Roasting Company
- Children's Outdoor Activities / Education
- Harbour Development Company
- Dog Accessories Manufacturer and retailer
- Fish Restaurant
- Martial Arts Studio
- Gin Distillery

This is a very encouraging trend and we will be working with these businesses to help them achieve their full potential over the next 12-18 months. We had constructive meetings with HIE in Moray during Q2. These meetings now happen on a monthly basis and the latest has resulted in agreement for 2 businesses moving into support via Growth Pipeline and 3 businesses moving into HIE account management.

HR Advisory Service

The BG Recruitment service continues to be active in Moray with Pamela Looper coming to Elgin each month to meet with clients as appropriate. Activity in Moray has been steady during this quarter with 14 businesses seeking advice on recruiting new employees resulting in 7 new jobs being created as a result of these specialist interventions.

A total of 128.5 FTE's have been either retained or created as at 30 September 2016 by new start-up and existing business supported by BG Moray.

We have a further 3 companies completing application forms for the pilot Graduate Placement Scheme in Moray to enable them to take on Graduates for a period of 6 months to a year. It is hoped that these will be in place by the end of Q3. This scheme was introduced as part of our LGAP.

Access to finance

Specialist one-to-one advice on access to finance and investor ready planning / Access to finance continues to be delivered in Moray businesses looking to grow. This work is carried out as a result of referrals from stakeholders, banks and approaches from companies themselves direct to BG Moray.

Business Loan Scotland is now likely to be launched at the end 2016 but progress has been slow to date as the overall fund has now reduced in size and this has had to be put back to the Scot Govt. to be ratified. Raising finance still creates some issues for new start businesses and some businesses looking which are trying to grow. Often those looking to secure loans to invest in their business do not have a robust business plan or their own personal finance in place to invest in their business at a level which meets the criteria banks are looking for to enable them to lend. Lending can also vary depending on the sector the business is trading in and this can be frustrating. However, we are working hard with clients to try and ensure they are investor ready and this has impacted on the number of positive interventions by BG Moray resulting in loans being secured by new and growing businesses in Q2. **Leverage due to these interventions has reached £966K at end September 2016 with just under £1m in applications ready for submission to lenders in Q3.**

We anticipate that the introduction of the BLS fund (Loans available from £25K - £100K) will enable us to offer financial support direct to more growing businesses until the end of 2018.

Activities and Events

Workshops:

Business Start-Up; marketing and recordkeeping workshops were delivered in Q2 and continue to be fully subscribed. We also ran a further 4 digital workshops which covered topics such as:

- E-Commerce (Intermediate)
- LinkedIn for business
- Digital Marketing Strategy
- Website Data Analytics

These continue to be very popular with businesses and are running again in November 2016

Local Events

Moray Chamber of Commerce Awards Dinner – BG Took a table and sponsored the main Award with Moray Economic Partnership. As a sponsor we gained significant media coverage and as an awareness raising exercise had a positive impact on our ability to network with significant businesses in Moray

Cybercrime Workshops in partnership with HIE, staff attended Cyber Resilience workshops at Horizon Scotland enabling us to better communicate with and advise clients on support available to become accredited Cyber Resilient businesses via Scottish Enterprise which may help in any procurement process they enter.

Jobs Fair – This event took place at Moray College UHI and was attended by students and local businesses. BG took a stand and had a number of enquiries.

Next Quarter Visibility

Moray Soup – a new initiative - a collaboration between Moray College UHI, Business Gateway and MCC, this takes the form of a crowdfunding event. The idea is that people come together to share a meal and hear people's ideas (pre-start business or community project). Everyone buys a plate of soup. The suggested amount is £5 but anyone can contribute more if they want. For this, they get to listen to ideas, discuss and debate them, eat and then vote on the idea they like the best. The person or people whose idea gets the most votes wins the pot of money donated at the door. Simple format with community involvement and positive outcome!

MBW '16 stakeholder planning meeting – MBW '16 will be held W/C 14 November 2016. The final programme is now in place (*See Appendix 1*) with 10 events taking place over the week. This is a programme based on the Scottish Government 4 I's strategy and focuses on the two mutually supportive goals of increasing competitiveness and tackling inequality and we have four priorities in which we believe these can make a substantial difference to the Moray economy:

- **Investing** in our people and our infrastructure
- Encouraging a culture of **innovation** and research and development
- Promoting **inclusive growth** and creating opportunity through a fair and inclusive jobs market and regional cohesion
- Promoting Moray on the **international** stage to boost our trade and investment, influence and networks

A marketing gant chart has been completed and marketing strategy in place which will be co-ordinated jointly by Lara at MCC and Lynn at BG.

Supplier Development strategy: the strategy is being finalised in which the Economic Development team represented by CFR and GS and will deliver a support programme for SME's over the next 12 months. We will:

- Hold supplier events – roadshows, surgeries and meet the buyer events as required
- Promote the national Supplier Development Programme
- Sit on a local forum made up of Council procurement, Economic & Development and Business Gateway – to discuss and support supplier development in Moray

Growth Accelerator Incubator: Steven Hutcheon, Head of Regional Development at HIE Moray, Elevator UK and Business Gateway are meeting to look at ways of encouraging SME's with growth potential to take a space at Horizon Scotland and how we can all work together to ensure they get all the support they need to take premises and grow. There will be a large space in the building when the Glasgow School of Art move out at the end of 2016 to Altyre Estate near Forres.

[Appendix 1](#)

MBW'16 14-18 November

MORAY BUSINESS WEEK www.moraybusinessweek.com

**Mon
14**

1800-2000 **The Launch: Guest Speaker - The Cabinet Minister Alexander Graham**
Bell Centre, Moray College UHI, Elgin

**Tue
15**

0800-1000 **Innovation Business Breakfast** Horizon Scotland, Forres

1200-1400 **Managing Business Growth – and Still Loving the Business you're in!**
Horizon Scotland, Forres

**Wed
16**

0800-1000 **Meet the Modern Apprentices, Make the Apprenticeship Family Work for your Business** Forsyths, Rothes

1200-1430 **Moray Chamber of Commerce Annual Awards Lunch** The Stotfield Hotel, Lossiemouth

**Thur
17**

0800-1100 **Investment Business Breakfast - Major Road & Rail Infrastructure Improvements** Horizon Scotland, Forres

1100-1600 **Collaborate Your Way to Success, Engineering & Technology** Horizon Scotland, Forres

1400-1600 **Making the Right Impression - How to make your window dressing count**

**Fri
18**

0800-1000 **Internationalisation Business Breakfast** Horizon Scotland, Forres

1100-1300 **Moray Business Summit - Banging the Drum for Moray** Laichmoray Hotel, Elgin

MBW Partners:



Moray Chamber of Commerce



University of the
Highlands and Islands
Moray College

