

**BUSINESS GATEWAY MORAY  
PERFORMANCE REPORT**

**QUARTER 4**

**1 JANUARY – 31 MARCH 2018 (Year-end)**



## Quarter 4 - Overview

This report reflects Quarter 4 Business Gateway activity in Moray, ending the year on 31 March 2018. Enquires were buoyant in at the beginning of 2018 with 141 in January alone – the highest number of enquiries recorded in any one month since Business Gateway Moray was established in 2009. These enquiries come from a wide range of sources such as individuals thinking of taking their first steps into businesses to those looking to grow and develop their presence in Moray, as well as companies considering locating in Moray for the first time.

This brings our total enquires for 2017/18 to 886 against a target of 800 - these were based on previous years statistics which were agreed as 'SMART'. Interventions by BG Moray can be for various reasons including supporting businesses which are 'struggling' or those looking to move into new markets or increasing / upskilling their workforce.

Another 30 new start businesses have been recorded in Q4 which have been supported by BG Moray. The food and drink sector continues to show a marked upturn in activity around Moray. SME's still face many challenges on a day- to-day basis but there are a number of collaborative initiatives being developed which help individual business owners to raise their profile without always bearing all of the burden of responsibility and cost. Many are finding that 'clustering' can have a very positive effect by encouraging 'group buying power' – rather like those of a co-operative without the necessary formal structure that entails.

We have started working with businesses where the implementation of 'destination marketing strategies' might work better for them. So rather than concentrate only on individual efforts to raise their business profile to new customer markets, the idea is to raise the profile of the business 'cluster', itself, thereby making it a destination for the customer and all of that 'cluster' then benefits from increased footfall. We think this formula could work for sectors such as retailers, activity / experience providers, accommodation providers and Food and Drink outlets. We are developing our first programme around 'Destination Clustering' with a view to starting delivery in May 2018 via our Local Growth Accelerator Programme (LGAP). We would intend replicating this should it have a positive effect on sales and customer traffic volumes.

Industry clusters are by no means a new phenomenon but given that we have been supporting individual SME's for a number of years we feel that groups of similar and perhaps related firms in a defined geographic area, that share common markets, technologies and even worker skills, are often linked by buyer-seller relationships and could benefit from this approach. This could tie in very well with the work BG Moray undertook as a member of the WorldHost Management Group. Moray has recently been awarded '**WorldHost® Regional Destination Status**' in recognition of excellent customer service across the region. This was achieved through a collaborative approach by businesses, schools and agencies supporting the Tourism Sector.

BG Moray continues to work with businesses which have growth ambitions in conjunction with our colleagues at Highlands and Islands Enterprise (HIE) to ensure that these businesses receive the support they need. The number we had targeted with support this year was 30, however interventions have been completed on 59 growing businesses and these companies were helped to achieve their growth potential. Enquiries from these businesses come from a wide variety of sectors and BG Moray will continue help them achieve their growth ambitions through one-to-one advice, workshops and access LGAP products.

***\*Total loan funding leveraged this year based on direct BG Moray Interventions totalled £1.56m (Details within this report)***

Supplier Development remains an important element of business development to Moray Businesses. There is the potential for them to contract at a significant level and expand their business by supplying goods and services to public sector agencies. BG continued to deliver Public Contract Scotland (PCS) & PCS Tender HealthChecks throughout the year in collaboration with Linda Davidson, PCS Capability Development Officer with the Scottish Government but based within the Business Support and External Funding team at Moray Council. The intention is to continue with that work - hopefully increasing the numbers of SME's gaining access to their potential lucrative contracts. There are a number of opportunities coming up in 2018 such as at RAF Lossiemouth and we would like to see Moray businesses securing these contracts. We also continue to attend local Supplier Development events with Moray Council Procurement team to ensure all participants are receiving the support they require to engage with the public sector. In September 2018 there will be the first 'Meet the Buyer' (North) event in Inverness <https://www.sdpscotland.co.uk/events/meet-buyer-north-2018/> as associates of the Supplier Development Programme we will be encouraging Moray Businesses to attend.

**DogRobes** - BG Moray has supported Keith based company DogRobes since inception and through various stages of growth. During that time they have worked with the Scottish Enterprise 'International Manager for Hire' team and BG have recently assisted them to be accepted into Account Management by Highlands & Islands Enterprise (HIE). Their first 'recce' into the international market will include a learning journey with Scottish Development International (SDI) to the Republic of Ireland. They then intend to access the German and French markets.



**Great Scot** – a company based on Elgin's High Street. Great Scot (Scotland) Ltd designs, co-manufactures and retails luxury structured woven across several digital platforms. It believes itself to be one of the fastest growing luxury clothing, B to C digital retailers in Scotland. Great Scot was founded in 2013, and after an intensive year of research & development, the company began test-trading in July 2014.

Great Scot is an on-line fashion manufacturer and retailer and after some development work was undertaken, this led to the production of a demand-based product. The company has grown rapidly since then and is now an established and respected on-line brand. Great Scot is committed to growth through enhancing brand reputation and expansion via the addition of in-house manufacturing capabilities.



**Falcon Building Supplies** is based in Keith. BG Moray supported this new venture with business and financial planning resulting in them securing loan funding and opening an independent Merchants in the North East of Scotland in March 2018.

They cater for all businesses and individuals in the area and offer high quality products at competitive prices. They also offer a free in-house design service and surveys for any kitchen, bathroom and bedroom that is purchased from them.

**The Glenavon Hotel** This hotel is situated overlooking the village square in Tomintoul, offering a choice of standard or en-suite rooms with bed & breakfast facilities, and a restaurant offering lunch and evening menus to locals, day trippers and tourists visiting the village.

BG Moray assisted the new owners with financial planning models which helped them secure the necessary funding to purchase the business. This also resulted in local job retentions.



## Performance Statistics

Core Service					
2017/18	Jan	Feb	Mar	Progress @ Year - End 2018	2017/18 Target*
Business Start ups	11	12	7	128	125
Early Stage growth (ESG)	0	0	0	11	10
Approved into GAS (GAP)	3	5	9	59	30
Approved Growth Pipeline - HIE	0	2	0	6	2
Approved Account Management - HIE	0	2	0	6	1
Start Up Workshops	3	3	3	27	26
Total activities (enquiry actions /appointments)	141	73	63	886	800
LGAP					
LOT 1 - Specialist	Jan	Feb	Mar	Progress To Date	Dec 2018 Target**
Businesses assisted with one to one advice	3	2	0	15	18
LOT 2 - HR Advisory Service					
Businesses assisted with one to one advice	0	0	0	6	18
No of jobs created	0	0	0	13	18
LOT 3 - Growth Workshops					
Half day workshops delivered	0	3	0	4	24
Full day workshops delivered	1	2	4	8	10
Number Workshop Attendees	9	16	35	90	70
Unique businesses assisted	9	12	33	84	70
Digital Boost Half day workshops delivered	4	2	2	18	24
Digital Boost Workshop attendees	24	26	20	106	190
Unique businesses assisted	18	18	16	86	70
LOT 4 - Key Sector Entrepreneurial Support					
Programmes per annum	0	0	0	0	2
Business assisted	0	0	0	0	16

\*Core targets compared annually - Core Year end March 2018

\*\* LGAP targets compared annually – LGAP year end Dec 2018 (ERDF Funding timelines)



**Business Start-ups** A total of 128 new enterprises were supported by direct BG interventions in the year 2017/18. We are seeing new opportunities emerging for key sectors in Moray such as engineering and construction but we've also been seeing other new SMEs from a more diverse range of sectors, including hospitality and food and drink. The latter sector continues to flourish in Moray with restaurants and other independent food outlets either opening up as new ventures or being purchased as a going concern (both of which help with creation and retention on the jobs front). We note some interest in overseas markets by some innovative artisan producers and manufacturers with these companies enjoying the competitive advantage the favourable exchange rate affords at this time. Access to finance is a crucial driver for SME start-up businesses and we will be maintaining our proactive approach to supporting ambitious individuals who wish to start up and develop new ventures in Moray.

*\*Direct intervention by BG Moray has resulted in £843K being levered into the local economy by way of loans secured by start by businesses*

#### **Types of start-ups this quarter**

- Speyside Hotel
- Restaurants
- Tiler
- Artist
- Outside Caterer
- Market Garden Centre
- Florist
- Mobile Catering
- Builders Merchants
- Light Haulage
- Mediterranean Food Production

An exercise undertaken at the fiscal year-end by BG based on 100% sampling of our start-up businesses in Moray resulted in confirmation of the following survival statistics:

- 12 month survival rate - **92%**
- 36 month survival rate - **86%**

**Local Marketing/PR** Wave PR continue to deliver BG PR at a National level with the Moray team supplying the contacts and background information on local businesses they wish to work with as case studies. This quarter these included: Beankind, West End Guest House and Square Roots Bistro in Keith.

BG Moray's Facebook Page has proven again to be useful platform to market business skills workshops, events and share stakeholder events as appropriate. Published or shared in Q4 were:

- LGAP growth workshops
- North East Scotland Food & Drink Awards
- Moray Growth Deal
- Forres Area Credit Union
- Supplier Development Programme - Meet the Buyer North Event
- Scottish Edge - Round 12
- Resource Efficient Scotland - SME Loan Fund
- Scottish Apprenticeship Week
- GDPR Support events and online tutorials
- BG Digital Boost Workshops
- DYW Business Breakfast
- Moray Council Procurement - Contract opportunities
- Moray Soup
- Moray awarded WorldHost® Regional Destination status
- Opportunity for Moray food & drink producers to present to Morrison's Supermarkets main buyer

### **Marketing from a Business Gateway National perspective:**

A marketing network plan for each area that combines what was historically national activity, together with local activity, is being rolled out and will allow us to look at total media activity in our area, all of which will help contribute to our continued engagement with local audiences. BG National will place greater emphasis on digital media, using a mix of Google PPC (Pay per Click), Digital Ads and Facebook Ads. This reflects the continued change in media consumption, and subsequently the ability for us to better measure effectiveness and improve cost efficiencies. This digital activity will appear on the digital channels that are most effective at reaching local audiences – e.g. if the local newspaper website performs well it might be used. We believe this is the most effective approach to spending the local core budget.

- **Digital Ads** BG National will continue to run the two ads already used this year that have proved most effective in terms of response i.e. Business Plan Support and Advisory Service.
- **Facebook (National)** 3 ads will be rotated after which a fresh approach will be introduced based on the new content strategy - anyone clicking on the ads will either be taken to a page from where they can download a guide or to the 'search your local office' landing page.
- **Facebook Promoted Posts** An allowance for Facebook promoted posts will enable us to promote our area specific messages to specified Facebook users in our own area. Promoted posts have been proven to work well previously.
- **Priority Projects** - a number of projects developed during this quarter that will enhance our local marketing are being rolled out. These include:
- **Video** - There is a need for more video content and a brief has now been finalised and BG Moray will be involved in discussions about this in due course. In addition, we are also looking to roll out an online tutorial functionality across the current Business Gateway workshop programme.

**Business Growth Support / LGAP Programme /Access to Finance** Q4 saw 17 businesses engage in more depth with BG to investigate growth opportunities bringing the total for this year to 59 – just short of a 100% increase on last year. These aspirational businesses have been supported to produce Growth Action Plans and have received specialist advice via our LGAP Programme where appropriate, with some also attending our one-to-many growth workshops.

The types of businesses supported via LGAP / Digital Boost include:

- Retail Visitor Centre
- Digital Maritime Navigation Production
- Scaffolding Company
- Haute Couture Design and Manufacture
- Marble product manufacturer
- Organisation which increases opportunities for adults with learning disabilities
- Haberdashery retailer
- Specialist Automata company
- IT Retailer
- Golf Range
- Activity Centre
- Manufacturer of Dog Accessories

BG interventions have doubled that of our targets this year, *and this is due in some significant measure to the launch of the LGAP Programme* (this may plateau in 2018/19 as many eligible businesses will have been identified and supported at the outset of the programme being initiated). However, we also believe that this increase in growth activity amongst SME's in Moray is a positive indicator of increased confidence in the local economy. Loan funding has been sourced from banks and other major lenders such as DSL and other businesses have benefited from the Business Loans Scotland fund (£185K released 2017/18).

*\*Direct interventions by BG Moray have resulted in £720K being levered into the local economy by way of loans secured by ambitious growth businesses.*

**LGAP Specialist one-to-one advice - access to finance.** The BG team works with growing companies to establish growth viability by using innovative financial planning models developed in-house.

**Business Loan Scotland** which is administered by Business Gateway Moray has awarded loan funding totalling £185K at end March 2018. More funding can be released once a further tranche of ERDF funding in May 2018. We have one further application the pipeline for £50K.

#### **Q4 Additional Activities and Events**

8 Jan	Economic Development Team meeting
19 Jan	Meeting with Elgin BID and Moray Chamber on collaborative workshop facilitation
23 Jan	Presented to Moray College UHI students about S/E options
1 Feb	Linked In Local planning meeting
12 Feb	Supplier Development Management Group
13 Feb	Moray Soup Board meeting
22 Feb	Regional BLS Meeting @ Highland Council Inverness
23 Feb	Presented to Moray College UHI graduate students about S/E options
26 Feb	Pipeline joint client meetings with HIE
6 March	DYW SAW Business Breakfast
9 March	BLS Regional Meeting & Board conference call
15 March	Met with Moray Leader Manager to discuss update to LDS and applications
22 March	Moray Soup Event
26 March	MBW'18 planning meeting

#### **WORKSHOPS – Q4**

##### **Local Growth Accelerator Programme (LGAP):**

- Whistle Stop Tour of Employment Law
- Winning Ways and Pitch Perfect
- Managing and Motivating Your Millennials
- Value Your Product

##### **Core workshops delivered:**

- Start your Own Business
- Successful Marketing & Promotion
- Effective Business Record Keeping
- Introduction to Social Media
- Build Your Own Website
- Developing a Social Media Strategy
- Improve Your Website Performance

##### **Digital Boost Workshops delivered:**

- Producing Engaging Online Content
- Effective E-Commerce
- Facebook for Business
- LinkedIn for Business

## **Next Quarter Visibility**

**Moray Business Week 2018** – Meetings continued with key stakeholders to develop the theme for this years' Business Week, the venue and format.

**LGAP** – Meetings with Framework suppliers to develop a 'Destination Cluster' programme

**Local Export Partnership Fund** – Meetings to discuss working with Moray and Inverness Chambers' to roll out this newly launched fund which enables businesses in Moray thinking about exporting for the first time to access grant funding to help them attend International Trade Shows as a scoping exercise . This, with a view identifying the benefits of taking a stand at B2B events in the future.

**Moray Employment Law (MEL) / BG Moray collaboration** - Idea is to roll out a series of Employment Law 'surgeries' with MEL.

Topics covered would include:

- hiring your first employee
- contracts of employment and staff handbooks
- handling disciplinary/ grievances
- sickness absence, maternity, holidays
- What happens to your staff if you want to sell your business?

**Business Loan Scotland** – Meeting at Glasgow City Council to discuss Phase 2 of the SME Holding Fund and the implications for LA's

**HIE/ BG** - Meeting with HIE to discuss proposed new protocols regarding growth pipeline support for businesses and for BG to arrange visits to 3 companies with the potential to be account managed by HIE.

**Moray Leader** – Meeting with Norman MacAskill, Leader Manager, to discuss the updated LDS and how BG can continue to support micro business applications to the fund.

**New Digital Boost Programme:** We will be delivering a series of new half-day workshops in Q1/2 which will cover topics such as:

- Web and Social Media Analytics
- Developing a Social Media Strategy
- Facebook for Business (Intermediate)
- LinkedIn for Business (Intermediate)
- Effective E-commerce
- Keeping your Business Safe Online (Cyber Security Essentials)
- Paid for Advertising on Social Media Platforms
- Email Marketing (Intermediate)

....all of which are advertised on our BG Moray webpage <https://www.bgateway.com/local-offices/moray/events>

**Business Gateway Website Re-design and Development** a new BG website will be launched this year. During Q1/2 BG National will liaise with Scottish Enterprise, HIE and the Scottish Government Enterprise Programme team to ensure that we will be focusing our own customer's views. Further down the line a working group will be set up consisting of advisers and BG staff.