

# Supporting Regional SMEs in the Aftermath of Covid-19

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Partnerships & Engagement Team

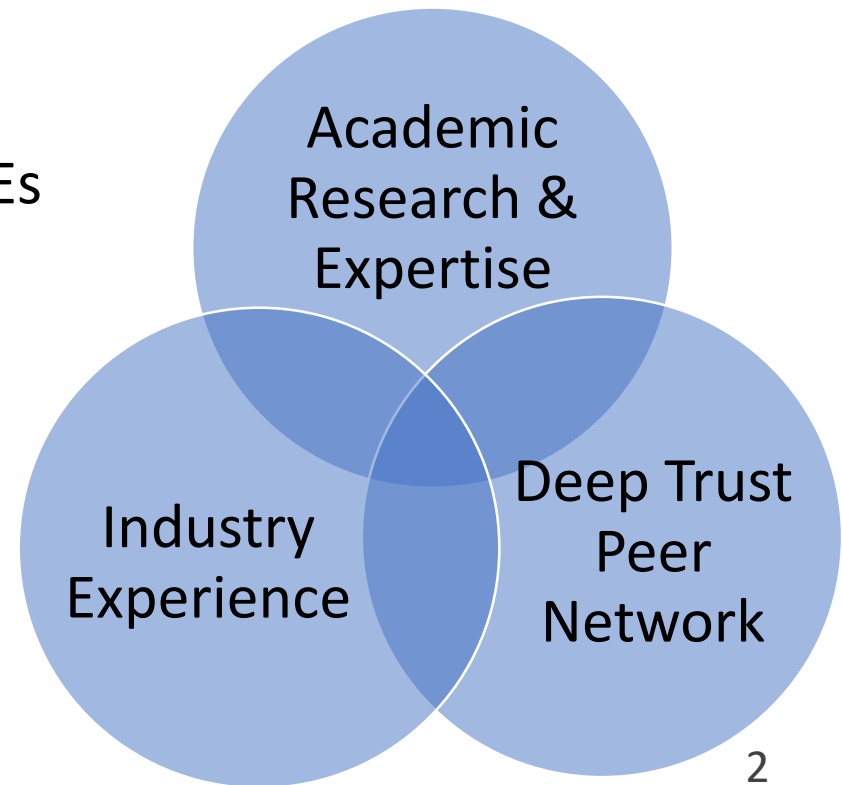
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# Background

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- Working with SMEs for more than 20 years
- Since 1999:
  - Supported almost 4,000 SMEs
  - Received £37m of funding
  - Delivered 50+ programmes
- Leadership, Innovation, Growth, Productivity, Digitalisation



# SMEs Post-Covid

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## Covid-19 Response Programme: Recovery & Resilience for SMEs

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- Group of academic colleagues involved in design & delivery alongside business experts and LUMS Knowledge Exchange staff
- Five half day workshops delivered online
- Supported 26 SMEs between June and September 2020

## Feedback

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“I owe it to the Covid Response Programme for giving me the tools and confidence to totally change our business model and direction of my whole business focus building and working on projects I never thought we would be involved in, and we’ve never been busier - as a direct result of being on the programme”

**David Hammond, Chiptech**

“It was fantastic, delivered very professionally and having the opportunity to ask any question to leading academics was brilliant.”

**Jackie Bennett Shaw, Marzipan HR**

“The LUMS Programme allowed me to work towards building a stronger and more resilient business model that has helped me deal with the challenges I was facing at the time and also begin to plan for the longer-term, against potential future crises.”

**Ruth Eastwood, CEO, Blackpool Grand Theatre**

## Key Benefits

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In an independent evaluation, participants cited the key benefits as:

- Sense of community in the face of adversity
- Development of flexibility, creativity and the opportunity to consider new opportunities
- Chance to develop new products, services, processes
- Space to look at strengths and develop a new plan
- Appreciation of the value of leadership

## After that....

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- Revisited the content & structure, refreshed and realigned to changed situation
- Launched ***Business Model Innovation Programme***
- Delivered to 47 SMEs between November 2020 and January 2021

“The programme provided excellent facilitated learning. Taking time away from the business, to work on the business, was really beneficial.

The techniques and knowledge that we have gained are the real takeaways and I will definitely be using them in the future.”

**Kate Houlden, Managing Director - Like Technologies Ltd**

# The lesson that Covid 19 has taught us



- Companies need much bigger buffer of resources
- Higher flexibility to adapt to evolving customer needs.



# The reason we gained the lesson

Adversities such as natural catastrophes, pandemics, economic crises, geo-political tensions or other discontinuities in supply and demand may occur

# Adversities

affect companies' capacity to meet their commitments to stakeholders, such as investors, banks, customers, suppliers, as well as employees



# Pandemics

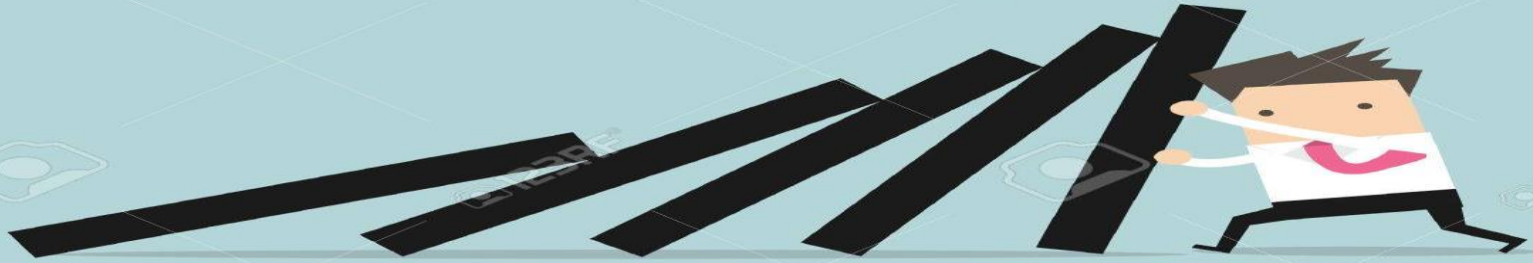


# **Uncertainty is a *faceless topology***

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Companies cannot easily assign probabilities to unknown events.

# Business Resilience



The ability to withstand adversities and bounce back.



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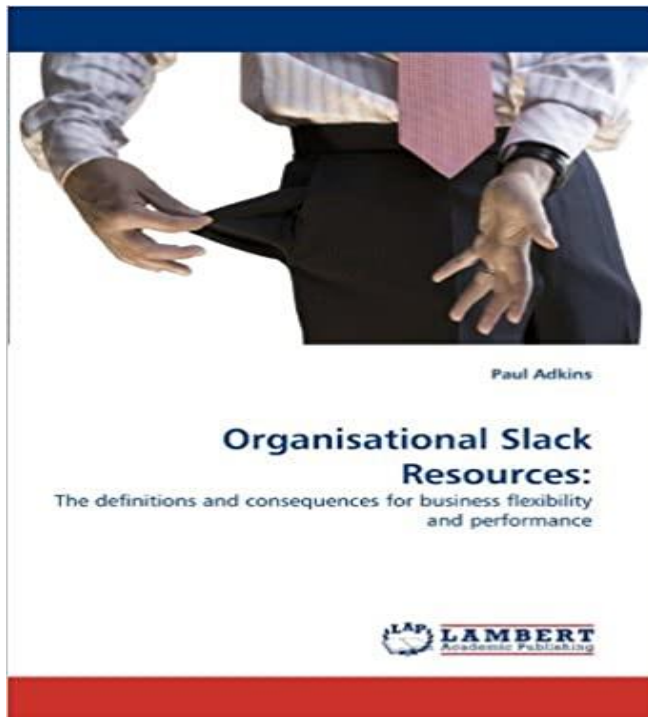
# The Determinants of Business Resilience

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- Resources (redundant, liquid, intangibles)
- Flexibility (adapt, reconfigure resources)

To withstand adversities and address evolving customer needs

# Resources (Redundant, liquid)



- Assets such as **cash liquidity**, safety stocks, IT backup, equipment, **talents and staff** and **intangible assets**, such as alliances, partnerships, reputations and skills.



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## Research evidence

indicates that firms exposed to high levels of debt in relation to equity have limited flexibility to adapt

They are vulnerable, and they often fail to survive.



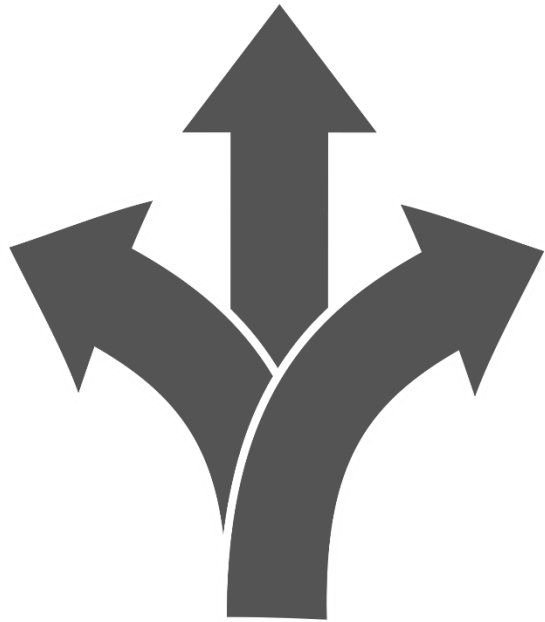


# Consider UK retail bankruptcies

- BHS (Department) 11,000 jobs lost. ...
- Thomas Cook (Travel) 6,500 jobs lost. ...
- Comet (Electronics) 6,000 jobs lost. ...
- Pound World (General) 4,256 jobs lost. ...
- Blockbuster (Entertainment) 4,190 jobs lost. ...
- Debenhams (Department) 4,000 jobs lost. ...
- JJB (Clothing) 3,500 jobs lost. ...
- Peacocks (Clothing) 3,350 jobs lost.
- Laura Ashley (Furniture/Deco) 1,600 jobs lost

# Flexibility

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Ability to adjust to the competitive field

Ability to reconfigure and mobilize resources to address customer needs.

# Flexibility

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During the Covid-19 pandemic, distillers such as:

- Pernod Ricard
- BrewDog,
- Verdant Spirits
- Leith Gin

were able to use their cash liquidity to transform their production capacity in order to supply hand sanitisers.

# The good news:



- The demand for goods and services will not stop
- Existing and latent customer needs will simply evolve
- It's up to companies to catch up with the evolving customer needs.

## So what next...?

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- Once again revisiting the content, structure & needs of the SME market.
- Refocussed Lancashire & Cumbria Forum programmes to focus on “Responsible Recovery”
- Cohorts starting in June & September 2021, with places for 60 SMEs
- Find out more: [lancaster.ac.uk/lums/lancashireforum](https://lancaster.ac.uk/lums/lancashireforum)
- Or [lancaster.ac.uk/lums/cumbriaforum](https://lancaster.ac.uk/lums/cumbriaforum)

# Thank you

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