

Get Ready to Supply

Project report

Newable

Profit and purpose in equal measure

Newable's works with businesses at the heart of the economy, helping people start, scale and sustain their enterprises. We are a company limited by guarantee, our members being the London Boroughs and the City of London Corporation. Our purpose is to achieve profit and social impact in equal measure.

Newable has a comprehensive range of products and services. Whether it be Responsible Finance delivered to people who often find themselves refused loans from traditional high street providers. Whether it is support for companies with the desire to get exporting but lacking the expertise. Or whether it is businesses struggling to access the complex and foreboding world of corporate supply chains.

Newable is an active and creative supporter of small businesses, working to create jobs, encourage enterprise and equip SMEs with expertise and confidence. We are the champions of growth. That is why we were thrilled to have been chosen to deliver the Get Ready to Supply project funded by a grant from the JP Morgan Chase Foundation.

The Get Ready to Supply project aimed to address the market failures by building a network of buyers willing to support local small businesses.

Buyers with live contract opportunities were identified. The project team facilitated introductions to corporate decision makers and provided support to help SMEs meet supply chain criteria.

Newable is a strategic player in London's business support ecosystem. We were therefore able to engage and access key partnerships many outside but many within Newable. We thank our colleagues from the following teams: Department for International Trade (DIT), Enterprise Europe Network (EEN) and the Innovation team whose support added to the offer to businesses.

This report outlines some of the significant impact delivered by the Get Ready to Supply project. We look forward to delivering further programmes with our friends at JP Morgan Chase Foundation in the near future.



Chris Manson, CEO, Newable.

Executive summary

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The Get Ready to Supply Project is designed to support the growth of Small and Medium Enterprises (SMEs) based in East London and has been funded by a grant from JP Morgan Chase Foundation.

There are several strategic barriers and market failures faced by SMEs when looking to supply large corporations and government. A key barrier for organisations is a lack of knowledge on how to access and successfully open supply chains and monitor procurement opportunities. For both start-ups and existing businesses, access to new markets, especially those presented by large corporates and governments, is critical for business growth and sustainability.

Access to finance is vital to ensuring that small businesses can cash flow and deliver the contracts they successfully unlock. However, many businesses seeking such growth finance are likely to have difficulties in obtaining it, even knowing where to obtain it.

The Get Ready to Supply project has two distinctive strands - Construction and Creative. These verticals were identified, as many SMEs based in East London looking to increase their supply chains and grow their businesses through new sales had not had access to bespoke support.

The project's primary aim was to open up supply chains and procurement opportunities for SMEs, with a special focus on developing sustainable supply chains; thereby creating jobs across the construction and creative sectors.

The project helped businesses to improve their economic performance by a total of £3,949,848.

(A number that is likely to increase.)

It also helped 250 beneficiaries to identify tender opportunities, prepare Pre-Qualification Questionnaires (PQQs), help them to pitch, introduce them to buyers and provide business management training and support – helping to target the market failures of local SMEs entering supply chains of larger corporations, which it set out to address.

The project generated 23 new jobs through growth of the businesses supported. In addition, a total of 119 jobs have been safeguarded, 87 in the construction sector and 32 jobs in the creative sector.

The project demonstrated a positive return on investment. For every £1 spent by JP Morgan Chase Foundation, the Get Ready to Supply project generated £7.90 of direct sales for the beneficiaries participating in the project. The trickle effect in the local economy is likely to be greater.

JP Morgan Chase Foundation

Our firm has deep roots in London, with a presence here for more than 200 years. Over the past decade, London's rapidly growing financial centre has shifted from its historic home in the City of London to East London. This shift has heralded huge changes for the boroughs of East London, including more economic activity, jobs and development.

The rate of employment in four East London boroughs is approximately 5% lower than that of the rest of London. As East London booms, however, these new opportunities are not reaching everyone equally — especially those who have lived and worked here since before the area's ascendance. In fact, some East London boroughs still struggle with stubborn economic challenges.

To address these inequities, J.P.Morgan is taking a long-term, holistic and multifaceted approach to its corporate responsibility efforts in East London so that the area's newfound prosperity can be more equally shared.

In 2012 the firm relocated from the City of London to Canary Wharf, boosting our presence in this thriving area of energy and growth. Now we are proud to say that our work in East London has created a positive impact through our support of efforts to build a skilled workforce, strengthen small businesses and boost the financial health of individuals and families.

There is no one-size-fits-all solution to this problem. Yet through meeting local communities and leveraging our competencies to invest in the four key drivers of inclusive economic growth, our firm has gained valuable insight into the broad approaches that are proving effective in cities around the world.

“J.P.Morgan believes in a fundamental responsibility to help its clients and communities navigate a complex global economy and address their economic and social challenges.

It uses its strength, global reach, expertise, relationships, and access to capital to make a positive impact in cities around the world. J.P.Morgan works with community partners to create pathways to opportunity by supporting workforce development, financial capability, small business development and community development in the regions where it does business.

We are thrilled to have established a highly productive partnership with Newable.

The enthusiasm, expertise and commitment of the Newable team was deeply impressive and welcomed not only by J.P.Morgan, but also by the businesses the project was designed to support.”

Hang Ho,
EMEA Head of Philanthropy,
J.P.Morgan



Natasha Jade, commercial artist, benefited from free business support the Get Ready To Supply programme.

J.P.Morgan

The challenge

East London Growth Boroughs account for 18% of London's population. However, 62% have high levels of deprivation and, as a result, they are recognised as having significant unmet growth potential.

The construction sector is undergoing huge growth across East London, which is resulting in smaller businesses that are local not fully benefiting from the opportunities that this growth has brought to the area.

Meanwhile London's traditional creative and design makers have long been centred on East London and, again, these SMEs have often encountered difficulties in winning work from larger supply chains linked with London's thriving retail-shopping culture.

Significant questions remain as to how best to help people living in these communities unlock their commercial potential.

There are several strategic barriers and market failures that SMEs face when looking to supply large corporations and government. A key barrier for organisations is a lack of knowledge on how to identify relevant sources to open up supply chains and how to monitor procurement opportunities. For both start-ups and existing businesses access to new markets, especially those presented by large corporates and government is critical for business growth and ongoing commercial sustainability.

The Get Ready to Supply programme therefore focussed on making positive interventions to help SMEs engage with larger businesses. And to make these larger businesses aware of the portfolio of SMEs based in London's East End.

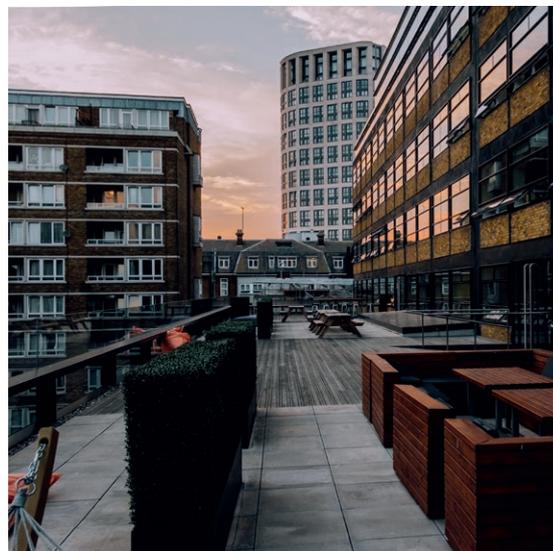
A second challenge can be characterised as the skills challenge. Most SMEs trade with people and businesses they know. Most of those are other SMEs. Doing business with corporates can be a new, alien and confusing experience. Understanding who the potential is, what they are looking for and how to connect with and engage them is key.

A third and related challenge is access to finance. It is vital ensuring the investment, development and innovation performance of small businesses. Quite often, it is pre-requisite to underpin the strains on cash flow that comes with delivering supply contracts. Although the same businesses often find themselves facing difficulties in obtaining it from High Street Banks and lacking the knowledge of alternative finance providers.

A government report detailed the following findings when looking at SMEs and raising finance:

- A substantial amount have never reviewed their financing needs
- Equity and non-bank sources of finance are only used by a minority of businesses
- A number of SMEs do not 'shop around' when looking for finance and most tend to approach their main bank due to existing relationships for credit cards, bank loans and overdraft – 71% of those seeking finance only approached one source finance. Only 16% of SMEs that had sought finance sought external advice on the type of finance to apply for and who to approach. 91% of those that received support found it useful.
- The vast majority of SMEs think of banks when they have a need for external finance. Awareness of other forms of finance is lower, and fewer businesses know of a specific supplier. SMEs are also cautious about using these alternative funding sources.

This was a key challenge for The Get Ready to Supply programme to address.



The programme

The Get Ready to Supply project focussed on two distinctive strands - Construction and Creative. Across both verticals, the programme was tasked with identifying and supporting SMEs (including some micro SMEs) based in East London looking to increase their supply chains and grow their businesses.

These businesses have typically not benefitted from bespoke support that specifically helps them source new sales opportunities, engage with the right people at the right time thereby entering or progressing into large supply chains.

The project's primary aim was to open up supply chains and procurement opportunities for SMEs, with a special focus on developing sustainable supply chains; thereby creating jobs across the construction and creative sectors.

There was an overarching cross cutting theme of making Newable's products and services available to business owners in order to support them with their growth opportunities.

A special focus was to help businesses with investment readiness to enable the companies to scale up in tandem with sales opportunities identified.

Delivery was designed to help SMEs across the whole of London with a focus on the East London under-represented boroughs of Greenwich and Waltham Forest, promoting supplier diversity and sustainable procurement to buyers.

“Our mission was to support hundreds of SMEs in becoming supply ready and realise their potential to win contracts with large buyers.”

PATRICK NICHOLSON, NEWABLE

The Get Ready to Supply project also played a key part in helping a number of businesses from key disadvantaged groups including BAME, women and disabled led businesses.

Newable used a number of tools to market the Get Ready to Supply project, including: the production of case studies; information featured on the project website, through partners; and network events.

Diagnostic

The Get Ready to Supply project developed and refined a tool kit of diagnostic questionnaires for initial meetings and specialist clinics to identify support needs and actionable steps.

1-2-1 Support

Initial meeting with clients to diagnose their barriers for growth and signpost them on to workshops, networking and specialist support. 1-2-1 specialist sessions covered subjects from business planning, marketing, finance to company formation.

Specialist Clinics 1-2-1

Following on from these workshops, the project responded to requests from businesses to provide 1-2-1 expert sessions with the practitioners delivering the workshops. 6 clinics were organised covering 'Costing & Pricing', 'Branding' and 'Social Media'. There was 100% attendance, businesses seeing the value of these sessions and providing excellent feedback and measurable change.

“The project has tackled the lack of visibility of small business within the construction industry. We tailored the opportunities presented to SMEs and arranged meetings with Buyers based on the SME trade, to ensure an efficient match.”

SEHRI MIRZA, NEWABLE

“Nearly half of all people in the creative sector are self-employed. They often feel isolated and lack the skills or confidence in their own abilities to grow their business. We wanted to give the creative cohort the confidence to address these challenges.”

TIINA EVANS, NEWABLE

Workshops

The team delivered 17 workshops and co-delivered 4 with partners such as London Small Business Centre.

Events

In addition to workshops, match making events were held. 11 Meet the Buyer events were organised, where Buyer requests for suppliers were matched with relevant suppliers. Suppliers received support before, during and after the event to maximise chances of suppliers being invited by buyers to submit pre-qualification questionnaires and formally enter the supply chain of the buyer. To match the need of creative suppliers, introductions to market places were made and support provided to exhibit at trade events.

In their own words: SMEs

“It’s those skills...and these skills will really help me grow as a business; help me be more professional; know what I am doing; cost my products better...help me be more confident...A little bit of confidence and knowing that you are going in the right direction means a lot.”

“I have been to a few Meet the Buyer events with the help of Liam. Liam has been absolutely brilliant for me. He has given me a lot of confidence in coming across and trying to explain what I do as a business.”

“I really think the reason why we got such good feedback from Ayala (buyer) was due to what we have learnt on the courses.”

“I definitely recommend this programme to any upcoming designer or anyone looking to gain more momentum.”

“I have been coming to Meet the Buyer events in order to increase customer base. I think it’s absolutely fabulous, I make a contact every time and they become a business partner for the months and months ahead”

In their own words: Buyers

“We’ve met diamond drilling companies. We have met logistic companies. We have met site security companies. We have met earthworks and architectural services, catering companies, landscaping and paving. So a whole assortment of people who can supply us”.

“We want to outreach as a company...it’s really important we engage, we have a target of 25% local procurement. Using Meet the Buyer function is an important part of that.”

“It’s been great to meet people face to face in this informal setting and begin building relationships. It’s really important that we do that as well.”

“Skanska are keen on working with local communities and take their commitment to corporate social responsibility (CSR) seriously.”

“I would recommend this because you would meet with companies you would normally not meet with.”

Case study: Construction

Roseville Projects

Sector: Construction

Staff: 20

Clients: 67

Based in: Tower Hamlets

Established: 1998



Setting the scene

Roseville have divisions specialising in Passive Fire Protection, Cladding and Dry Wall, Flooring and General Building Works.

How we helped

We have provided 30.5 hours of support to Roseville Projects. The hours are the accumulation of one-to-one meetings in which the Business Support Manager has detailed tender requirements to the client and meetings which Roseville have had with the following buyers: BAM Construction, Skanska, Ayala International, Multiplex, Sir Robert McAlpine, Axis Europe and Knight Harwood.

Results

Roseville have secured contracts with Sir Robert McAlpine and Skanska to supply developments in the City of London area.

What next?

After a successful meeting with Multiplex, Kathryn is waiting to hear about the next step to supplying fire protection to one of Multiplex's East London projects.

Case study: Creative industries

Sahar Millinery

Sector: Creative – Milliner

Staff: 1

Based: Tower Hamlets

Established: 2010



Setting the scene

Sahar is a couture hat designer who studied Performance Costume at the Edinburgh College of Art before starting her own business, 'Sahar Millinery', located in her millinery studio in Central London. Sahar specialises in handmade hats for women. Sahar's hats have been featured in the Independents list of Top Ten Ascot Hats 2016 and 2017. Recently Sahar's creations have been exhibited in the V&A and worn by celebrities such as Ellie Goulding, as well as on screen in Downton Abbey. Sahar also runs hat-making workshop, including a specialised 'felt steaming' workshop for the Institute of Making and millinery demonstrations for The Barbican. She has also set up 'Hat Over Heels' – a hat-making workshop for women who have lost their hair.

How we helped

Sahar joined the programme in March 2016 and has benefitted from a range of workshops, networking and 1-2-1 support equating to a total of 23 hours of support to date. She joined 'Get Ready to Supply' looking to take her business to the next level and build on her marketing skills.

Results

Since joining 'Get Ready to Supply' she has redesigned her website and worked for some big names via the Elephant Charity project: Muzungo Sisters, Alice Temperly, Prabal Gurung. One of the pieces she worked on was exhibited in the V&A. Sahar has started to structure her approach to marketing and promotion, finding suitable pop-up shops and maker's fairs. We sponsored her for the MadeLondon Canary Wharf Design and Craft Fair. She had a successful experience making direct sales and taking commissions. Sahar also applied for the 'Fashion Meet the Buyer' (a collaboration with DIT in November 2016) although her Look Book and application were submitted to the buyers for review she was not selected for an appointment. Sahar has increased her turnover from £10,000 in 2016 to £16,799 in the last 12 months.

What next?

Sahar is looking to be stocked in major department stores and is aiming to make her cash flow less seasonal by having pop-up shops year round and taking on more workshops, hosted parties and events.

The outcomes

250

businesses supported

£249k

funding accessed by
beneficiaries through
Newable lending

34

contracts won

11

businesses
securing funding

23

new jobs created



122

SMEs had at least 20%
increase in client base



45

SMEs had at least 30%
increase in turnover



£3.95m

in new business secured
by beneficiaries



Buyer case studies

Not on the High Street

Not on the High Street has been noted as “The home of the UK’s best Small Creative Businesses”; it is an online marketplace showcasing the work of small creative companies. The website specialises in unique and personalised gifts, particularly in the homeware, jewellery and art departments.

In October 2016, we delivered a ‘Meet the Supplier’ event in partnership with Not on the High Street. Speakers from Not on the High Street included their Creative Product Director and a successful partner. As a result, businesses applied for the NotOnTheHighStreet.com ‘Pitch Up’ event in February 2017 where many of our beneficiaries had the opportunity to meet with buyers and pitch their products.

A Get Ready to Supply beneficiary attended the ‘Pitch Up’ event and has successfully launched new products on Notonthehighstreet.com



Westfield, Stratford City

A large retail and leisure outlet in East London. Regeneration and the creation of local jobs are the focal points of Westfield UK's community efforts having delivered a retail regeneration project in Stratford (the first piece of the London 2012 legacy). And having invested £800 Million in this project created 11,000 new retail jobs in the East London and created or sustained 3,000 construction jobs on the during the construction of Westfield Stratford.

The Get Ready to Supply team worked with Simon Harding, Facilities Manager, to support their aim of sharing opportunities with local SMEs on upcoming opportunities and how we might support their procurement process. Based on this we then facilitated meetings between Westfield and local suppliers who provide the trades and services that Westfield are seeking to strengthen their local supply chain commitments.

**Westfield Stratford City
have awarded 2 contracts
to our beneficiaries
totalling to £27,000.**



STRATFORD CITY E20

Learnings

The team engaged Bone Wells Urbecom Ltd to conduct fieldwork and research to help evaluate the results and makes recommendations.

The report concluded that the project had enjoyed positive feedback from both the buyers and the beneficiaries and the approach to the project in terms of delivery has worked well.

The matchmaking of buyers and SMEs was deemed as a very useful support mechanism and that it was an effective and cost effective way of matching, which would otherwise be difficult for businesses or buyers to accomplish on their own.

The management of the project has received good feedback. Individual team members were highlighted by both buyers and beneficiaries as having significant impact on their developments and the quality of support received.

The team participated in a 'lessons learnt workshop' at the mid-point of the project and incorporated feedback and suggestion into their delivery methods. The stakeholders also commented that the delivery, management administration and relationship keeping has worked well on the project.

The one to one support from skilled business advisors and the workshops presented/given by experts and practitioners significantly improved business skills amongst some of the cohort. Many of the case studies reported increased confidence in marketing, pricing, tendering and business planning.

Some of the outcomes were difficult to measure and track. However, the impact can be observed amongst the beneficiaries. For a lot of small businesses, the levels of confidence significantly improved over the course of business support they received from Get Ready to Supply. Many were unable to pitch to buyers of large corporations at the beginning of their journey. Some were learning about how to operate a legal business while at the same time trading. Many businesses confirmed that their confidence levels had increased and they were able to face future challenges and growth opportunities.

“What is more important to me...is the link with these major contractors that will provide us with work for the next 20- 30 years.”

Construction

The project has been successful in building a network of partners on the buyers' side. Buyers are engaged as they have their own outputs to deliver which are driven by section 106 (community benefit). Section 106 is normally embedded into their contracts and in recent times has been more specific to engage local suppliers and local workforce. Get Ready to Supply project is a good ally for these activities.

A specific learning is that some suppliers just don't have the capacity (financial and human) to pursue tender opportunities constantly, list on construction portals (there is a financial cost), get all the accreditations, etc. This means a lot of local suppliers are missing out on many contracting opportunities being posted on private portal sites. Most large corporate buyers have outsourced the due diligence

of suppliers to these companies operating portals and will only post opportunities there. There is an opportunity to investigate a special purpose vehicle (SPV) that could act as intermediary and project manager between large corporate buyers; local authorities and smaller, specialist suppliers.

Creative Industries

It has proven difficult to build a network of partners on the buyers' side. The meet the buyer format on a small scale does not necessarily work for creative industries. There are established events, for example in the fashion sector, that act as global meet the buyer events. It has also proven difficult to identify what buyers want to buy in advance of introducing potential suppliers.

The support therefore undertook a pivot to focus on B2C markets for creative industry participants. Focus support on impact for the individual and sustainability of their business.

“They made me realise where my business is and where it could be and I am going to take lots more actions because of this.”

Conclusion

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Get Ready to Supply generated beneficial impacts not only to the businesses, but also to the buyers and stakeholders involved in the project.

It has demonstrated that a productive ecosystem embracing both SMEs and Corporates can be created and nurtured.

It has proven that social impact does not have to come at the expense of economic value.

J.P.Morgan and Newable remain committed to identifying further opportunities to make positive interventions helping economically disadvantaged communities realise their economic potential.

Contact us
impact@newable.co.uk

Newable

newable.co.uk