



Annual Report

2020/21



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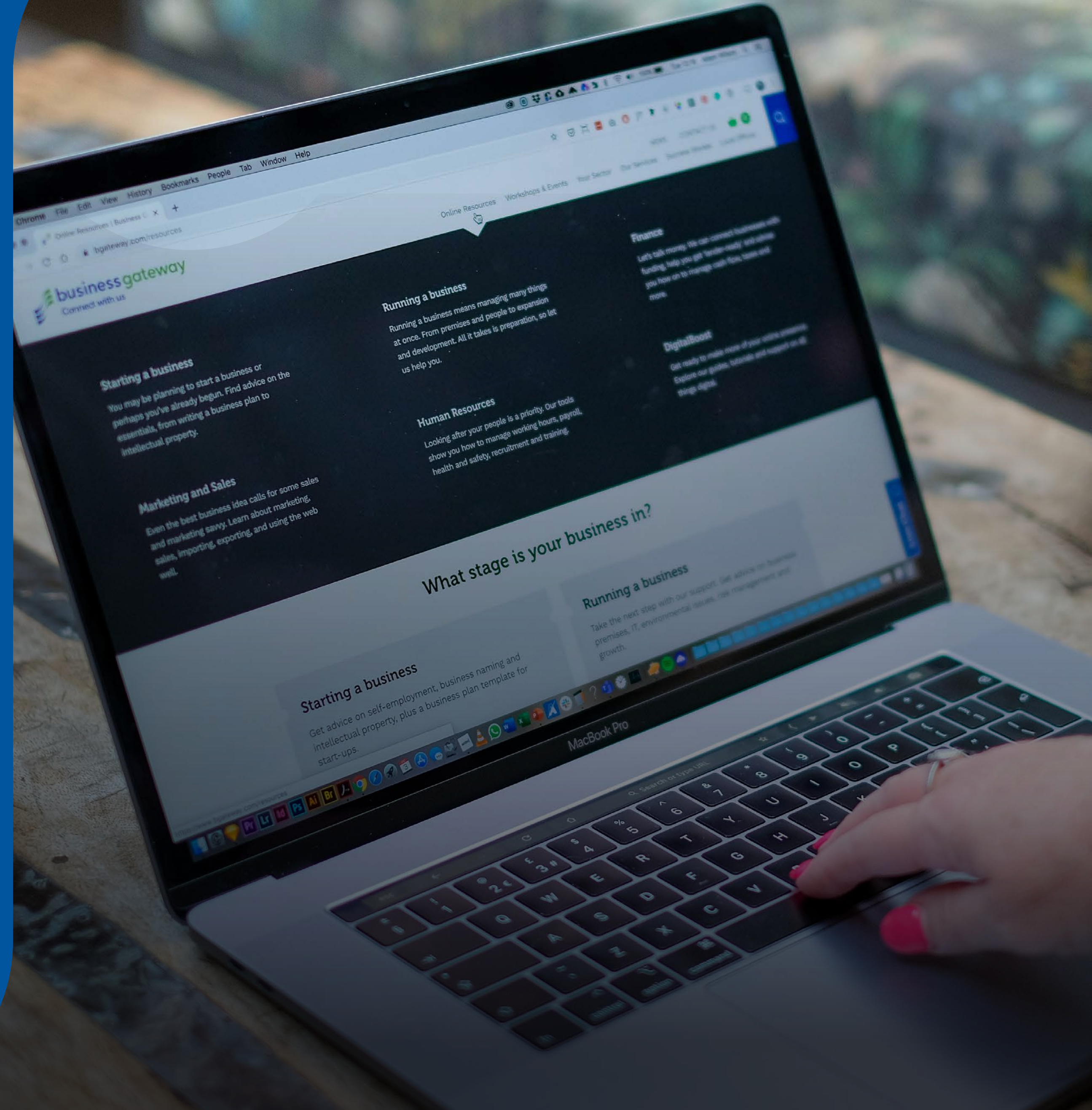
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Summary

Businesses have continued to respond and adapt to challenges over the last year, in response to difficulties presented by both the Covid-19 pandemic and the UK's exit from the European Union.

Throughout this turbulent period, Business Gateway advisers across the country have been there for SMEs, with the service advising over 40,000 businesses during 2020/21, including over 20,000 existing businesses and 15,000 start-up customers.

	2020/21
Total customers supported	43,176
Start-up customers supported	15,380
Existing businesses supported	24,241



Foreword

As I write this year's foreword for Business Gateway's 2020/21 annual report, it's incredible to think that over **6,000** start-ups were set up at a time when the UK economy recorded its worst economic performance for more than 300 years - worse than the 1921 slump after the First World War and Spanish flu.

It was an incomparable year. For years to come, it will not only be remembered for the pandemic but also the opportunity it gave people to come together at a time when a sense of community spirit and support has never been more critical. This is also true of the Scottish business community, as the economic impact touched every industry and supply chain.

We are proud of our teams at Business Gateway, who provided vital support to more than **43,000** start-ups and growth businesses battling the challenges. But we didn't do it alone. Our partners within the business support network, alongside local authorities were responsible for administering the largest programme of public grants to businesses ever undertaken in Scotland - with **£2.28 billion grants** supporting businesses through the pandemic. COSLA and SLAED worked closely with the Scottish Government to design and deploy these grants to businesses at pace, and against the challenging working conditions.

As businesses struggled to survive the ongoing lockdown restrictions, Business Gateway rallied and adapted quickly. We quickly updated and increased our digital resources to ensure ongoing support did not waver. **3,139** webinars were delivered to over **33,000** people over the last 12 months, an increase of **43%** from the previous year.

Meanwhile, DigitalBoost has helped hundreds of businesses adapt and navigate various challenges with a significant surge in the number of people visiting the website and the number of health checks completed.

In part, this was supported by an increase in online resources and a shift towards national webinars. Events rose by **37%** and attendees grew by **102%**. These numbers don't just represent the incredible work of our advisers over the last year, but also reflect the phenomenal demand for the DigitalBoost service.

Survival has certainly been a key theme over the last 12 months and monitoring tells us that businesses in Scotland have a strong survival rate, with **77%** staying in operation and growing three years on from starting out. However, the detrimental impact on many is clear and much of our team's work has, and will continue to be, how best we help with futureproofing businesses. This is not just related to the pandemic, but also the longer-term impact from Brexit.

As Scottish businesses emerge from the pandemic bruised but not broken, I hope that this sense of togetherness will prevail and that many will be fuelled by lessons learned to face a brighter future head on. We know the value the businesses we work with place on networking so we encourage you to reach out and help support each other.

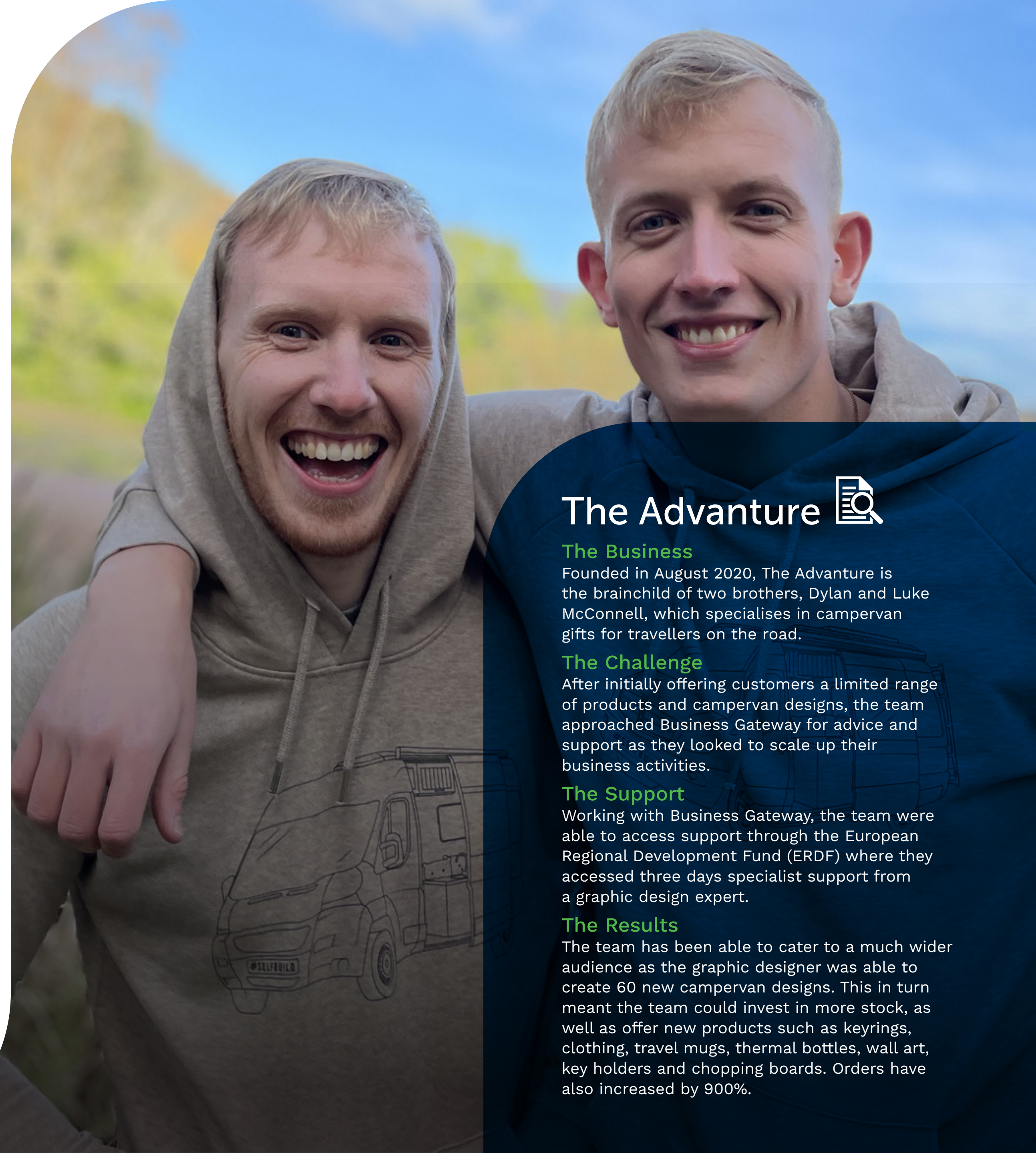
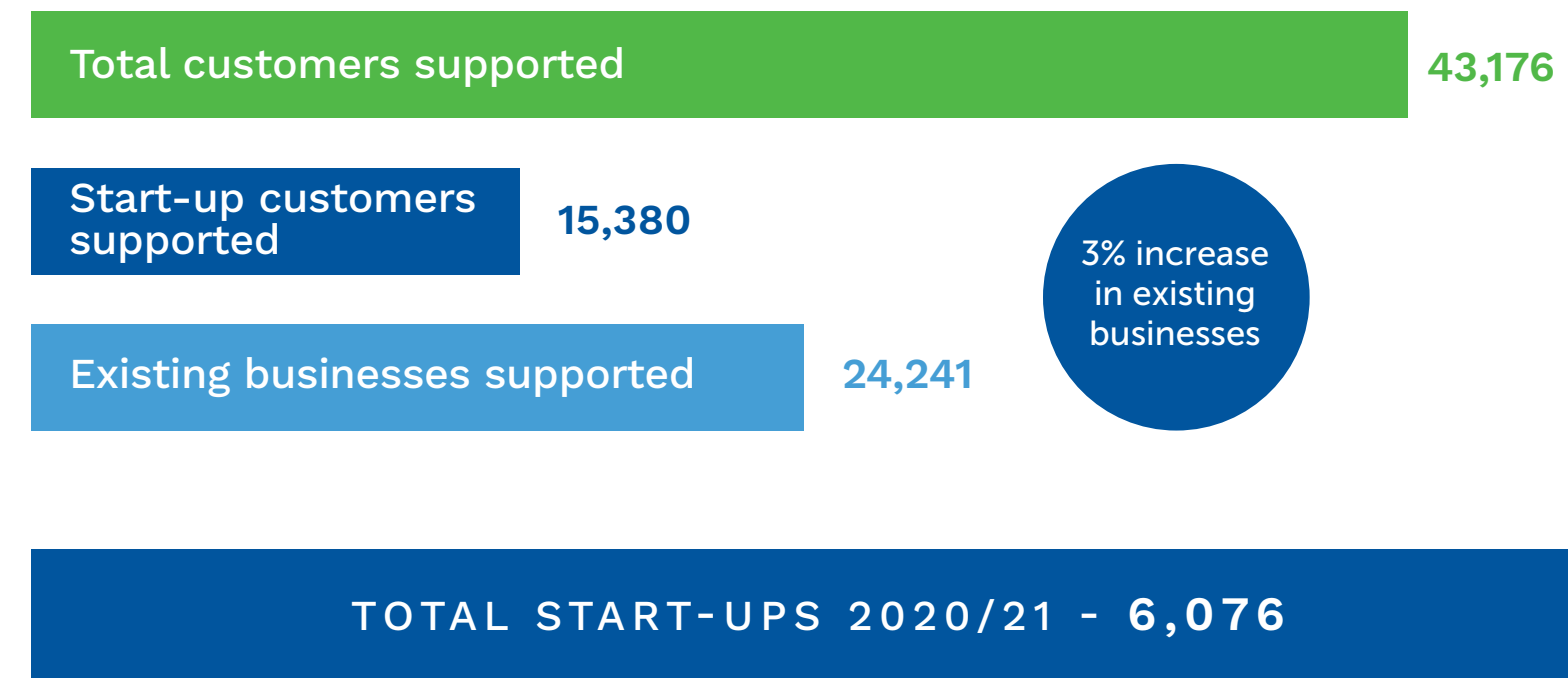
Finally, I would like to thank our local teams, who have supported so many businesses through these unparalleled times. And to the thousands of start-ups and growth businesses in communities stretching across Scotland our message is clear; we're in this together. Times may have changed, but our commitment to help deliver the best advice and support to Scottish businesses now and in the future is unchanging.



Cllr Steven Heddle

Environment and Economy Spokesperson,
Convention of Scottish Local Authorities

Our year in numbers



The Adventure

The Business

Founded in August 2020, The Adventure is the brainchild of two brothers, Dylan and Luke McConnell, which specialises in campervan gifts for travellers on the road.

The Challenge

After initially offering customers a limited range of products and campervan designs, the team approached Business Gateway for advice and support as they looked to scale up their business activities.

The Support

Working with Business Gateway, the team were able to access support through the European Regional Development Fund (ERDF) where they accessed three days specialist support from a graphic design expert.

The Results

The team has been able to cater to a much wider audience as the graphic designer was able to create 60 new campervan designs. This in turn meant the team could invest in more stock, as well as offer new products such as keyrings, clothing, travel mugs, thermal bottles, wall art, key holders and chopping boards. Orders have also increased by 900%.

Interview with our adviser

Maggie Gorman has worked with Business Gateway for three years providing support and advice to local businesses in both Stirling and now Clackmannanshire.

1: What were the top three challenges for someone starting a business?

One challenge we saw was start-ups struggling to generate enough capital to remain in operation. At Business Gateway Clackmannanshire we generally advise businesses to have enough to take them through the first three years, and while a lot of them have funds set aside to help them get started, some business owners don't think about what they will need beyond the first 18 months.

Another area where some business owners struggle is creating a strong marketing strategy that will help generate income.

Finally, some struggle to find the time to grow their start-up. In the early days of starting a business, the owner is often doing absolutely everything, and it can be a struggle to set aside time to look at their business plan and identify areas for growth.

2: Do you expect the number of start-ups to increase in 2022?

It is hard to predict what will happen this year, but there has been an increase in the number of start-ups. Business Gateway is also seeing higher numbers of initial enquiries convert into fully-fledged businesses, so that's quite positive.

3: Are there any key trends or industry issues you're seeing with start-ups?

Sustainability is a key trend for start-ups and enquiries highlight an interest in carbon reduction, with many business owners asking how they can contribute to the move to net-zero. Another trend is the focus on digital, and the need for a strong online presence. The pandemic has taught a lot of business owners that they can't get away without it.

4: How has the increased use of digital technologies helped start-ups successfully launch?

If you're digital and you're online, you can reach the rest of the world. The world is your market so you can be more global, and you can trade internationally. While there are challenges, having a digital presence opens more opportunities.

5: What does success look like for a start-up?

If a start-up survives its first three years, it is more likely to remain in operation and grow in the future, so this milestone is key for any new business.

To get to this point, I think it's important for a successful start-up to have a robust strategy that includes marketing to ensure they can reach customers and raise brand awareness.

Finally, for those start-ups with employees, investing in them is critical to a successful business strategy. Finding the right person is always a challenge, but if you train and look after your staff, then they are less likely to move on.



Number of enquiries

Total enquiries	38,290
Start-up total enquiries	16,585
Existing businesses total enquiries	18,069

“It’s because of the support we received through Business Gateway and Perth and Kinross Council that we have been able to capitalise on the opportunities presented to us during what has been an extremely challenging, yet unbelievably rewarding period”.

TANYA EWING, CEO, GLAZE AND SAVE



Glaze and Save

The Business

A Perth-based glazing business, Glaze and Save offers an alternative solution to replacing windows for its customers with a revolutionary product that can transform single glazed windows into double glazed. The all-in-one slim solution, InvisiTherm®, is ideal for heritage glass and listed buildings due to its adaptability to a variety of window shapes, improving thermal insulation, eradicating condensation, and draughts, and reducing noise.

The Challenge

Following a surge in interest earlier this year as consumers looked for ways to reduce energy bills and improve their carbon footprint, founder Tanya Ewing turned to Business Gateway for support to help meet the increasing demand for their products and services.

The Support

Tanya accessed one-to-one business advice and HR support to help grow the business and was signposted to funding. Glaze and Save also improved the online and brand presence of the business by attending several DigitalBoost webinars and receiving support and advice from a dedicated adviser.

The Results

Business Gateway support and the brand’s increased levels of digital marketing activity led to an increase of enquiries from commercial property owners looking to improve their practices. The team has increased its staff from 9 to 16 people to meet this demand.

Glaze and Save also received £60,000 of funding from Perth and Kinross Council thanks to signposting from Business Gateway. Thanks to this support, Glaze and Save is now on its way to achieving its first annual turnover of £1million.

Interview with our adviser

Stephen Cranston has worked with Business Gateway for two years, helping businesses grow and scale up across Stirling and Forth Valley.

1: What have been the main challenges for business owners over the last year?

Funding and cash flow have been the main challenges for all businesses over the last year, and we saw this first-hand at Business Gateway when we advised business owners about grant opportunities that would help them manage the challenges of the pandemic.

In terms of other challenges, this has varied depending on the sector. Tourism and hospitality have been particularly hit, requiring additional support to handle the impact of closure and cancellations, as well as adapting to operational restrictions such as physical distancing. This has all had an impact on their bottom line, so a varied package of support is required going forward.

2: Are you confident about the outlook for businesses?

Businesses have been forced to adapt to difficult trading conditions but despite the uncertainty, they have developed innovative ways to working which has placed them in a strong position.

3: What are the key trends business owners should be aware of looking forward?

It's vital for businesses to invest and maintain their online presence if they haven't done so already. Digital and online shopping isn't going away any time soon, so to reach customers, ensure your brand stays relevant and secure growth, business owners should take steps to review their website, make sure it's user-friendly and that customers can find you easily.

4: How can businesses keep their employees motivated?

Communication is vital, and business owners should make efforts to ensure they are regularly updating their staff to ensure everyone feels part of a team. Other initiatives such as teambuilding and away days can also foster a collaborative culture and ensure people are motivated.



Survival monitoring

Our monitoring tells us that businesses in Scotland boast a strong survival rate, with 77% of start-ups staying operational and growing three years after initially starting up.

According to our network, start-ups are less likely to report a negative impact from Covid-19, with 66% reporting a slightly or significantly negative impact, in contrast to those more established businesses, where 76% reported negative consequences because of the pandemic. Despite this, over the last year, start-ups were most likely to fail because of Covid-19, so its impact on the business community cannot be underestimated.

This is also underscored by the drop in business confidence when it comes to the next 12 months. Just under half (49%) of businesses trading for one year expect a positive outlook, and this dropped to 42% if the business had been trading for three years.

This contrasts with the more positive outlook reported in 2019/20, where 65% of businesses trading for one year and 55% of businesses trading for three years anticipated a positive outlook.

AFTER 1 & 3 YRS OF TRADING

	2020/21		2019/20	
	1 YR	3 YRS	1 YR	3 YRS
Annual survival rate	76%	77%	79%	73%
How do you see the outlook in the next 12 months?				
Favourable	49%	42%	65%	55%
The same	31%	34%	27%	34%
Unfavourable	20%	24%	8%	11%
What effect has Covid-19 had on your business?				
Favourable	21%	15%		
The same	13%	9%		
Unfavourable	66%	76%		
Top reason why companies are no longer trading				
Covid-19	70%	29%		

Number and value of grants given out

Local authorities were responsible for administering the largest programme of public grants to businesses ever undertaken in Scotland to support businesses through the pandemic. This was delivered at a time when there was a huge increase in enquiries from businesses looking for advice and reassurance.

COSLA and SLAED worked closely with the Scottish Government to design and deploy these grants to businesses at pace, and against the challenging working conditions.

In total, local government has delivered £2.28 billion of grants to support businesses through the pandemic (£1.03bn March to September 2020 and £1.25bn October 2020 to end of June 2021).

From March to September 2020 grants were delivered through the Small Business Support Grant scheme, while from October 2020 to June 2021 grants were delivered through the Strategic Framework Business Fund and a variety of other targeted grant schemes.

Overall, it was an incredible feat by everyone involved, and would not have been possible without the phenomenal levels of hard work shown by all.

SUPPORT SCHEME	BUSINESSES SUPPORTED	TOTAL PAID (£)
Strategic Framework Business Fund (restrictions and closure grants)	47,658	344,783,237
Restart grant and transitional payments - including small accommodation payments	49,222	444,820,593
Localised Restrictions Support Fund	9,038	9,300,075
Retail Hospitality Leisure top up	33,681	238,539,500
Island Equivalent payments	1,660	8,644,700
Island Equivalent top up	605	4,068,000
Discretionary Fund (including Glasgow top up)	22,902	93,163,140
Taxi and private hire driver support (March 2021)	21,838	32,757,500
Contingency plus (travel agents, breweries and indoor football)	345	5,391,250
Exclusive use and large self catering	1,443	3,046,000
Small accommodation providers paying Council Tax (waves one to three)	1,481	8,830,000
Top up payments to licensed bingo clubs and casinos	57	2,850,000
Taxi and private hire driver and operators fund (June 2021)	20,456	30,684,000
TOTAL FUNDS OF ALL SCHEMES (£)		1,226,877,995

Number of webinars held, topics and number of attendees

The onset of lockdown meant all face-to-face workshops were switched to online delivery at incredible speed to ensure businesses had access to resources and support when they needed it most. A national programme of webinars were designed and delivered to ensure services could be maintained.

Alongside grant support, Business Gateway also designed and delivered 3,139 webinars, up 5% when compared to 2019/20.

Attendance across all webinars was up 43%, with 33,683 attending sessions during the last twelve months.

	2020/21	% INCR/DECR
Total events & workshops held	3,139	5%
Total attendees	33,683	43%
Start up: Events	938	-15%
Start up: Attendees	7,147	-11%
Growth: Events	758	6%
Growth: Attendees	10,055	102%
Local: Events	613	8%
Local: Attendees	5,998	13%

Attendee numbers are not included in the total customer numbers.
Figures include DigitalBoost events.

DigitalBoost

DigitalBoost continued to be a critical resource for businesses of all sizes from 2020/21, with over 10,000 attending 830 online events.

Total 1:1 projects were also up by 9% from 653 in 2019/20 to 711 in 2020/21, and online tutorial views increased by 12% from 3,412 in 2019/20 to 3,827 this year.

3,233 Digital Health Checks were completed, and there were 21,400 visitors to the DigitalBoost web page.

	2020/21	2019/20	% INCR/DECR
Total events	830	606	37%
Total attendees	10,483	5,199	102%
Total 1:1 projects	674	653	3%
Online tutorial views	3,827	3,412	12%
Visitors to DigitalBoost campaign page	21,400	29,945	-29%
Digital Health Checks completed	3,233	2,860	13%

Transition Turrieffield

The Business

Transition Turrieffield is a Shetland-based community farm set up to promote self-sufficiency and help the island become more food secure. The farm grows and distributes its produce through popular delivery boxes, as well as providing training to individuals and groups on growing food outdoors and under cover in Shetland.

The Challenge

The pandemic caused founder and co-owner, Penny Armstrong, to evaluate how Transition Turrieffield delivered training courses after in-person sessions were cancelled in early 2020 due to lockdown. It was clear that the business needed to move online, but the team didn't have the skills to do so.

The Support

Working with their adviser via dedicated 1:1 sessions, Penny and her husband Alan upskilled quickly and developed the confidence to host and manage virtual courses. Penny said: "After lockdown, we knew we had to evaluate how we delivered our courses. It was clear that we had to move online but neither of us had the skills. However, through Business Gateway and DigitalBoost, we were able to upskill quickly and were soon confident enough to host and manage virtual sessions."

The Results

Transition Turrieffield developed a robust online strategy which included video production to promote the business, as well as social media planning.

The team has also been able to launch a series of beginner's guides aimed at novice growers and are working with a developer to improve their website.

PR & Marketing

	2020/21	2019/20	% INCR/DECR
Web visitors (sessions)	1,006,845	832,612	21%
New visitor sessions (new users)	678,743	546,501	24%

Quality Assurance

Business Gateway carefully measures the quality of its service and the satisfaction and benefit that customers using its services receive. This is done on our behalf by a professional and accredited market research agency (Progressive Partnership) by a regular email satisfaction survey sent to people after they have accessed the services, with questions which then inform a set of Key Performance Indicators (KPIs).

The key findings from our quality assurance reports for April 2020 to March 21 were:

- Overall satisfaction between April 2020 and March 2021 was 78%.
- 77% of respondents said their expectations had been met or exceeded.
- 79% of respondents reported that the support they received would be beneficial for their business (excluding those reporting it was ‘too early to say’).
- 81% of respondents this year would probably or recommend Business Gateway to other business people or those thinking of starting a new business.

Isle of Cumbrae

The Business

Isle of Cumbrae Distillers is a five-strong female team, who met for the first time in a pub. Bonded by a love of gin and a passion for the island community, they opened Millport’s first gin distillery in 2020, with plans to create additional jobs in the region.

The Challenge

Equipped with passion and an initial concept of ‘Nostalgin’, but little experience of the industry and legal implications of opening a distillery, Business Gateway supported the team with practical experience and resources to form a business plan that would bring their product to market. The team also needed practical support and advice on how to launch an operational business during a global pandemic.

The Support

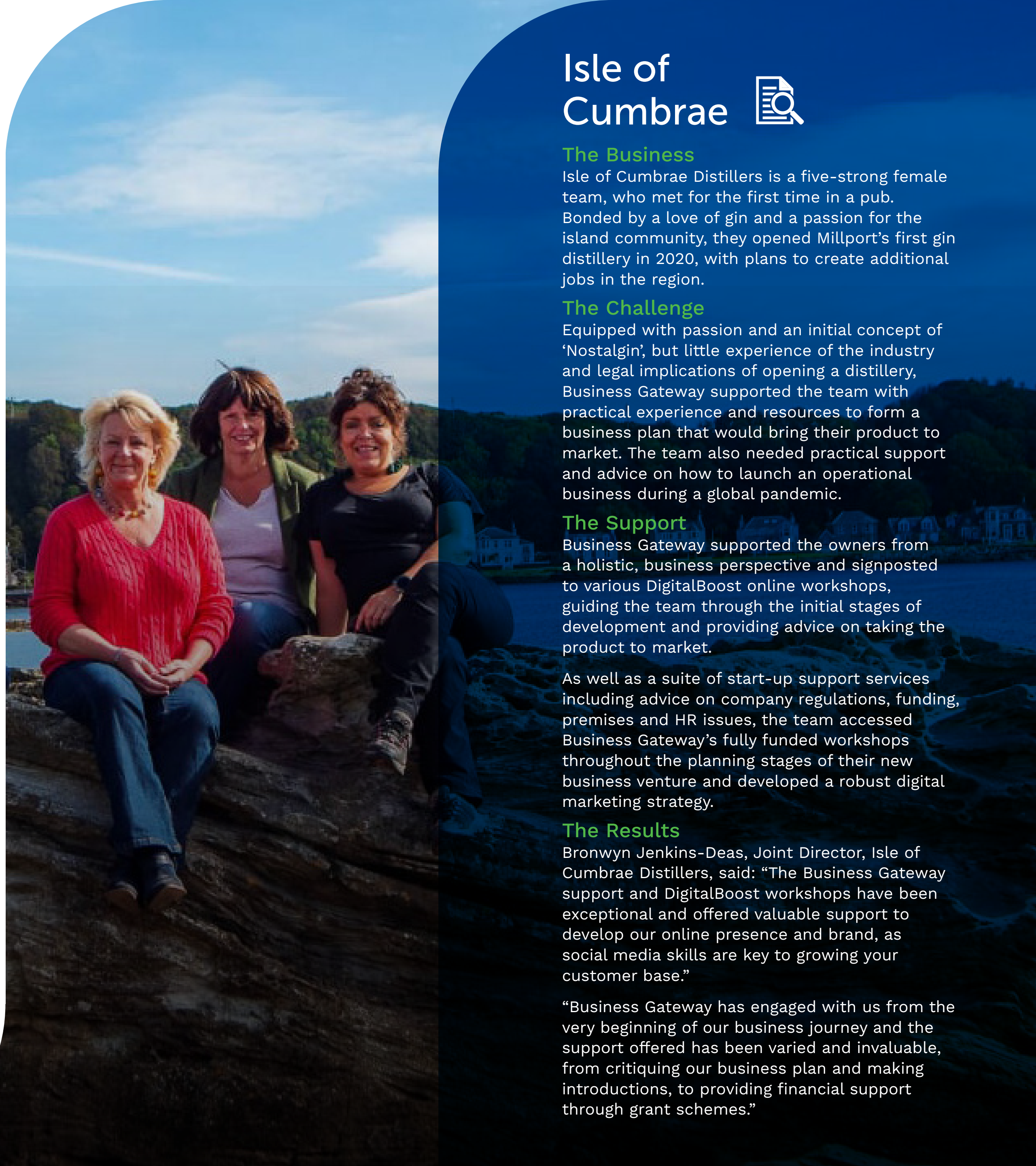
Business Gateway supported the owners from a holistic, business perspective and signposted to various DigitalBoost online workshops, guiding the team through the initial stages of development and providing advice on taking the product to market.

As well as a suite of start-up support services including advice on company regulations, funding, premises and HR issues, the team accessed Business Gateway’s fully funded workshops throughout the planning stages of their new business venture and developed a robust digital marketing strategy.

The Results

Bronwyn Jenkins-Deas, Joint Director, Isle of Cumbrae Distillers, said: “The Business Gateway support and DigitalBoost workshops have been exceptional and offered valuable support to develop our online presence and brand, as social media skills are key to growing your customer base.”

“Business Gateway has engaged with us from the very beginning of our business journey and the support offered has been varied and invaluable, from critiquing our business plan and making introductions, to providing financial support through grant schemes.”



Where next



DigitalBoost

Now in its fifth year, DigitalBoost has helped thousands of Scottish businesses upskill and invest in their own training and online platforms, ensuring they are in a strong position to embrace the opportunities presented by the digital world.

Demand has continued to grow, particularly since the start of the pandemic in 2020, as businesses have faced significant challenges, with many being forced to adapt their operations and services in a move to digital platforms, building new ways of working and identifying ways to continue trading.

In response to this, DigitalBoost has helped hundreds of business owners retrain through popular webinars on topics such as social media, digital marketing strategies and how to sell online.

However, despite this growth, the core of the programme remains the same as it was in 2016: to help business owners get online, ensure they are able take advantage of new opportunities and develop new skills. And as the world looks to move forward from Covid-19 and the pandemic, these skills will continue to be a pillar for successful businesses across all sectors, with DigitalBoost remaining a key and vital free resource for SMEs of all sizes in the coming years.



Progress with key demographics

Business Gateway is committed to supporting a diverse range of businesses across society. Over the last year, the service has supported many rural, disadvantaged, female-led, minority ethnic-led, young person-led, and disabled person-led start-ups across Scotland.

	2020/21	2019/20	% INCR / DECR
Total Start-ups	6,076	8,967	-2,891
Rural Start-ups	35%	32%	3%
Disadvantaged Start-ups	15%	16%	-1%
Female-led Start-ups	45%	51%	-6%
Minority Ethnic-led Start-ups	6%	7%	-1%
Young person-led Start-ups	14%	14%	0%
Disabled person-led Start-ups	2%	3%	-1%

Please note the above table includes start-ups that fall into multiple categories.

Given the impact of Covid-19 on start-up figures, it is expected that these figures would also fall. However, for Business Gateway, supporting the growth of these businesses is a priority, and going forward into 2022, the service will build on its programme of support through dedicated web content, as well as webinars and events.

Working in partnership



Planning To Start

Covid-19 resulted in a dramatic change to business operations across all sectors as almost everyone adapted to full-time home working. For some, lockdown gave space for creativity, allowing individuals to consider self-employment as a new career path. For others, this demand was driven by necessity, as the crisis led to job loss and redundancy.

Regardless of the reason, across the Business Gateway service, advisers witnessed this first-hand as people turned for help when it came to starting their own business. This has also been shown in the success of the Planning To Start tool, specifically designed to help individuals taking the first step on this journey.

Individuals only needed to take 10 minutes to answer some questions about their initial business idea. From there it is possible to access an instant start-up toolkit and connect with a local Business Gateway office, where a team can help create a tailored action plan.

No matter what place people start from or their background, the Planning To Start tool has been an invaluable resource for many this past year, providing instant support to help anyone build a robust business plan and get the strongest start possible.

This will continue to be a priority for the service in 2022, ensuring people have a variety of avenues as they look for support.



Looking ahead

While the future still seems uncertain, this type of environment often brings the best conditions for building flexible and successful businesses.

Scotland is well known for its entrepreneurial spirit and a lightbulb idea is often the catalyst for starting up a business. As entrepreneurs continue to spot gaps in the market, others are coming up with ways to improve an existing product or service. However, very few start-ups get everything right the first time and Business Gateway, Scotland's national business advisory service, is expertly placed to help aspiring business owners overcome these hurdles.

Although the road ahead remains challenging, it is still a good time to start a business. The experienced advisers at Business Gateway continue to be on hand to help build pioneering ideas into robust business plans and to offer inspiration, advice and support where businesses need it most.

As the world of business continues to evolve, Business Gateway will remain at the forefront of Scottish business, providing momentum for the innovation that will shape the future of Scotland.

