

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Greater Manchester Investment Portal

DATE: January 2023

FROM: Miles Rothbury, GM LEP and Mark Hughes, CEO, Growth Company

PURPOSE OF REPORT:

To share proposals for the development of a new investment portal for Greater Manchester SMEs and startups. This report details how the LEP supported by the Growth Company (GC), could deliver a new platform to enable access to finance to support business growth.

RECOMMENDATIONS:

The GM LEP Board is requested to:

1. Note the contents of the report
2. Consider how this project could be supported by LEP members/the Board
3. Review the timelines and approach proposed and agree to next steps

CONTACT OFFICERS:

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Equalities Impact, Carbon and Sustainability Assessment:

GC is committed to putting equality, diversity and inclusion (EDI) at the centre of its services. The activities which are updated within this report delivered with the recognition of the importance of supporting diverse communities of businesses leaders and individuals and providing equal opportunities. Programmes are designed and monitored for EDI and this shows that GC business support services has a good reach into female led businesses and businesses led by people from our diverse communities (female led businesses comprise 28% of Growth Hub clients compared to 16% of all businesses nationally) and Ethnic Minority led business (comprise 13% compared to 6% of national business population) and in comparison to GM population (e.g. Black led businesses 5.6% compared to 2.8% and Asian led businesses 11.7% compared to 10.1% of the population).

GC also supports and delivers services which contribute towards GM's ambition to achieve carbon neutral living in the city-region by 2038. This includes specific projects such as the Low Carbon programme and the newly launched online business support platform www.beenetzzero.co.uk for the LEP. GC also provides a focused development programme for 'Green Economy' businesses. GC itself will move from its current position of Carbon Neutral to scope 1 & 2 with gold standard offset to Net Zero (Scope 1-3) with residual GHG offset through neutralisation measures in line SBTi guidance by 2035.

BOLTON

BURY

MANCHESTER

OLDHAM

ROCHDALE

SALFORD

STOCKPORT

TAMESIDE

TRAFFORD

WIGAN

Risk Management:

N/A

Legal Considerations:

N/A

Financial Consequences – Revenue:

If this proposal is adopted and project is progressed it would require longer term funding for web site maintenance, management and promotion.

Financial Consequences – Capital:

This project would require investment to mobilise and subsequently deliver the proposal on behalf of GMLEP. GC would carry the initial revenue risk on the basis the LEP supports with ongoing resources/funding.

Number of attachments to the report:

0

BACKGROUND PAPERS:

N/A

1. INTRODUCTION/BACKGROUND

Through its Lead for Business Finance the GMLEP has established that GM start-ups and SME are still often unsure of where to find reliable and comprehensive information (of private and public products/services) in a user-friendly and accessible format. This challenge is especially true for business leaders who are starting-up or managing smaller SME with limited/no dedicated finance leadership role.

This challenge is longstanding in 2012 the Department for Business Innovation & Skills (BIS report “SME Access to External Finance” found that “there are information market failures affecting the demand side for businesses seeking finance. SMEs may not fully understand the potential benefits to their business of raising finance or their likely chance of success in gaining finance, which ultimately means they do not apply. This may restrict the growth of businesses.” It highlighted further demand-side market failures in terms of lack of awareness of alternative sources of finance; lack of confidence in ability to secure funding and lack of awareness among SMEs of equity as a funding option.

More recently the British Business Bank’s Access to Finance Survey Report 2021 confirmed this picture with 64% of SME respondents not being confident in their knowledge of where to obtain information on the types of finance and specific providers available. And awareness of specific finance options and providers was low, particularly when it comes to equity or alternative finance. Which could in part “be explained by the feedback on SMEs’ reluctance to seek professional advice and a perceived gap in the delivery of financial advice provided by both the public and private sector.”

GC does have some existing service elements and assets that cover the core access to finance (A2F) needs and these would be migrated to become part of a future enhanced solution. This would include the Growth Hubs (A2F) services and digital Business Knowledge Finder (BKF) platform. Whilst these provide a level of support, they are currently limited either by lack of promotion, questions re their digital user-friendliness and the existing BKF platform is also limited to public sector products. The current A2F Service deliver one-

to-one and one-to-many in person and virtual support sessions as well as web only based support. The current platform is on the [BGH website](#).

It is proposed to develop a new A2F digital platform, to address these issues, leveraging existing assets, build on new customer insight and adopt a more GM persona to reach, inform and support greater access to finance of a greater number of GM entrepreneurs and businesses.

2. Way Forward

Working with GMLEP Finance Lead GC has developed an initial outline concept for a new online platform, addressing the above issues that would be built, hosted and managed the on behalf of GMLEP with support from GM stakeholders (private and public, building on successful network leveraged approach of Bee Net Zero and United for Ukraine initiatives).

The portal would include direct links to sources of funding, explanations about the type of funding available, advice on the best routes to finance, and a simplified 'how to' section.

The portal would:

- have a strong GM identity
- be written in a 'plain English' approach to make it accessible to all. This would include adopting WCAG accessibility standards (public sector standard)
- focus on smaller SME (@<£25m to be tested) and Start-ups and businesses looking to Scale-up and for innovation finance
- cover both financial products and advice
- include grant, debt and equity finance
- cover both public and private sector
- also have a clear call/email option to a human being (Growth Hub colleague)

The portal will adopt client persona/situations approach, and this will be market tested along with the upper size of SME likely to need this type of support. (We will need to discuss with VCSE the develop of their support initiatives to ensure no gap or overlap.)

3. Project Proposal

3.1 Target Audiences

Although the overall SME leadership population is the 'mass target' for this product, there are key targets within this:

- Owners of SMEs and those with responsibility for finance
- Those looking to set up a business – not yet in the market
- Corporate and public sector advisors to SMEs

The use of client persona and scale of SME to be serviced will be tested with clients and stakeholders.

There are also those who influence the audience:

- GMLEP

- Organisations with relationships with SMEs including Business Representative Organisations
- The 10 LAs and GMCA
- Universities and other knowledge/innovation related bodies
- Banks, accountancies and professional service providers
- Business journalists in GM and wider North West

3.2 Existing Products

There are existing national, regional and local schemes that support SMEs to access funding, including some of the services offered through Business Growth Hub and GC Business Finance. There's also the direct route of banks, crowdfunding schemes and venture capitalists.

This platform will work on the proposition that all of these are part of the solution an SME may need. The 'USP' of the platform is that it will talk to clients in their language, act as an aggregator, cover products as well as guidance, via an easily navigable digital platform. With a strong GM identity.

3.3 Project Deliverables

The key deliverables of this project are:

- Responsive and comprehensive digital platform
- Personas of the target audience identified
- Product name, brand identity and brand narrative
- PR and Marketing Plan

Key outcomes will include business take-up, client feedback of information and advice received and access to finance secured.

4. Timeline

An indicative headline timeline and outline of the potential costs are set out below., This includes leveraging existing GC resources where possible to ensure value for money.

4.1 Indicative timeline

	Jan	Feb	March	April	May	June	July
Confirmation of Brief via LEP							
Insight gathering					& Review		
Brand identity and narrative							
Marketing and Comms Plan							
Product/Service Knowledge Acquisition							
Website Build/Iterate							
Soft launch and testing							
Official launch							

4.1 Costs/Resources

GC has a proven track record in delivering projects of this type and scale. GC will utilise existing/known resources/capability, supported by outsourced digital provision where this is necessary.

We anticipate that the set-up/mobilisation costs would be in the region of £65,000 which we are proposing to meet from existing/known resources. However, the ongoing marketing and site maintenance costs of £43,000 p/a would need to be included in future funding bids.

5. Next steps/recommendations

Subject to this approach meeting the needs of GMLEP, to agree the proposed approach, timeline, budget, and resource with further work to be initiated on reporting processes and success measures for platform ahead of platform launch.