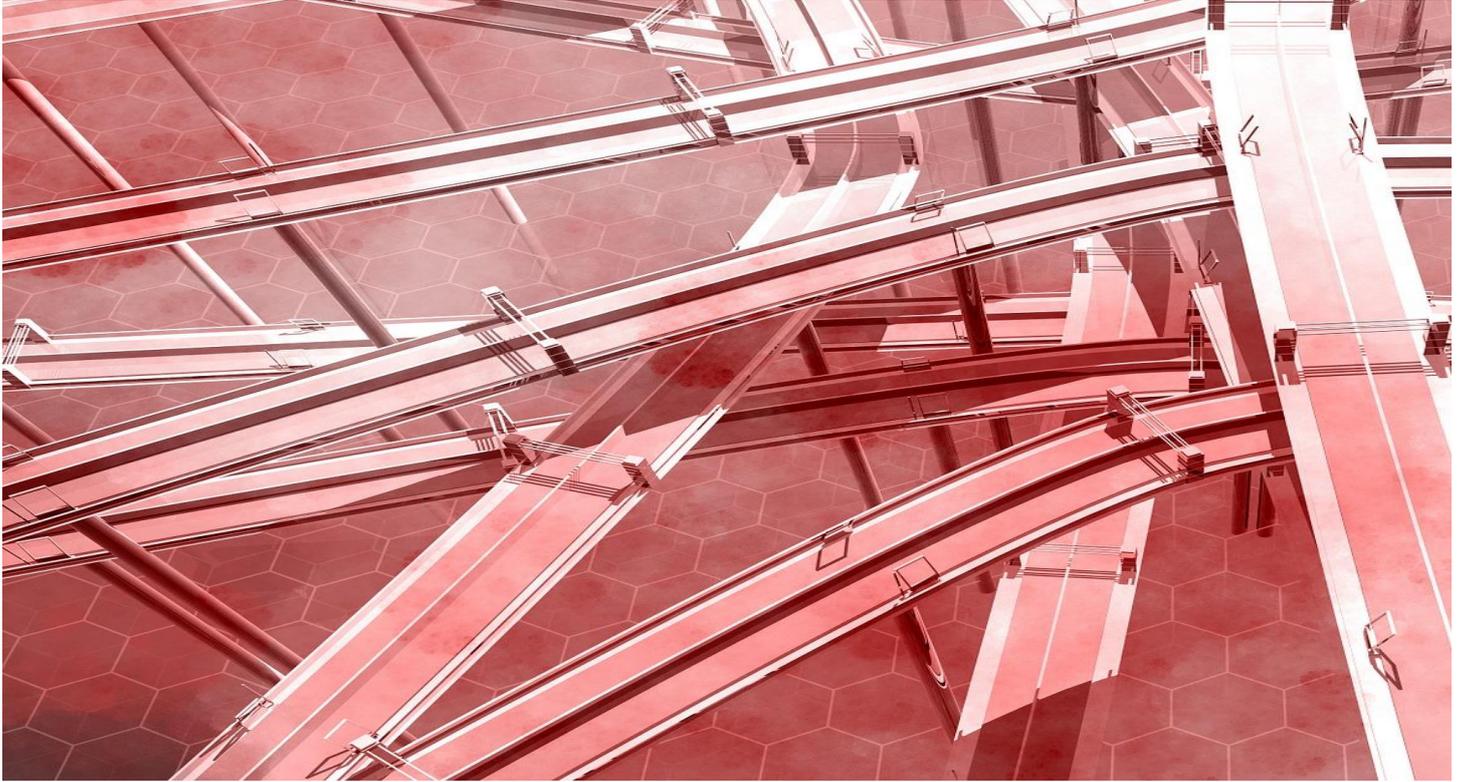




European Union
European Regional
Development Fund

RECREATE
Interreg Europe



West Midlands, UK

ACTION PLAN


Coventry
University
Enterprises Limited

RECREATE
REinforce Competitiveness of REgionAI Transport SMEs

This document has been prepared by the RECREATE consortium within the framework of the exchange of experiences activities. Therefore, it only reflects the authors' views and the programme authorities are not liable for any use that may be made of the information contained therein.

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1. GENERAL INFORMATION

Project: RECREATE PGI05275

Partner organisation: Coventry University Enterprises Ltd

Other partner organisations involved: Coventry City Council

Country: United Kingdom

NUTS2 region: West Midlands

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2. INTRODUCTION

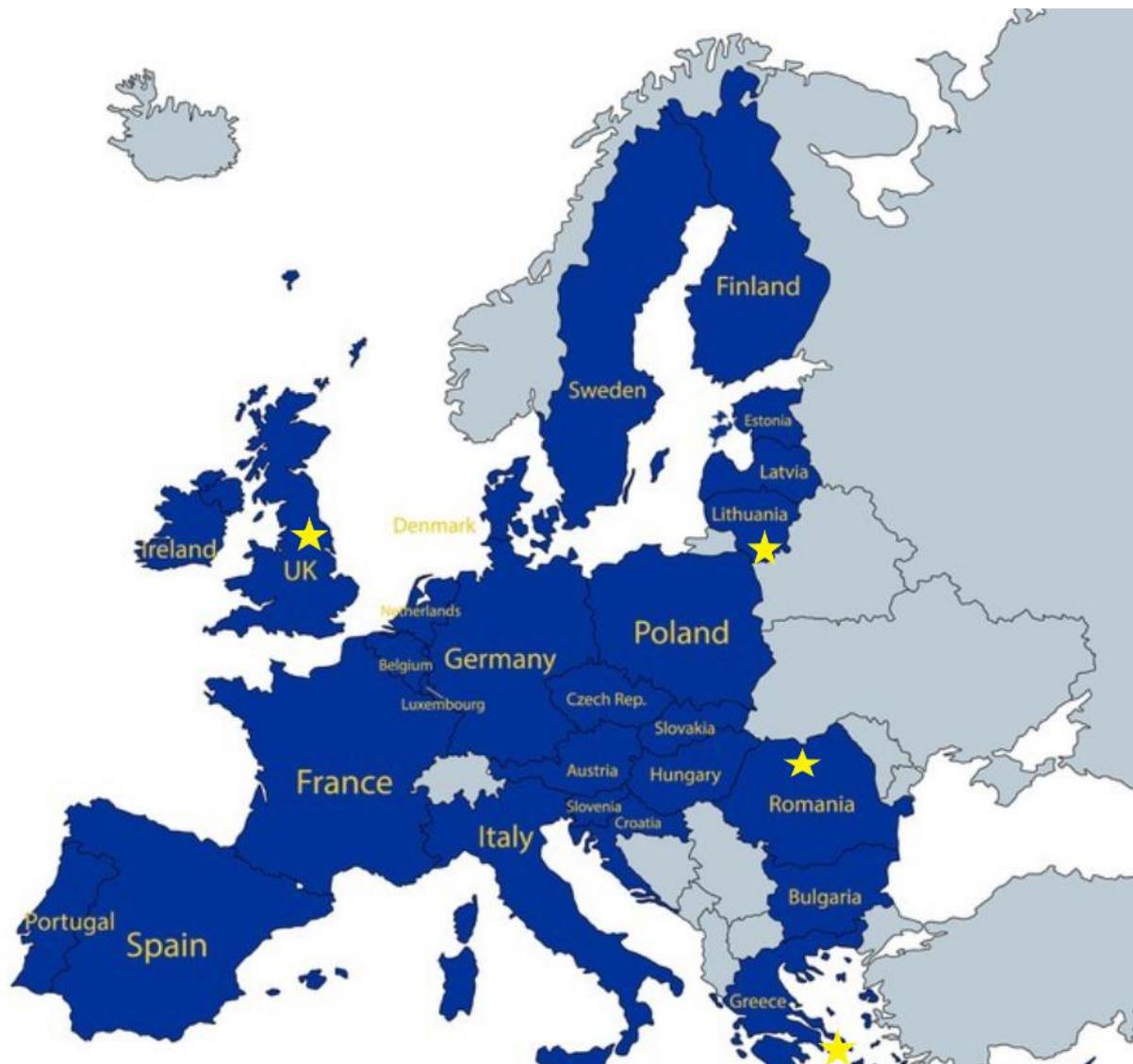
SMEs currently employ 55% of the EU workforce in transport and their important role in the value chain is expected to expand. The rigid value chain of the transport sector is stifling the introduction of innovation by SMEs into new vehicles and transport-related products. SMEs (usually Tier 2 suppliers) find it difficult to interact with vehicle manufacturers, as they generally have short-term supply contracts to Tier 1 companies, who are strongly linked to specific large volume OEMs. Tier 2 SMEs have no collective voice or influence at European level and the EU is not taking advantage of or supporting directly the thriving innovative companies in this sector.

2.1 *RECREATE project*

RECREATE project (**REinforce Competitiveness of REgionAI Transport SMEs**) will address this market failure and focus on the opportunities that new markets offer to innovative and dynamic transport SMEs through the adoption of regional support schemes. It will improve the capacity and capability of regional transport SMEs to further development and growth. This includes support for: 1. Research and Development 2. Rapid development and implementation of products and services 3. Access to finance schemes 4. Internationalisation opportunities. Project adopts a holistic approach to SME support by improving all the relevant schemes that could potentially deliver growth to the regional transport SMEs. Recognising the importance and the potential of the transport SMEs in the economies of the regions involved, RECREATE will map transport SME support measures and assess their effectiveness. The integrated approach adopted by the RECREATE project will drive the identification and development of support mechanisms in the transport SME sector and it will ultimately deliver Action Plans and policy recommendations for evidence-based policy improvement.

RECREATE regions

RECREATE partners exchange, explore and disseminate good practices in ways to promote growth in innovative Transport SMEs and their support infrastructure, as well as improving competitiveness of the respective regions involved. RECREATE has 4 partners from four different EU28 member states: Coventry University Enterprises Limited (United Kingdom), Lithuanian Innovation Center (Lithuania), Development Agency of South Aegean Region (Greece), Regional Development Agency South-West Oltenia (Romania) and is supported by the Managing Authorities for ERDF and represent active stakeholders.



RECREATE Project Partners



RECRETE stakeholders



3. Description of the West Midlands Region

The West Midlands region is located at the hub of major road and rail networks. It is comprised of the large conurbation referred to as Birmingham, which includes the metropolitan districts of Wolverhampton, Dudley, Solihull, Sandwell and Walsall. This area is surrounded by the more rural counties of Warwickshire, Staffordshire, Herefordshire, and Shropshire, plus the metropolitan district of Coventry. The region has more than 5.8 million inhabitants and covers an area of about 13,000 sq. km. (about 5,000 sq. mi) (Eurostat, 2019).

Historically known as the 'workshop of the world', today the West Midlands' diverse range of thriving sectors and entrepreneurial spirit continue to drive global innovation and change.

A unique mix of talented people, world-class research, business and government investment has seen the West Midlands transition from an industrial heartland to a thriving economy that is underpinned by tech-centred innovation.

Today, its world-class businesses, R&D centres and talented people are positioning the region to lead a new kind of modern-day industrial revolution.

The final collapse of MG-Rover in 2005 ended 100 years of car making on the Longbridge site. The closure of the PSA factory in Coventry in late 2006 effectively ended volume production. The region was hit by closures and associated job losses in the mid-2000s but has seen a recovery, boosted by Tata's significant investment in JLR and its subsequent success (especially its growth in Asian markets) and investment in state-of-the-art R&D facilities including at Warwick University/WMG (e.g. Advanced Propulsion Centre, National Automotive Innovation Centre), Coventry University (National Transport Design Centre), MIRA, LEVC (formerly London Taxi Company) and more.

The West Midlands is now shaping industries of the future such as future mobility, connected autonomous vehicles, modern business services, data-driven healthcare and energy storage.

Despite these high profile closures the region is still at the heart of the UK auto industry, with around 15% of car production, 28% of market value, and 28% of the UK jobs in the sector (ONS, 2005). The remaining companies comprise

- Vehicle makers in the premium and upper premium sector
- The 'usual complement' of first tier suppliers adjacent to these remaining car makers
- Sports car manufacturers
- Niche vehicle manufacturers

- Engineering and engineering design consultancies (KIBS)
- Specialist suppliers to the motor sport industry

An extensive supply matrix largely geared to the region's former high volume sector. The present production volume of around 15% of the UK total is considerably lower than the 30% of just a few years ago (EMCC, 2003).

The West Midlands economy is also underperforming in comparison to the national average, largely as a result of lower than average productivity.

Coventry & Warwickshire improved quite a bit over the past decade but the West Midlands definitely is still noticeably behind the national average – although many of the issues are relevant also to the local Coventry & Warwickshire economy.

It is suggested that one of the contributory factors is that not all SMEs with growth potential have realised this, coupled with a potential underrepresentation of “high growth” SMEs which have been shown to drive employment and productivity growth. This latter factor suggests that while the area has reasonable presence in higher value, knowledge intensive businesses and sectors (particularly with vehicle engineering and digital technologies), these have not been growing at the same rate as the rest of the national economy.

In view of the above, it is of imperative importance for the region to build on the core strengths of the area by enhancing the competitiveness of its transport SMEs, whilst also addressing the key weaknesses identified above of low productivity, business survival and growth rates relative to other parts of the UK.

4. Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument(s) addressed:

European Structural and Investment Funds 2014 to 2020: Coventry and Warwickshire

(Coventry & Warwickshire European Structural Investment Funds Strategy 2014-2020 – feeds into the England ERDF Operational Programme 2014-2020)

For the 2014 to 2020 programming period the ultimate goal of the OP is to improve the economic competitiveness of the Coventry and Warwickshire economy, as this remains the benchmark against which developed economies continue to be measured. Under Priority 3 (Enhancing the competitiveness of SMEs), the programme aims to support SMEs to be able to compete in at both national and international markets. Evidence from the economic review of the Coventry and Warwickshire LEP area shows the continuing importance of manufacturing to the local economy, and highlights the existing strengths in this sector, particularly with regards to vehicle engineering.

The main actions of the programme will be targeting the following main market failures faced by the regional SMEs:

1. Limited access to external information, advice and expertise;
2. Imperfect market knowledge;
3. Limited access to finance.

The ROP is expected to support the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes especially in one of the high growth sectors such as vehicle engineering and transport manufacturing. The OP needs to be improved in terms of incorporating new actions that would have a specific focus on transport SME support as the sector is already recognised as of high potential for the region.

The England ERDF Operational Programme was sector-agnostic in its nature, given the large and diverse geographical area it needed to cover. As a result, and given the finite levels of funding, it was difficult to commission projects specific to supporting transport SMEs, despite it being an important priority sector in the West Midlands.

The lessons learnt from the cooperation will be used to modify existing schemes (like the Growth Hub, Uxplode and the Coventry & Warwickshire Innovation Test-bed Programme which are the core part of this action plan) or even create new schemes for SMEs in the transport domain. There is a need in gathering crucial evidences from the transport sector to gauge how to improve the support and expertise needed for transport SMEs in both financial support and information services. In particular tailored programmes for the very specific SMEs in transport is needed.

The regional RECREATE action plan would give the tools to policy makers to improve the ROP under Priority 3 of the England ERDF Operational Programme. It would help shape improvements to existing and future SME support and innovation programmes in the region to ensure they better service the needs and opportunities facing transport sectors.

By capitalising innovation within the region, we would ensure a better exploitation of the high potential presented by the Transport sector.

In particular a mechanism to allow a more rapid introduction to products and services from transport SMEs should be defined, utilising regional expertise and learning from EU good practices.

Further details on the policy context and the way the action plan should contribute to improve the policy instruments:

The West Midlands region boasts strong industry partnerships, an innovative outlook, a supportive business climate, and a strong internationalisation approach. Coupled with successful case studies and building upon a strong legacy for industry, manufacturing, engineering and automotive, the West Midlands / Warwickshire (and wider Midlands region) continues to be a strong place to attract, incubate and cultivate innovation and transport related industry.

However, there is room for improvement linked to:

- A more sectorial focused approach or improved levels of expertise about transport sectors linked to grow support towards Innovative Transport SMEs at local level
- A better collaboration among Stakeholders involved in larger scale projects (for example for projects like the High-Speed Rail HS2 and the GigaFactory for EV battery production) at regional level
- Maximisation of commercial opportunities and links between buyers and suppliers
- Development of Financial Engineering Instruments to support SMEs and better Angel Investment links
- Changes in market dynamics post-COVID
- Internationalisation (especially in light of the UK EU Trade & Co-operation Agreement)
- Tackling Skills Gaps (particularly linked to innovation)

These are just some of the Region's current priorities. All of the aforementioned issues, however, have to be analysed in the context of a very challenging political and historical scenario incurred during the last few years, namely Brexit and the COVID-19 related crisis.

Our Action Plan **focuses on** the importance of a sectorial approach within Business Support Programs and aims to address the issue of fast-forwarding growth in Innovative Transport SMEs by providing a more tailored made support.

We are going to be working with 3 specific programs and organisations in our area:

- Coventry & Warwickshire Growth Hub (running until June 2023)
- Coventry & Warwickshire Innovation Test-bed Programme (running until June 2023)
- UXPLORE Program (running until June 2023)

This is also linked to try to achieve a better focus for companies in the sector, who often struggle to navigate in the very intricate Business support network local scenario. Companies within this very intricate sector often face similar challenges. By offering a specific knowledge of the Sector as well as specific key players, opportunities and contacts, we would add better value to growing businesses than a more generalist approach.

Our Key performance indicator relates to **Growth**.

We believe that Growth should be measured by the following:

- Number of new products/services brought to market
- New markets (new countries) accessed by the business
- New premises
- New staff employed
- Skills development of new/old staff
- Diversification of current products/services, expansion into new sectors (specially post COVID) and digitalisation
- Increased turnover
- Costs optimisation
- Networking opportunities (leading to future opportunities)
- Commercial links to Tier 1 companies
- Innovation in processes/machines

We aim with the following 3 actions to support a total of **26** Transport SMEs to achieve GROWTH in terms of one or more of the measures aforementioned.

Regional needs to be addressed:

The Region's ecosystem is underpinned by a strong local policy focus on driving-up levels of innovation and maximising the potential of our key assets, including our major research-intensive universities, RTOs and R&D active firms.

Given the Region's historical success in securing and successfully deploying ERDF and ESF funds (Coventry & Warwickshire successfully allocated the majority of its EUR136m allocation of ERDF and ESF for the 2014-2020 Programming Period), a Shared Prosperity Fund that is designed in a manner that enables Coventry's businesses to prosper is vital.

The ability to support SMEs operating within the transport sector will be paramount. Through the 2014-2020 ERDF programming period, Coventry has developed successful SME support schemes, delivered in partnership with other crucial local business support bodies such as the Chamber of Commerce, Growth Hub and local universities. Therefore, it is important that beyond June 2023 (end of ERDF), UKSPF enables the region to continue to build on these successes and partnerships and funds programmes that respond to local economic needs and opportunities.

Ideally, the aim would be to build capacity in order to back the Transport Sector by promoting and encouraging both innovation and growth.

Business Growth and Innovation in general should be measured not only by the number of new products and services brought to the market, but also by other indicators like:

- new staff employed / new jobs created
- an increased turnover

- cost efficiencies (i.e. Lean)
- increased production
- risks reduction
- access to new international markets (new countries)
- location to new premises
- skills development in already employed staff
- diversification of current products and services into new sectors
- digitalisation (increased online presence).

Coventry & Warwickshire Growth Hub (CWGH) will coordinate the whole West Midlands regional response to HS2 (High Speed 2 is a high-speed railway system, with its 176-kilometre first phase under construction and future stages awaiting approval) around supply opportunities. This will be done for example by using online platforms like “Find it in CW” (a procurement/supply chain opportunities platform led by CWGH and covering all sectors, which brings supply opportunities to transport SMEs, connecting demand to supply and bridging the gap between tier 1 and 2/3 suppliers).

More in general, **linking Suppliers to opportunities** in the Transport sector has been a key issue in the West Midlands area. The issue could be segmented into two tiers: Regional – for projects like HS2 – and at Council level for more local opportunities.

The opportunities linked to NUTS 1 region and the local ones, require respectively **two different levels of engagements: Regional and Local** (interventions that are very niche in terms of sub-sector/supply chains targeted or types of innovations will probably need a wider regional response).

Coventry & Warwickshire Growth Hub will also coordinate the £1.9M funding for the MADE SMARTER Program. This is a program designed to push digital innovation among manufacturers. Due to the nature of the West Midlands Region, most of our manufacturers are Transport related companies.

The key to the future of the development post Brexit and post COVID of our area relies upon:

1. A better collaboration and **collaborative working across Regional Organisations** – for opportunities of regional remit, like HS2 (better clustering work at Regional Level among players like the WMCA, Transport for West Midlands, the Aerospace alliance, the Rail alliance and more) linking in with Growth Hubs, Local Authorities and DIT and working alongside local-level business support programmes.
2. A minimum level of **funding** – in terms of money and time – similar to the current level of activities and support. Short term funding in Business support organisations remains a main issue at the moment, especially when the business 1-2-1 support model offered is based on advice based on an Account Management model. This means that companies are supposed to be supported by one main business adviser along their business journey.

Much business innovation is a long-term process and takes longer durations of support to realise outcomes. Post Covid and Brexit, long term funding commitments

are in need. Considering the ERDF and European Social Funds will end in June 2023 (post Brexit), new lines of funding are required from a National Level to sustain the same or similar level of activities, aimed at fast forwarding growth for Businesses in the Transport Sector. Considering the current ERDF / ESF funding runs in 7 years cycles and have a 3-year funding streams, a similar long-term commitment would be required to sustain a similar line of support. In order to improve further the system and attract the right level of staff and add value to businesses in the mid-long term, longer funding cycles would be preferred to shorter lived ones. UK Shared Prosperity Fund (new national fund that is the planned successor to EU Structural Funds) will/should continue seamlessly.

3. Sector Focus:

- 1- **Sector Focus aimed at Business support.** Our Action Plan focuses on the importance of a sectorial Approach to business support linked to the transport sector, specifically when aimed at innovative SMEs. A Sectorial Approach is linked to better performance and growth of companies in the sector. It is also linked to a better focus of companies in the sector, who often struggle to navigate in the very intricate Business support network local scenario. Companies within this very intricate sector often face similar challenges.
- 2- **Sector Focus – Regional level.** At national level, there has been an increase of Regional activities and Innovation programs. However, High level Innovation and regional transport projects like the HS2 – High Speed Train-and the proposed new GigaFactory - building batteries for electric cars- (both linked to transport innovation) require a Regional coordination and working, beyond the urban remits and beyond single organisations' interests. Maximising the level of collaboration between Regional authorities (organisations like the West Midlands Combined Authority or Transport for West Midlands) and Local ones (like the Growth Hub, Universities, Local Authorities, the Chamber of Commerce, all Local SME support programs aimed to grow innovation in transport) is key. Together with a better alignment of interests, this would result in increased efficiencies and outputs.
- 3- **Sector Focus – Local level.** Transport Sector specific expertise at Local level is also instrumental to growth from a SME prospective. For businesses in this sector, being supported by specialist advisers is key to their development. A Sectorial approach would also translate in a faster and more focused approach to specific opportunities, links to targets clients (increased links between tier1-2 suppliers), an improved International foothold and overall a more resilient, profitable business. At Local and Sub-regional levels, this could be translated in organisations like the Growth Hub and in major local innovation support programmes like the CW Innovation Test Bed. This programme has historically supported high numbers of transport SMEs and is likely to continue to do so.

5. Details of the actions envisaged

ACTION 1

Sectorial approach within Coventry & Warwickshire Growth Hub

1. Relevance to the project/ Inspiration

Our inspiration came from the Workshop and Study Visit hosted online by our partner in Lithuania on the 2nd and 4th February 2021.

Although both days were very inspirational, the input provided by Julius Norkunas from, Managing Director of the Mobility Innovation Centre, proved to be the source of our inspiration.

The Innovation Centre works in partnership with:

- Universities
- Venture Capitalists
- Start-ups
- Corporates
- Network Hubs
- Associations
- Corporate Ventures
- Accelerators/ Incubators

One latest development is the Innovation Procurement Road Map. This includes:

- Pre-Commercial Procurement (PCP)
- Public Procurement of Innovation (PPI)
- Public Procurement

During his session, Julius highlighted the importance of understanding the challenges (pain points) of businesses when aiming at supporting them and concentrating on those pain points and challenges to start with, within the business support framework. Minimising barriers to markets and issues that the business faces is at the base of what business

support should be – whilst lots of business support organisations instead aim at “hard selling” products/services, rather than having a more client centric approach.

Most importantly, Julius highlighted the importance of a sectorial approach to their line of work and, more in general, to business support structures.

“SMEs from the same sector face the same challenges, and would mostly benefit from the same contacts, clusters, opportunities. Hence a sectorial approach, especially in the Transport sector is crucial to everything we do”.

The way they operate is via a sectorial approach; this was the inspiration to our Action Plan and, specifically, to this Action.

2. Nature of the action

The Coventry & Warwickshire Growth Hub is an umbrella organisation offering business support aimed at supporting growth within the business itself; it is partially funded through ERDF and it is administered by Coventry and Warwickshire Local Enterprise Partnership.

Whether a start-up in need of a growth strategy, an established company looking to increase profitability, or somewhere in between, the Growth Hub is able to assess business needs and provide ad-hoc advice at different stages of the company’s growth process.

The Growth Hub’s aim is to signpost SMEs to specific business support organisations and networks, by providing a one stop shop to all needs of growing businesses in the Region. The Growth Hub’s co-ordination role means they can bring Local Authorities, Universities and private sector support providers together – and can be well placed to deal with sector-specific opportunities, as we are starting to see with High Speed Rail 2 (CWLEP Growth Hub will co-ordinate the West Midlands response in opening up supply chain opportunities). The Growth Hub’s strength lies in combining real-world business experience with public sector insight and influence.

Whether needing support to raise capital, increase workforce, ramp up production or identify export or supply chain opportunities, the Growth Hub provides tailored, commercially focused and joined-up advice that is free, impartial and delivered with one goal in mind: growing the bottom line.

Since 2014, the Growth Hub has helped more than 2,800 businesses grow. It also secured more than £65M in private sector investment for companies they have supported.

This initiative makes the process of accessing support for businesses a ‘one stop shop’. Previously, businesses needed to visit numerous agencies to receive specialist support, but now it’s housed under one roof, making companies more likely to access any kind of business support.

Currently, the delivery model championed by the Growth Hub is an “Account Management” one, where SMEs who are supported, are tutored by a specific Account Manager during

their journey – whichever that maybe – and therefore have one main point of contact at the Hub.

Our Action will involve a Sectorial Approach to business support within the Growth Hub.

A Sectorial Approach is linked to better performance and growth of companies in the transport sector, which tends to be more peculiar compared to other sectors.

We believe that a sectorial approach within the current Account Management set up of the Growth Hub would bring benefit in terms of growth to Companies joining the Hub.

The sectorial approach within the Growth Hub will be initiated by a targeted approach during the registration process.

Companies will tick a Sector and will receive specific support for that sector.

More in detail, the following sub-sectors relate to transport:

- Manufacturing and Engineering
- Transportation
- Services

When companies will register onto the website, upon filling the registration form, these will be supported with transport sector specific advice related to all sorts of “growth related” matters (instead of the current general advice):

- Employment
- New products/ services (or diversification of current ones)
- New premises
- International
- Skills
- Peer networks
- Funding
- Innovation
- Skills

...to name a few

A further way we are looking at to bring a Transport Sector angle to what the Growth Hub does, is by giving a Transport focus to their online portal ‘**Find it in CW**’ (<https://www.finditincw.co.uk/>). This is a portal fully funded and managed by the Coventry & Warwickshire Growth Hub.

The portal will be breaking a number of Transport related business opportunities.

At the same time, Advisers will be using ‘Find it in CW’ as a platform to facilitate introductions to live business opportunities for Transport Tier 2 companies. This would

help to break one of the historical barriers in the sector: links between Tier 1 and Tier 2 companies.

We would be monitoring the amount of Transport related opportunities in the 'Find it in CW' portal as well as the number of transport companies which would actually take advantage of those.

3. Stakeholders involved

The Coventry and Warwickshire Growth Hub will be the sole stakeholder involved in this action.

Within the Hub, some of its activities are delivered through CW Business Support, which is funded through ERDF Priority 3 (until June 2023). CW Chamber of Commerce also works closely with the Hub and is a Delivery Partner for the CW Business Support programme (delivering Start Up Support and Accelerated Growth). The Growth Hub is actually part of CW Local Enterprise Partnership (it represents its business support arm) and co-ordinates all publicly funded local business support activities.

4. Timeframe

December 2021 – May 2023

During phase two of RECREATE, we are going to be monitoring numbers of transport SMEs which will be supported by the CW Growth Hub. Companies will require ad-hoc support as and when needed. This will include direct support from the Advisers at the Hub as well as referrals to business support activities towards organizations like the Chamber of Commerce (in UK, it is a membership organisation) as well as the Universities, the Local Authorities and a variety of other support Organisations.

On a 3 months' basis, we will be requesting data and updating spreadsheets together with potential meetings with the relevant stakeholder/s.

5. Costs

No costs will be applied to the changes we suggest in delivering a more sectorial focus, nor for monitoring the process.

6. Funding sources

There are no funding sources to be specified. Some of the Hub's activities are delivered through CW Business Support, which is funded through ERDF Priority 3 (until June 2023).

7. Monitoring Measures

Our Key performance indicator relates to Growth.

We believe that Growth should be measured by the following:

- Number of new products/services brought to market
- New markets (new countries) accessed by the business
- New premises
- New staff employed
- Skills development of new/old staff
- Diversification of current products/services, expansion into new sectors (specially post COVID) and digitalisation
- Increased turnover
- Costs optimisation
- Networking opportunities (leading to future opportunities)
- Commercial links to Tier 1 companies (Tier 1-2 links)
- Innovation in processes/machines

We will be aiming to be counting companies who sign up to the Growth Hub webpage under the aforementioned categories, which will be receiving **transport sector related support** by the Account Managers within the Growth Hub. Also, where possible, we will be aiming to monitor growth in such companies, in one or more of the aforementioned categories of growth.

We would be monitoring the amount of Transport related opportunities in the portal 'Find it in CW' as well as the number of transport companies which would actually take advantage of those.

Monitoring will take place via a mix of emails and meetings with the Growth Hub Business Development Director on a regular basis, together with a spreadsheet which will be recording the numbers aforementioned on a regular basis.

ACTION 2:

A more sectorial approach within the Coventry & Warwickshire Innovation Test-bed Programme

- **Relevance to the project/ Inspiration**

Our source of inspiration came from our Project partner in Lithuania, specifically from one of their Good Practices named Lithuanian Engineering Industries Association (LINPRA).

Lithuanian Engineering Industries Association (LINPRA) is an independent business organisation that represents metal products, machinery and equipment, electromechanics and electronic, plastics and rubber industry companies' interests on international and national level.

The association also highly encourages companies to take advantage of the new industrial revolution "Industry 4.0", and ensures the most effective use of new technologies, by considering the opportunities offered by digitisation and other EU Member States.

Currently, the association has 111 companies operating in 14 different sectors, including "Manufacture of vehicles, trailers, semi-trailers" and other related to automotive value chains.

LINPRA goal is to increase business competitiveness and internationalisation, improve export of products and services, increase synergies between scientists and engineers' activities.

Targeted business support and promotion organisations have a big impact on the development of targeted companies.

The way they operate is via a sectorial approach; this was the inspiration to our Action Plan and, specifically, to this Action.

- **Nature of the action**

While the Coventry & Warwickshire area performs well in terms of the number of new business starts, not so many of these small companies grow into larger businesses. One of the key reasons for this underperformance is insufficient Research & Development (R&D) and innovation within the SME base.

For example, just 14.7% of Coventry & Warwickshire businesses are defined as fast growing, compared to 16% in the UK overall. Although Coventry is ranked 2nd of all UK cities behind Cambridge in terms of numbers of patents produced per 100,000 population (108.9), 94% of R&D expenditure is focused in just 0.05% of the area's business base (essentially the Original Equipment Manufacturers). Without publicly funded interventions, it is notable that many local SMEs are not investing in R&D or innovation activities, and are

not engaging with the knowledge base within the area which would help them develop high quality new products and technologies.

This programme will therefore address the need to tackle the long tail of less innovative SMEs that is restricting the growth of the Coventry & Warwickshire economy. One market failure that will be addressed is the inability of many SMEs to access external information, advice and guidance, particularly on how to develop and test new product innovations that could potentially meet the requirements of these customers, as well as support with securing Intellectual Property Rights and registering patents. This remains a prevailing area of market failure where the private sector tends not to invest alone, and the provision of publicly funded support will therefore be required.

The Coventry & Warwickshire Innovation Programme, which is part-funded by European Regional Development Fund (ERDF), provides a range of assistance to SMEs to develop innovative and new to the market, products, services or technologies.

Their support is mainly focused around these strands:

- One-to-one business mentoring
- Workshops to enhance your knowledge and skills in areas such as new product development and user testing
- Usability tests and user evaluations carried out on your behalf to provide you with valuable, impartial feedback that you can then use in developing and marketing your product
- Access to finance with grants

Coventry & Warwickshire Innovation Test-bed Programme aims to support SMEs bringing new products/services to market. With our Sectorial Approach Action Plan, we are planning to influence phase two of the project, specifically linked to the Non-financial support provided by one Business Adviser and Intellectual Property support. The Business Advice will be more tailored and sectorial, with a different focus towards Transport SMEs. IP implications will be also taken in consideration and the C&W Innovation Test-bed Programme will start counting referrals towards organisations offering Intellectual Property advice, in order to fast forward growth in such companies.

- **Stakeholders involved**

Coventry & Warwickshire Innovation Test-bed Programme

Coventry & Warwickshire Innovation Test Bed runs up to June 2023, and is funded through Priority 1. Coventry City Council manages the programme, with Coventry University Enterprises Ltd as delivery partner and Warwickshire County Council.

- **Timeframe**

December 2021 – May 2023

During Phase Two, we are going to be monitoring all of the activities specified in the monitoring measures.

On a 3 months' basis, we will be requesting data and updating spreadsheets together with potential meetings with the relevant stakeholder/s.

- **Costs**

No costs will be applied to the changes we suggest in delivering a more sectorial focus, nor for monitoring of the process.

- **Funding sources**

There are no funding sources to be specified. Coventry & Warwickshire Innovation Test Bed runs up to June 2023, and is funded through Priority 1.

- **Monitoring Measures**

We are planning to be monitoring the number of Transport SMEs which are going to be joining the Coventry & Warwickshire Innovation Test-bed Programme and have received Sectorial support linked to the Transport Sector.

Specifically, we are going to be monitoring the following:

- Number of Transport SMEs receiving NON-FINANCIAL support in the form of 121 business mentoring and advise tailored towards transport sector SMEs and the introduction of new products/services to markets
- Referrals linked to the Transport business Intellectual Property needs (number of companies)
- Increased number of jobs (number of jobs)
- New to Market Products/services and/or new to the firm products/ services transport related (number of companies)
- Support provided via thematic Intellectual Property related workshops (number of companies)
- Cross-referrals from some of the local transport networks (e.g. Midlands Aerospace Alliance or Rail Alliance) or other innovation programmes (number of referrals)

We believe in the importance of Growth being measured not only by the number of new products/services brought to market, but also measured by new markets (new countries) accessed by the business, new premises, new staff employed, skills development of old

staff, diversification of current products/ services, expansion into new sectors (specially post COVID) and digitalisation.

Monitoring will take place via a mix of emails and meetings with the C&W Innovation Test Bed Business Delivery Manager on a regular basis, together with a spreadsheet which will be recording the numbers aforementioned on a regular basis.

ACTION 3

A more sectorial approach within the uxplore Program

1. Relevance to the project/ Inspiration

Our inspiration for this Action is linked to the Lithuanian Good Practice named the Association of Transport Innovation (TIA).

The Association has a vision to provide a leadership in the field of transport and logistics by increasing the awareness and understanding of **digitisation**. As a result, it has a mission to create a business-friendly environment through digitisation and **innovation**.

The Institution has the following goals: create a community of transport and logistics innovators, who would generate, discover, test and implement new ideas towards digitisation and effectiveness; develop a National Transport and Logistics Digitisation Strategy; expand the cooperation with EU institutions; create solutions for logistics and customs procedures and enable all members of association to use them; increase the competitiveness of SMEs and Lithuanian transport and logistics sector.

Their Sectorial approach to digitalisation was the inspiration for this action.

2. Nature of the action

UXPLORE is a £3.8M project part funded by the ERDF. It aims at supporting businesses to take advantage of digital connectivity (everything from WIFI and broadband through to standalone 5G networks).

The strands of support provided by the program are currently three:

- Mentoring for businesses who have been registered for less than 12 months – this can either be to take advantage of specific connectivity options that are relevant to that business, or to receive mentoring to commercialise their connectivity product or service idea.

- Connectivity & Frontier Technology Workshops for SMEs who would like to know more about the different connectivity options and how they can be applied. It doesn't require any previous knowledge of the technology. The 2nd day is spent exploring how businesses could apply their new knowledge within their current settings and where they can get further help and support to move their ideas into reality.
- Grants to help businesses prove their concepts for products and services built for 5G – the projects need to be £8K-£20K and a grant would contribute 50%, £4K – 10K. Suitable projects might include Market studies, prototyping, or technical feasibility studies.

Towards the end of 2021, the Digital Hub will open. It will be a place for SMEs to work, collaborate and test products on 5G networks and will offer Technical Mentoring on those 5G networks. It will be the first UK facility offering SMEs the ability to use 3 different 5G networks – a public hybrid 4G/5G network, a private hybrid 4G/5G network and a standalone 5G network.

Our Action is linked to a Sector focus approach of UXPLORE program towards transport businesses. We believe the 5G technology – and digitalisation in general – will be crucial to fast forwarding growth in innovative Transport businesses.

Hence, from a business development point of view, the program should be aiming to attract and recruit companies within the transport sector (especially due to the nature of businesses in our Region). We believe the uxplora project will be of particular appeal to SMEs within the transport sector due to links with the National Transport Design Centre and Horiba Mira, among others.

3. Stakeholders involved)

UXPLORE Program is in charge of the delivering the program (Coventry University). Other stakeholders involved in the project are: Coventry University Group, Coventry & Warwickshire Chamber of Commerce and C&W LEP Growth Hub

4. Timeframe

December 2021 – May 2023
Uxplore runs until the end of June 2023

During Phase Two of RECREATE, we are going to be monitoring all of the activities specified in the monitoring measures.

On a 3 months' basis, we will be requesting data and updating spreadsheets together with potential meetings with the relevant stakeholder/s.

5. Costs

No costs will be applied to the changes we suggest in delivering a more sectorial focus, nor for monitoring of the process.

6. Funding sources

There are no funding sources to be specified.

Uxplore is been funded under priority axis 2, 2b.

Although ERDF Priority 3 is the main relevant objective, activities delivered through the Innovation and ICT priorities as vital enablers for supporting transport SMEs to deliver the necessary innovation and unlock growth potential.

7. Monitoring Measures

We are planning to be monitoring the number of Transport related SMEs which have been recruited and/or supported within the Uxplore Program.

Growth in Innovative Transport SMEs will be measured in terms of Digitalisation and support received under any of the 3 strands of the program. Furthermore, we will be monitoring Transport SMEs engaging with the new Digital Hub.

For all Transport related businesses, we are going to be monitoring the following:

- number of business assists
- number of new businesses assisted
- introduction of new to the firm products (number of products)
-

Monitoring will take place via a mix of emails and meetings with the Uxplore Business Delivery Manager on a regular basis, together with a spreadsheet which will be recording the numbers aforementioned on a regular basis.

Date: 22/10/2021

Name of the organisation(s): Coventry City Council

Signatures of the relevant organisation(s):

