

Impact case study (REF3b)

Institution: UNIVERSITY OF KENT
Unit of Assessment: UOA 19
Title of case study: Helping Kent's smaller businesses grow sustainably
1. Summary of the impact

The *Promoting Sustainable Performance* project engaged with over 300 small to medium sized enterprises in Kent and 12 of the national and local government bodies or industry associations that support them. The research identified a set of ten growth enablers for ambitious SMEs and the findings formed the basis of a pioneering research-led executive education programme for smaller businesses (The BIG Journey). Participating SMEs report quantifiable benefits to sales, turnover and expansion through their engagement with *Promoting Sustainable Performance's* executive education initiative, whilst policymakers used this research to inform strategy on issues such as inward investment, high growth firms and regional business support.

2. Underpinning research

Promoting Sustainable Performance is an on-going longitudinal project (2006 onwards) funded by multiple ESRC grants (3.4, 3.5) plus European Commission funding (3.3). The study is led by Dr Mark Gilman, Director of Kent Business School's Centre for Employment, Competitiveness and Growth (at KBS 2000 to date) together with colleagues from the People, Management and Organisation Group (including Truss) and research associate, Dr Simon Raby (at KBS 2005 to date).

The research team tests and expands a contextual framework by Gilman and Edwards (3.2) in order to examine and explain SMEs achieve growth and performance. The project draws on research approaches typically found in the fields of strategic human resource management and SME growth and performance, building them into a multi-disciplinary and comparative (3.1) performance and growth model.

Between 2006 and 2011, 447 Kent-based SMEs took part in surveys, personal interviews and case studies. Over 100 of these organisations participated in the quantitative survey element across both iterations, creating a panel dataset. The accompanying qualitative dataset includes nearly 150 two-hour personal interviews and ten in-depth case studies.

The study allows for the progression from the observation of simple patterns from a wide participant sample (i.e. survey, personal interviews) to detailed analysis amongst a narrow, focussed participant sample (i.e. case studies). The primary objective was to identify patterns in the incidence, practice and performance effects of HRM and wider workplace innovation in SMEs. The secondary objective of the survey and personal interview stages was to identify those firms that were exploring wider workplace innovation and achieving higher levels of growth.

The key project finding so far is a deeper level of understanding as to why some SMEs achieve growth whilst others fail to achieve their aspirations. The team has since translated these findings into set of ten characteristics ('The BIG Ten' - 5.2) that can be used to diagnose and facilitate growth within SMEs.

3. References to the research

Selected Publications

- 3.1 Gilman, M.W. and Raby, S.O. (2013) National Context as a Predictor of High Performance Work Systems in SMEs: A British-French Comparative Analysis. [14] *International Journal of Human Resource Management*. 24(2). p. 372-390 ISSN 0958-5192/2012 DOI:10.1080/09585192.2012.672447 (ABS 3*)
- 3.2 Gilman, M.W. and Edwards, P.K. (2008) Testing a framework of the organization of small firms - Fast-growth, high-tech SMEs. [21] *International Small Business Journal*, 26 (5). pp. 531. ISSN 0266-2426. DOI: 10.1177/0266242608094028 (ABS 3*)

Selected Research Grants

- 3.3 Research Grant: Gilman - European Commission Interreg IIIa project, "Sustainable Business and Productivity Growth for SMEs" 2006-2007; Value of grant: £426,000.
- 3.4 Research grant: Gilman - ESRC Business Engagement Grant, "[Promoting Sustainable Performance – pilot programme](#)" 2008-2009; Value of grant: £100,000;
- 3.5 Research grant: Gilman: ESRC Seminar Series Grant, "[Strategic Thinking in Second Generation Family Firms](#)", 2009-2011; Value of grant: £2,812;

4. Details of the impact

Findings from the *Promoting Sustainable Performance* project have been used as the basis for practical interventions amongst over 300 Kent smaller businesses, informed 12 policy organisations, underpinned support sector activity by industry associations and informed a pioneering executive education programme for ambitious owner-managers.

4.1 SME executive education

Since January 2008, representatives of over 300 Kent SMEs have attended one of 17 workshops based on project findings (5.9). Each provided owner-managers with practical solutions that they can apply back in the workplace. The success of these workshops led to the launch of [The BIG Journey](#) in 2012, a pioneering executive education programme for small to medium-sized enterprises. Course content draws directly on *Promoting Sustainable Performance* and the related ESRC Business Engagement initiative (3.4).

The nine-month *BIG Journey* curriculum provides evidence-based learning for participants who often have no formal academic qualifications. The programme focuses on everyday business priorities through a set of six highly practical two-day modules, bound together by in-company support and challenges. *The BIG Journey* has an initial intake of 10 participant firms, who joined in January 2012 with a further eight joining in April 2013.

To date, participants have reported the following specific outcomes (5.4):

"The programme so far has helped me to secure a contract to the value of £1m."
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“The programme has quickly driven me to expand internationally. Following attendance at the first module I attended a trade fair in Germany and secured 25 new customers”

Fabricsmart

“Our turnover has grown by a 1/3rd as a direct result of the programme”

Positive Noise

“I have secured three new local customers (cafes)”

Slim Sam's Cakery

“We've got £30k of new orders as a result of the programme”

62 Design

“We have smashed our targets, both for revenue generation and machine utilisation...total manufacturing variance is down from Nov 2012 and our scrap rate fell by 1.5% down to 2.2%...our labour rate variance reduced by 17% and direct labour credit earned from production rose by 23%”

Flambeau Europlast

In summary, the first BIG cohort has reported an average increase in sales turnover of 18.8% and an increase in employment levels of 13.6%. This means that the first cohort added £2.8m to the Kent business economy, created 111.5 new FTE jobs and achieved an average growth in sales per employee of £24,830 (i.e. 19.4%) **(5.4)**.

4.2 National and local policy

Twelve local, national and international government bodies and industry associations have engaged with *Promoting Sustainable Performance* outcomes including: the Department of Business, Innovation and Skills (BIS); the UK Commission for Employment and Skills (UKCES); the European Social Fund; the Federation of Small Businesses; the Manufacturing Advisory Service, Kent County Council; Medway Council, Canterbury City Council; Business Link; Kent Channel and West Kent Chambers of Commerce, the Kent Economic Board (KEB) and the Kent Economic Development Officers Group (KEDOG). These organisations engaged with the project via the steering group or a dedicated policy workshop hosted by the research team in July 2011 for 10 policy organisations.

The team further engaged the policy community through an accessible lay report of project findings **(5.2)** published in 2012. The response to this report includes the following comment from the Deputy Director of the Business Improvement Delivery Team within the Enterprise Directorate of the Department for Business, Innovation and Skills : “I'd like to make sure that analytical and strategy colleagues here in Enterprise Directorate see the report...I also wonder if it might be worth a more detailed conversation about methodology and the work of the Centre” (see *corroborating contact No. 2*)

The analytical and strategy unit of the Department of Business Innovation and Skills on SME Growth also commissioned a presentation on project findings in 2009, delivered to over 30 members of their London and Sheffield strategy teams **(5.6)**.

The research team was also commissioned to write a briefing paper for the UK Commission for Employment and Skills **(5.1)** by its Head of Research that was used for internal briefings in 2012 to “inform thinking on approaches to Investors in People marketing” **(5.7)**.

At a local level, the Economic Strategy Officer of Kent County Council also commissioned the team to write a report on regional business support in 2011**(5.3)**.

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Medway Council used project findings as part of its 2012 'Invest in Medway' strategy and highlighted the BIG Journey as a resource for local businesses on its [website](#) and commented on the project's contribution, as follows:

"Medway Council very much values the research contribution (Promoting Sustainable Performance) makes to our thinking on economic strategy/development and have therefore been part of the project's steering group since 2008...CECG has also assisted us with a key contribution to Medway's inward investment website on SME growth, which is due to be launched in July." (5.8)

Principal Economic Development Officer, Medway Council (name supplied)

4.3 Industry associations and corporates

Promoting Sustainable Performance is also used by industry associations and larger businesses with an interest in supporting the SMEs who form their client base.

The Manufacturing Advisory Service funded the research team to facilitate a network of regional business leaders during 2009 and 2010. The network included 12 Kent-based firms involved in some aspect of manufacturing or supporting manufacturers. They each attended six networking and coaching sessions over a twelve month period. As a consequence, one participant (ladies' fashion retailer, Tube Fashion) reported diversifying its product range and attracting new clients. Meanwhile, graphic design and marketing company, PDS-Hamiltons, reported improved negotiations with suppliers (5.5)

The Courier Media Group sponsored a business network during 2011, with four seminars facilitated by the research team and attended by a total of 57 local SME participants. Kent accountancy firm, Burgess Hodgson, also sponsored five similar seminars in 2011, with each event attended by at least 40 of its 250 clients.

5. Sources to corroborate the impact

- 5.1 Raby S. and Truss, K. (2011) *High Growth Firms*. A briefing paper for the UK Commission for Employability and Skills (UKCES)
- 5.2 Gilman M., Raby S. and Turpin, J. (2012). *The BIG Ten: The Ten Characteristics of Successful SMEs*. Centre for Employment, Competitiveness and Growth, University of Kent. 56pp. ISSN: 1748-7595
- 5.3 Gilman, M.W. and Raby, S.O. (2011) *The Future of Regional Business Support: An Overview of the Business Support Literature*. Technical report. Centre for Employment, Competitiveness and Growth, University of Kent
- 5.4 BIG: participant feedback, summary of outcomes and evaluation 2013
- 5.5 Letter from the Manufacturing Advisory Service confirming impact of regional business leader's network (2009-2010)
- 5.6 Business Innovation and Skills presentation (2009)
- 5.7 Email from UKCES confirming use of commissioned report (5.1) (May 2013)
- 5.8 Letter from the Principal Economic Development Officer, Medway District Council confirming impact of PSP on inward investment website (June 2013)
- 5.9 List of organisations engaging with *Promoting Sustainable Performance* outcomes since 2008

For copies of reports, full versions of emails, letters and other corroborating evidence please see [here](#)