

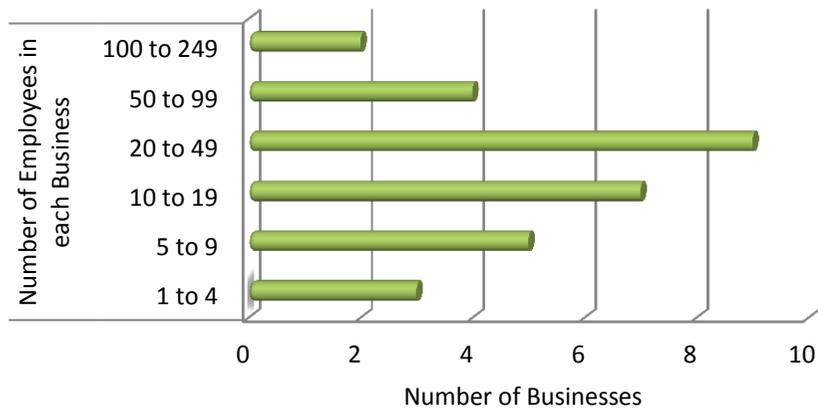
Summary from Pilot Audits

Introduction

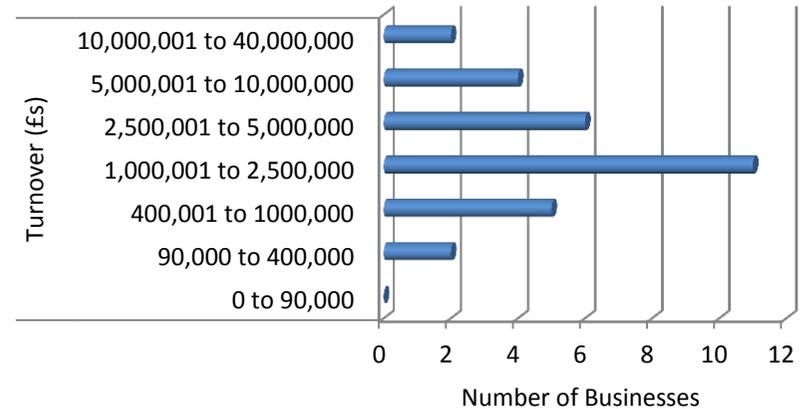
30 local companies were audited between September 2012 and December 2012. The audits were undertaken by 3 consultants; Team Humber Marine Alliance, Renewables Network, and Page Consulting.

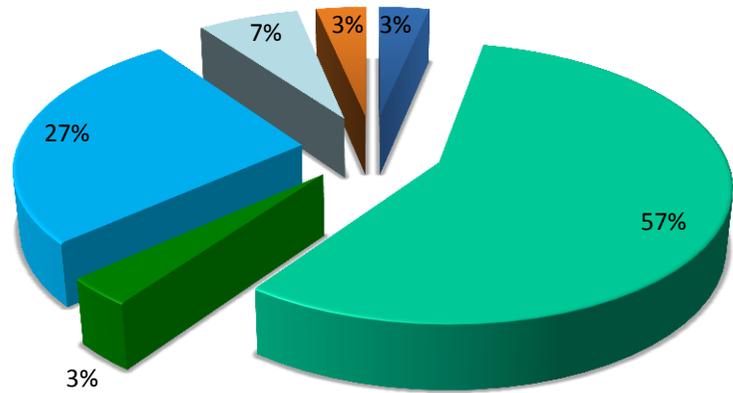
Below is an overview of the company size and sectors

Employees



Turnover



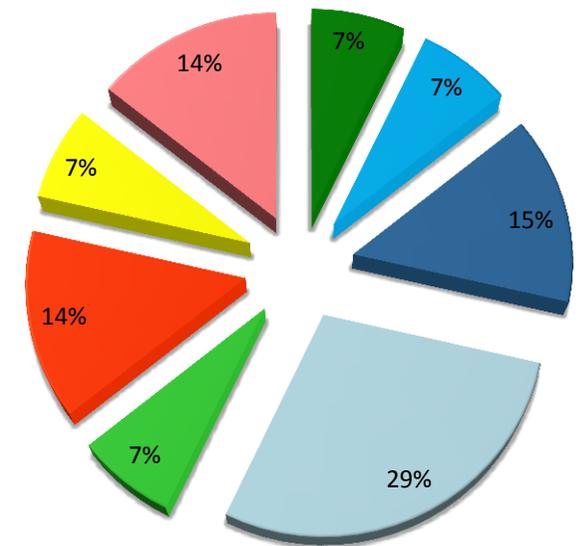


Business Key Sectors

- Information Technology and telecom
- Manufacturing
- Business Services
- Construction and Building services
- Wholesale
- Professional services

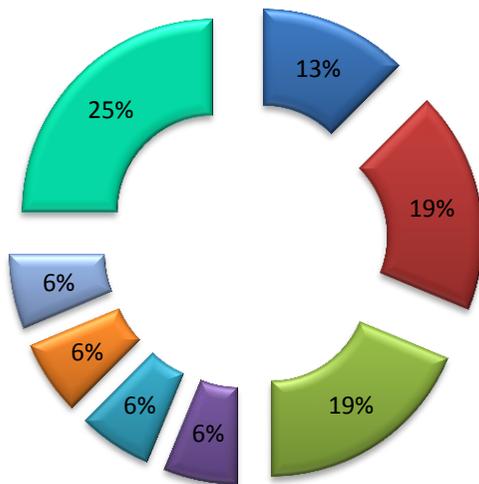
Remaining Sub Sectors

- Chemical cleaning and disposal (Business)
- Surveying (Professional)
- Plumbing and heating services (Construction and Building)
- Civil engineering (Construction and Building)
- Computer related activities (IT)
- Engineering (Construction and Building)
- Electrical goods (Wholesale)
- Machines / equipment (Wholesale)



Manufacturing Sub Sectors

- Boat building and components
- Metals
- Electrical machinery
- Non-domestic chemicals
- Rubber
- Plastics
- Motor vehicles and parts
- Mechanical engineering



Findings

Key findings of this pilot project covering, as you can see, a diverse group of companies has highlighted the need for individual, flexible support. Of all of the actions and recommendations identified, 62 % were based on individual company needs as well as highlighting some common themes and trends. Significantly, most companies demonstrated commitment to develop and expressed desire to understand methods of entering the renewables supply chain. Many companies commented that the audit exercise in itself was useful as it encouraged reflection on present activities and focus on potential growth and consider long term developments.

It is clear from the audits that a large percentage of companies would benefit from a clear strategic vision and formal business plan. For many companies, the introduction of a Management Development Programme and support in adopting High Growth Behaviours would help structure a way forward and prepare the company for change. It was recommended that roughly half of the companies could review their Business Management Environment & Performance Visibility Systems. Most companies need a formal business continuity plan and capacity planning in order to strengthen sustainability of their business, and to be competitive by minimising cost to the renewables industry.

It has been identified that businesses would benefit not just from the need of consultancy support but potentially the need for financial support in the purchasing of capital equipment and/or specific specialised training needs.

Most of the 30 companies have superficial knowledge of the renewables industry and its regional activities, other than Siemens choosing Hull as their preferred location to develop their offshore wind turbine facility. It was recommended that companies read the "Guide to Offshore Wind Farm" by Crown Estate. Most companies lack understanding of the market and their individual opportunities, and therefore this is the first priority of this project to support this stage of their development. A small percentage, however, were already aware of their opportunities and had already taken action. For all companies, understanding the specific opportunities available within the renewables industry, as a whole, would in turn help develop a clear strategic vision.

Almost all companies would benefit from the development of sales strategies and require support in being more proactive in marketing opportunities and positioning themselves through company literature, telemarketing campaign, test Google ad words, possible online shop, improved website quality including more details of products and services. Very few had engaged with Trade Associations such as NOF Energy, Humber Chemical Focus, CO2 Sense, Team Humber Marine Alliance, Renewables Network, and so on and so forth, which could lead to working with existing suppliers.

Opportunity matching and collaboration between businesses (where possible) has been identified by the consultants and the project as a growth strategy; complimentary companies to establish co-operation and leverage, combining their strengths to target new business. In order to support this activity it has been suggested that companies are divided into sub groups (such as manufacturing, maintenance, site construction) in order to help build consortiums with the potential to sell a service/product to larger companies. It became clearer from the audits where a company could

potentially fit into the supply chain, which will range from tier 2 to tier 5 due to the variety of capabilities within the group of companies.

Companies were not always aware of, and/or did not see the value in some of the supply chain requirements, such as Quality standards / ISO accreditations. These are high on the agenda, but efforts need to be concentrated on ownership and implementation rather than the process of certification. It may also depend on the tier and role of the company, for example, if they are providing a lower tier service such as maintenance of machinery, the OEM may require an accreditation.

There would be value in building on, or introducing, structured recruitment and training plans; competency is vital in nurturing career ambitions and it influences cost, which will determine a company's entry into renewables. It has been identified that delegation is not always effective in smaller companies; therefore specific assistance is required in the organisation of workload management to balance growth and change with demands of day-to-day tasks. Reviewing job profitability across a range of contracts and investigating ways to become more competitive on price (reducing waste / increasing profitability) has been recommended. As it has been clearly identified that companies have lost tenders due to cost, which confirms the need for individual assessment of company processes to identify cost saving opportunities.

Recommendations and Next Steps

Dealing with a diverse group of companies with various needs and priorities, action will be taken on a case-by-case basis. All companies have opportunities in this sector, but they range significantly from tiers 2 through to 5. Business support will be tailored to meet the company's priority needs, therefore the project will need flexibility to meet demands. The project will focus on specific 1-2-1 support with the companies, monitoring progress on agreed previous actions. Timescales for support will vary from company to company, however emphasis will be placed on the long-term not only due to the nature of the renewables sector, but also to encourage sustainability for local companies in the region. As outlined above in the key findings, a collaborative approach will be beneficial and to support this environment the project will organise a series of events and workshops to brief companies on the wider renewables sector, provide industry specific support to make opportunities visible, and a chance to enhance the possibility for them to network and form consortiums.

The aim of the business support project is to identify gaps and add value to the company. It has been made clear from the audits that close collaborative workings with other business support projects are essential to ensure all businesses gain the maximum support available to them. Discussions have already taken place with programmes such as GA, MAS, UKTI, CO2 Sense, among others to ensure a smooth referral process and joint working agreements are made for the benefit of the business and to ensure all needs are addressed in the most financially viable manner. However, the project may offer additional financial support to these programmes to add value to the companies.

To further add value and to ensure individual company priority needs are met it has been identified for the need for flexibility within some of the other Green Port growth strands. As identified within the findings there is also the need for financial support as well as consultancy support and it is

suggested that the business support strand offers grants/financial support to help meet these needs, which are presently not covered by the other strands. Examples of these are the need for small grants for capital equipment, which are currently not offered by any other RGF strand and/or programme. On the same basis offering financial support for skills development, which cannot be met by the skills strand and/or other programmes.

Conclusion

In conclusion, the business support project aims to support businesses through;

- Flexibility to meet individual identified needs
- Recognising support is required over a period of time rather than any one-off application
- Working with other business support programmes/strands to maximise support for companies
- Offering both consultancy and direct financial support to meet the company's priority needs and opportunities for growth.
- Developing and presenting group events and workshops

In all instances ensuring that individual business growth (primarily jobs) can be accounted for by the support given.