

# Enterprise

*This position is taken by the Coastal West Sussex Partnership; we should lobby and gain support for this position from all local MPs and Local Authorities to help deliver sustainable growth across the Coastal West Sussex area.*

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“The innovation process of the 21st century is radically different to that of the preceding one. Perhaps the most important difference is the new or renewed importance of new and small firms. The change can be resumed as a shift from the “Managed Economy” to the “Entrepreneurial Economy”. In the former, science and systematic large firm R&D was the key. In the latter, entrepreneurship is one of the foundations of innovation”.

SMEs, Entrepreneurship and Innovation; OECD; 2010

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## **Our Enterprise Position Statement:**

***We will lead and support actions that deliver solutions to enable local enterprise to grow and prosper.***

## **Why this is important nationally**

- There were 2.55m enterprises in the UK in 2016 – 450,000 more than there had been in 2010<sup>1</sup>. 78% of UK businesses employ 0-4 people and self-employment accounted for half of the 780,000 new jobs that were created in 2013/14<sup>2</sup>. 350,600 businesses were started in the UK 2014 – over 116,000 more than were started in 2010.
- 41% of the 235,000 UK businesses that were started in 2010 were still active five years later.
- The UK has one of the highest business start-up rates of all OECD countries, but this it is not ranked so highly when it comes to businesses scaling up<sup>3</sup>.
- The Government has identified an under supply of late stage venture capital, a low awareness and take up of alternative funding options (including crowdfunding), a low appetite for equity investment and weak leadership and management skills within SMEs as factors that inhibiting growth<sup>4</sup>.
- Technology is helping to bring networks of specialist providers together often on a project-by-project basis, increasing the demand for people with entrepreneurship and effective networking skills<sup>5</sup>.

## **Why this is important to Coastal West Sussex**

- In 2016, there were 17,585 enterprises in Coastal West Sussex, 13,650 (78%) of which employed 0-4 people.

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<sup>1</sup> UK Business Counts, ONS via NOMISWEB, 2017

<sup>2</sup> Enterprise for All – The Relevance of Enterprise in Education, Lord Young, 2014

<sup>3</sup> Building our Industrial Strategy Green Paper, HM Government, 2017

<sup>4</sup> *ibid.*

<sup>5</sup> The Future of Work – A Journey to 2022, PWC, 2014

- There were 2,075 more businesses in Coastal West Sussex in 2016 than there had been in 2010., including 730 Professional, Scientific and Technical businesses, which accounting for 35% of the increase.
- There were 2,065 new businesses started in 2014 – 480 more than were started in 2010<sup>6</sup> and 680 (42.9%) of the 1,585 Coastal West Sussex businesses that were started in 2010 were still trading five years later.
- In 2011, around 26,000 people in Coastal West Sussex worked mainly at or from home<sup>7</sup>. Home-based businesses are an important part of the Coastal West Sussex economy. People running these businesses can become isolated and often have networking support needs.
- Around 1,400 Coastal West Sussex businesses are ‘high growth’<sup>8</sup>. These businesses are more likely to be technology intensive, have national and international markets and suppliers. The challenges faced by local businesses are most commonly identified as ‘finding new customers’, ‘controlling costs’ and ‘competition’ Accessing finance is most commonly identified as a business support need by local businesses<sup>9</sup>.
- Improving approaches to inward investment and encouraging more SMEs to export is a key aim in the UK’s Industrial Strategy.
- The Industrial Strategy sets out aims to strengthen collaboration between businesses within sectors, support emerging and innovative businesses and establish ‘Sector Deals’ to improve productivity and drive growth,

### **What we will do**

- Champion and promote the concept of Enterprise and Innovation Hubs along the coast to support new and emerging technologies and businesses
- Work with local authorities and developers to ensure that new developments include flexible workspaces and lease terms that reflect the needs of Coastal West Sussex’s start-up and growing enterprises.
- Help to strengthen local supply chains within our key sectors by encouraging collaboration between our large and small businesses.
- Encourage initiatives that aim to provide effective business support and management development to enable local start-up businesses to grow.
- Develop a proactive approach to promoting links between local businesses and learning providers to develop effective enterprise education programmes for young people.
- Work with the Coast to Capital LEP and other partners to support our SMEs to enter new overseas markets and to promote Coastal West Sussex’s strengths to potential inward investors.
- Maintain a regular dialogue with local businesses to fully understand their growth challenges and help develop solutions to address these.

### **Our Enterprise Champion:**

- CWS Board Associate – Dave Cooper

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<sup>6</sup> UK Business Counts – Enterprises; Office for National Statistics via NOMISWEB, 2017

<sup>7</sup> Census 2011, Office for National Statistics, via NOMISWEB

<sup>8</sup> Greater Brighton & West Sussex Business Survey, Marshall Nairne Ltd & Emergent Research and Consultancy Ltd, 2014

<sup>9</sup> *ibid.*