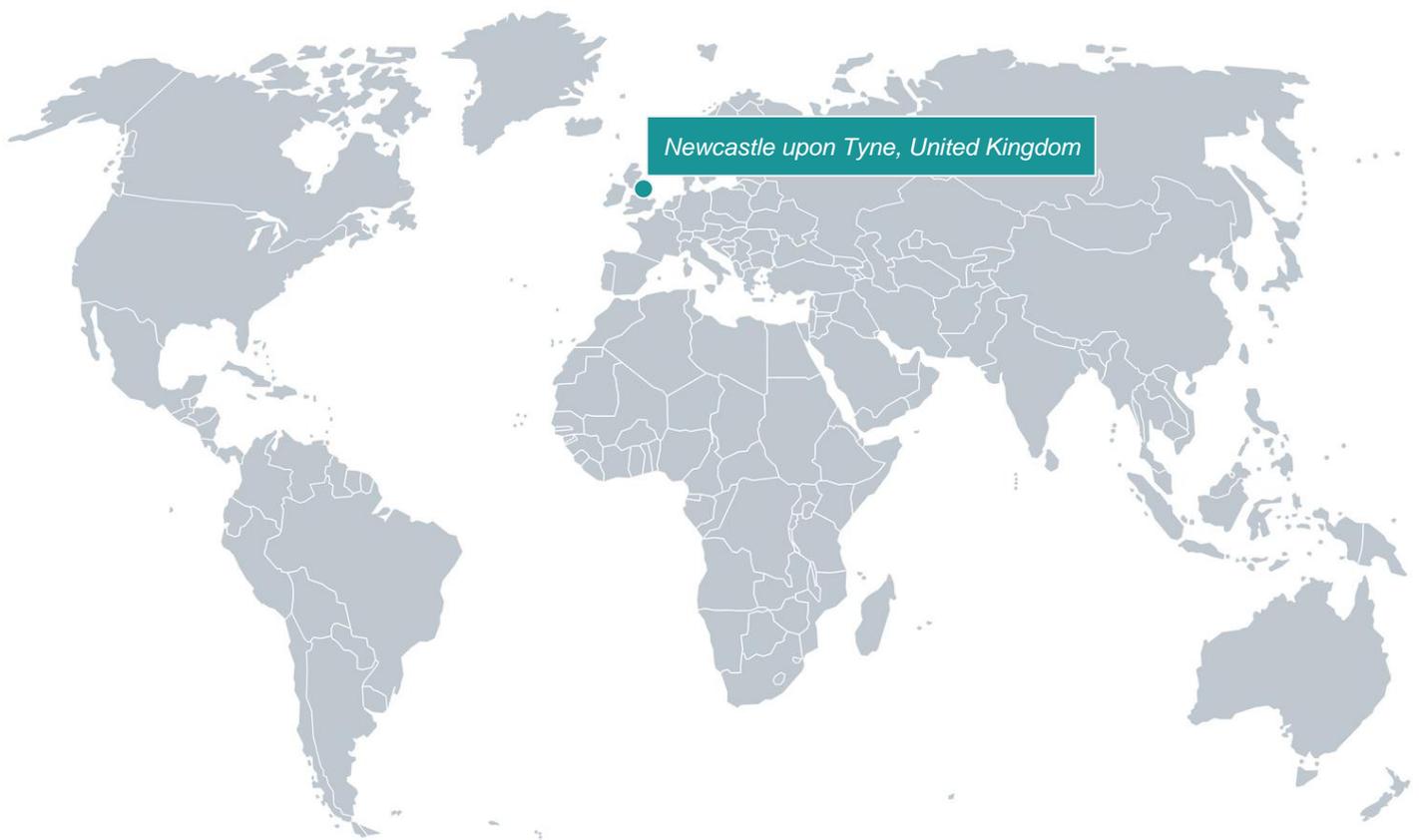


# NEWCASTLE UNIVERSITY'S CAPTURED PROGRAMME: CONNECT, REFLECT AND DEVELOP

AN EXAMPLE OF A UNIVERSITY SUPPORTING THE DEVELOPMENT OF MICRO-BUSINESSES IN THEIR LOCAL ECOSYSTEM THROUGH UTILISING THEIR ANCHOR INSTITUTION STATUS.

*By Fiona Whitehurst, Paul Richter, & Leigh Sear*





# GENERAL INFORMATION

<b>TITLE OF THE CASE</b>	Newcastle University's Captured Programme: Connect, Reflect and Develop
<b>SALES PITCH</b>	An example of a university supporting the development of micro-businesses in their local ecosystem through utilising their anchor institution status.
<b>ORGANISATION</b>	Newcastle University Business School, Newcastle University, UK
<b>COUNTRY</b>	United Kingdom
<b>DATE</b>	April 2019
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<b>NATURE OF INTERACTION</b>	<input type="checkbox"/> Collaboration in R&D <input type="checkbox"/> Academic mobility <input type="checkbox"/> Student mobility <input type="checkbox"/> Commercialisation of R&D results in science <input checked="" type="checkbox"/> Lifelong learning <input type="checkbox"/> Curriculum development and delivery <input checked="" type="checkbox"/> Entrepreneurship <input type="checkbox"/> Governance
<b>SUPPORTING MECHANISM</b>	<input checked="" type="checkbox"/> Strategic instrument <input type="checkbox"/> Structural instrument or approach <input checked="" type="checkbox"/> Operational activity <input type="checkbox"/> Framework condition



# CASE STUDY PROFILE

## 1. SUMMARY

Captured is an innovative support programme targeted at micro-businesses (0-9 employees) provided by Newcastle University Business School. It takes the form of a series of four half-day facilitated workshops spread over approximately two months combining peer learning with experienced managers from large regional businesses being paired with the micro-business owners to provide one to one input for the middle two workshops. The workshops are spaced so the micro-business owner has time to reflect and put their learning into practice.

The Captured programme is based on the premise that, contrary to established wisdom, managers from large firms can act as a 'sounding board' and be a valuable source of challenge for micro-businesses who traditionally rely on friends and family for support. Newcastle University uses its status as an 'anchor institution' to recruit managers from large regional firms and is perceived as a neutral host by the micro-businesses.

Captured has worked with over 100 small business since 2016, pairing them with managers from more than 30 larger regional businesses.

## 2. BACKGROUND

Newcastle University is a member of the Russell Group of research-intensive universities, educating 27,750 students from over 130 countries around the globe, with its 'home' campus in the centre of Newcastle upon Tyne in the North East of England supplemented by an operation in London, a science and engineering facility in Singapore and the NUMed campus in Malaysia, the first fully-owned international campus for medicine established by a UK university, which is celebrating its 10th anniversary this year.

Newcastle University exists for the public benefit to advance education, learning and research. As a civic university, its regional engagement is integral to ensuring that its academic and professional activities have economic, social and cultural benefits. It works with local and national government initiatives to deliver inclusive, place-based growth. The Business School, a triple-accredited school established in 2002, is fully aligned with the University's vision, mission and strategy and aspires to be globally renowned as an international Business School that delivers excellent education and research that reflects the Future of Work and harnesses academic excellence, innovation and creativity to provide benefits to individuals, organisations and to society.

In March 2015 the UK Commission for Employment and Skills (UKCES) launched the fifth 'Productivity Challenge' for their UK Futures Programme. The programme had been launched in March 2014 to test innovative ways of addressing workforce development and skills issues that were seen to be restraining economic performance. Previous rounds had focused on sectoral challenges in manufacturing, construction, legal firms, tourism and hospitality, and UKCES had co-invested in 12 projects that were employer-led.

For the fifth competition UKCES invited organisations who operate as 'anchor institutions' within their local community to put forward proposals that would explore ways to support small firms to develop their leadership and entrepreneurship capabilities. They were specifically interested in proposals from areas of the United Kingdom that ranked below the UK average in terms of productivity. It is generally acknowledged that there are too few private sector jobs in the North East of England and productivity is below the national average. There is a low stock of private sector businesses, too few private enterprises are created and too few of these grow to become significant providers of employment and contributors to Gross Value Added (GVA) and regional productivity. Turnover per employee is lower in small businesses than in other comparator regions e.g. North West England and Yorkshire and Humber.

The approach of the UK Futures Programme was essentially an experimental approach. They wanted to co-invest with organisations who were prepared to test innovative ways of developing skills, learning from what works (and doesn't). A key element of the programme was sharing learning with UKCES and other funded projects and maximising the impact of the learning by seeking to engage with policy and wider practice.

Newcastle University Business School's proposal was based on the premise that, contrary to perceived wisdom, connecting the owner managers of micro-businesses with managers from larger organisations can deliver mutual benefit both at an individual and business level. It would use Newcastle University's 'anchor' status to act as a neutral broker to leverage its connections with large regional businesses to access their experienced leaders and managers to act as a temporary extended management team for the owners of micro-businesses. Following a competitive process, Newcastle University Business School was commissioned to develop and run one of eight projects.

### 3. OBJECTIVES

Captured has four main objectives:

- ▶ To use Newcastle University's 'anchor institution' status to support the development of micro-businesses in its local ecosystem.
- ▶ To provide an accessible programme for micro-business owners who often do not invest time or money in leadership and entrepreneurship training and tend to turn to friends and families for advice.
- ▶ To enable micro-business owners to gain leadership and entrepreneurship skills through introducing an external, experienced perspective, and put those skills into practice immediately through developing a specific action plan.
- ▶ To demonstrate to larger businesses that participating in the Captured programme is valuable to them in terms of further developing their own leaders and managers; demonstrating corporate social responsibility; and potentially developing new supplier/customer relationships.

### 4. RESPONSIBILITY

Captured is the responsibility of a small team of faculty within Newcastle University Business School and a member of adjunct faculty who is also the director of a small business. It is supported by dedicated professional services support and can draw on the wider resources of the Business School and University.

Captured is overseen by an industry-chaired steering group with representatives from the University, FSB (Federation of Small Business), local media, micro-businesses and the North East Local Enterprise Partnership (one of 38 private sector led partnerships between businesses and local public sector bodies that operate across England) and is chaired by the Territory Ecosystem Representative, Local Government and Education for IBM Commercial.



## IMPLEMENTATION & FUNDING

### 5. STRATEGY & ACTIVITIES UNDERTAKEN

The strategies behind the case were based on overcoming perceived barriers to implementation of such a programme.

#### Barriers for Small Firms

Small firms are seen to underinvest in training and if they do invest in training it is more likely to be related to financial or technical training than in leadership and management training. This is compounded by the fact that generic leadership and management training is not tailored to the needs of small businesses. This is an especially significant missed opportunity for the economy in the case of smaller businesses because it has been found<sup>i</sup> that the overall impact of leadership and management skills on firm performance tends to be particularly strong for firms with between five and 19 employees.

Typically, the owner-manager of a micro-business is responsible for carrying out the full range of managerial duties and finds it very difficult to step away from the business and take time to plan. Also awareness of the value of advice to their businesses may be low and owner-managers are reluctant to pay for it. Therefore, micro-businesses tend to rely on friends and family for support and do not necessarily have the contacts to provide the support that non-executive directors would provide for larger businesses.

#### Barriers for Business Schools

Lord Young in his Growing Your Business report<sup>ii</sup> recognised that UK business schools are an under-utilised asset in their local economies. While the introduction of the Small Business Charter scheme by the Chartered Association of Business Schools sought to incentivise engagement between university business schools and small businesses very few business schools have been able to sustain small business skills programmes beyond short term funding.

In addition, small businesses may not naturally seek support from business schools because they see business schools as only providing formal educational qualifications or being insufficiently responsive to their needs.

#### Barriers to Encouraging Larger Regional Firms to Support Small Firms

An Inquiry into Productivity and Small Firms<sup>iii</sup> published in 2004 by the All Party Parliamentary Small Business Group of the United Kingdom Parliament recognises that while

larger companies should be encouraged to provide advice, share expertise and offer other forms of support to smaller companies within their supply chain there is no mechanism to bring large companies into contact with smaller companies to develop leadership and management skills.

Luetkenhorst (2004)<sup>iv</sup> also notes that 'there is a case for an intermediary to intervene and complement market mechanisms in creating sustainable business linkages' (p.161). Captured is not focused on the supply chain of the larger regional businesses, but it does intend to create a sustainable mechanism for larger regional organisations to commit to ongoing support for the programme as they should recognise participation as being valuable to the region and their organisation.

### Activities

The Captured programme is targeted toward micro-businesses (those with fewer than 10 employees) and consists of four half-day workshops that take place over a two-month period. Each series of workshops has a cohort of up to eight small firms. For the middle two workshops, the small firm owner is paired with a manager from a large regional firm. The workshops are facilitated by Business School faculty, adjunct and permanent.

The workshops focus on the following:

- ▶ Workshop 1: Micro-business owners identify key areas of their business they want to lead or develop more effectively.
- ▶ Workshop 2: Micro-business owners and the managers from the larger firms get to know each other and work to identify key challenges and priorities facing the owner.
- ▶ Workshop 3: Micro-business owners and the managers from the larger firms focus on discussing the action plan that the owner wants to pursue in light of their resources, capabilities, and capacities.
- ▶ Workshop 4: A month after the third workshop, the micro-business owners return to review progress against their action plan and reflect on experiences of the programme.

Our strategy needed to provide a sustainable development programme that would appeal to micro-businesses and support their growth and development. The programme is designed to be a very short term intervention as micro-businesses are time and resource poor. The focus is on action learning, with the learning process being based on questioning, understanding, challenging and causing reflection. The novelty is in the introduction of an external perspective in the form of managers from larger regional firms who can stimulate learning and development. By matching the micro-business owner one-to-one with an experienced business leader they co-design tailored actions to progress the business.

Being conscious that some micro-businesses can find business schools daunting and inaccessible, workshops are held at a mixture of venues, rather than just in the Business School building. We also identified evidence that suggested existing schemes to promote leadership development and management in small firms were not widely marketed and tended to be accessed by businesses which self-identified as 'high-growth firms', whereas we believe there is untapped potential in other micro-businesses. Recruitment for early cohorts was done face-to-face or through trusted intermediaries. Marketing messages were tailored to ensure that the programme was positioned as time spent 'on the business' rather

than 'away' from the business. For later cohorts we have found that increasing numbers of applicants have been referred by previous participants.

Recruiting the leaders and managers from the larger firms has at times been challenging. Once individuals have participated they often return year after year finding the experience rewarding and highly satisfying. However, 'selling' the idea to organisations as something that benefits their businesses as much as the micro-businesses is something we are still refining. We have had two organisations, a stock-market listed software company based in Newcastle and a large international bank who have provided multiple managers and this is an aspect we want to develop.

## 6. MONITORING AND EVALUATION

We are taking a theory of change approach to determine whether the problem of below average productivity and turnover in micro-businesses can be resolved through a short intervention (utilising facilitators, managers from large businesses, and peer-to-peer learning) to develop leadership and entrepreneurship skills that will engender an increase in the performance of micro-businesses subject to the intervention.

Short term progress measures include: number of micro-businesses recruited and number of large regional firms committed to the programme.

An application form is used to collect baseline data from the micro-businesses, how they found out about the programme and their motivations for taking part.

A follow up survey is administered after the micro-businesses have completed the programme. This includes a series of questions adapted from the European Union's EntreComp framework <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/entrecomp-entrepreneurship-competence-framework> which enable the micro-business owners to self-assess improvement in their competencies.

The follow up survey is supplemented by focus groups conducted with the micro-business owners and individual interviews with the micro-business owners and managers from the larger firms.

## 7. SUSTAINABILITY MEASURES

Captured is now included in the Business School's key performance measures which demonstrates the School's commitment to the programme, although it does not receive core funding and is therefore funded on a year-to-year basis.

## 8. COSTS

The main costs for Captured are staff, the costs of running the workshops, most of which are now held on the Business School's own premises, and marketing resources. We estimate that the cost per micro-business supported is c.£1,500-£2,000.

## 9. FUNDING

The cash funding has come from a mixture of public funding (UK Commission for Employment and Skills and North East Local Enterprise Partnership) and university funding.

There is also substantial in-kind funding from the regional businesses who allow their managers to volunteer to support the programme.



## OUTCOMES & IMPACT

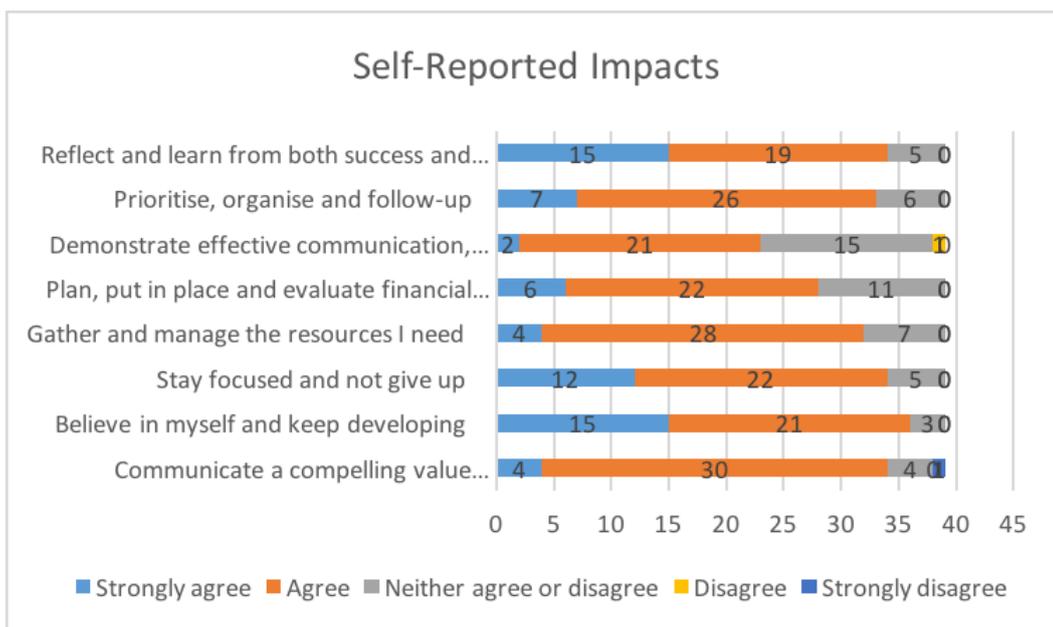
### 10. OUTCOMES

Since January 2016, Captured has worked with more than 100 micro-businesses in 20 cohorts, pairing them with experienced managers from more than 30 larger regional organisations.

### 11. IMPACTS

As mentioned above, a follow up survey is administered after the micro-businesses have completed the programme. This includes a series of questions adapted from the European Union's EntreComp framework which enables the micro-business owners to self-assess improvement in their competencies. We currently have 39 responses and not all the businesses we have worked with have completed the programme. Of those businesses, the percentages below show the respondents who agreed or strongly agreed with the following statements.

Communicate a compelling value proposition	87.18%
Believe in myself and keep developing	92.31%
Stay focused and not give up	87.18%
Gather and manage the resources I need	82.05%
Plan, put in place and evaluate financial decisions over time	71.79%
Demonstrate effective communication, persuasion, negotiation and leadership	58.97%
Prioritise, organise and follow-up	84.62%
Reflect and learn from both success and failure	87.18%



We believe that in the longer term these intermediate impacts will lead to higher business performance in terms of turnover, profits and productivity.

We produce case studies of participants to demonstrate the wider benefits of the programme. The following is a recent example which emphasises that supporting micro-businesses impacts much more than the performance of their business.

#### CASE STUDY: SALSEDUCE AND MEGAN LOUISE SCHOOL OF PIANO

Taking part in Captured enabled Chris and Megan, a newly-married couple who both own their own micro-business to take the steps needed to work less, and spend more time together, including sharing breakfast or lunch every day.

Chris and Megan Pentland were newlyweds when Chris discovered Captured. He got so much from the programme that he recommended it to his wife, and the pair now enjoy a more balanced lifestyle, and more profitable businesses.

Chris, who studied psychology in Liverpool and originally worked in recruitment before pivoting into fitness and dance tuition with his business SalSeduce, explained:

*"I found out about Captured through a business adviser I was working with who knew one of the programme founders. The course was very personalised, and we're fortunate that it came around at the time we both needed it. Our businesses were ready to scale."*

SalSeduce had been operating for several years with Chris working alone teaching around 14 or 15 zumba and salsa classes each week. He found there just weren't enough hours available to achieve what he wanted to with the business. Similarly, Megan, who runs the Megan Louise School of Piano from her studio in Gosforth, was teaching 75 to 80 pupils single-handedly, ranging in age from four to 85.



*"Captured really got me thinking about how to get the most out of the business and streamline it down", Chris went on.*

Mentored by Beth Pilcher from HSBC's commercial banking team, Chris worried he may feel out of place on the programme, but said:

*"I thought I would have nothing to say compared with other people on the programme who'd have a lot more business knowledge and know-how than I have, but it was interesting how Captured really drew out the thinking about our own businesses while making sure we all took part as a group."*

Megan added:

*"I think the nicest thing I found was that no matter how different all our businesses were, if you took our business names and job titles away, everybody was having virtually the same problems. It was quite strange to see that in such diverse businesses, the fundamental aspects of what everyone was struggling with, like time management, were pretty much all exactly the same. It meant that even if one of the other group members was speaking about something specific to their business, it was really beneficial to you as well. We took a lot from that."*

Chris agrees. He said:

*"We then of course spoke to each other about our own businesses in a different way after the programme, because we were able to see them from a different perspective."*

Megan, whose mentor was Christine Foster, a programme support specialist at Voices Northumberland Ltd, has taken on two members of staff since completing Captured, and now teaches 130 students, having attracting another 50 pupils. Chris meanwhile, has reduced the number of classes he takes himself, by outsourcing them to trusted colleagues. As a result,

both businesses are now more structured, more profitable and despite much of their work taking place in the evenings, the couple now enjoy a full night off together every week.

Megan added:

*“Our mentors, and the Captured programme team really made you feel they were part of your team – in your corner, and because of Captured we both have better processes in place, and a stronger network.”*

Further case studies are available at [www.ncl.ac.uk/business-school/captured](http://www.ncl.ac.uk/business-school/captured)

## 12. INVOLVED STAKEHOLDERS AND BENEFICIARIES

Analysis of data collected from the micro-business owners in follow-up interviews, focus groups and participant observations found that certain characteristics about the **learning setting** emerged as significant in the narratives of the participants. The University and the Business School were seen as trusted and credible, and distinct from other training providers. The managers from the larger firms, the facilitators and the peer micro-business managers, were seen as neutral and non-competing, engaged in this setting for a mutual, rather than one-way, learning and this contributed to a setting conducive to learning. The **learning process** which introduced an external perspective, largely but not exclusively from the one-to-one discussions between the micro-business manager and the large firm manager, was also highly valued. The challenge of that external perspective and the need to feedback to the group, was often conceived as a stimulus to reappraise and formalise the micro-business owner’s thinking. In terms of **learning outcomes**, the one-to-one nature of much of the process enabled each micro-business owner to tailor the outcomes to their business. However, certain themes were still detected including the micro-business owner gaining confidence in their role and an ability to articulate their business’s value proposition, and identify strategic opportunities.

Managers from the larger firms have reported that Captured provides them with space to:

- ▶ Get out and see what other businesses are doing.
- ▶ Engage with entrepreneurial business people.
- ▶ Make a difference by supporting the development of small businesses.
- ▶ Return to their workplace with new ideas and contacts.
- ▶ Further develop their own management and leadership skills.
- ▶ Connect with managers from other larger organisations.

The programme features on the North East Growth Hub ( [www.northeastgrowthhub.co.uk](http://www.northeastgrowthhub.co.uk) ) which is delivered by the North East Local Enterprise Partnership and is a key element of their Business Growth strategy. The North East Local Enterprise Partnership is represented on the Steering Group for Captured and they contributed to funding Captured in 2017.

## 13. AWARDS / RECOGNITION

Captured has been recognised within the University by being included in the Vice-Chancellor’s *Celebrating Success* event on two occasions. It was also recognised by AACSB International, a global business education network and association providing quality

assurance, business education intelligence, and professional development, as one of 30 'Innovations that Inspire' in 2018.

A conference paper based on Captured also won a best paper in track award at the Institute for Small Business and Entrepreneurship Conference in 2018.



## LESSONS LEARNED

### 14. PRIMARY CHALLENGES

The initial challenge was always going to be the short length of the project funded by UK Commission for Employment and Skills (originally 12 months), and this became much more of a challenge when UK Government funding cuts shortened this to a nine-month project.

We had to address two major problems in recruiting small firms. One is that small businesses tend to undervalue business support. The other is that programmes for leadership and entrepreneurship skills are not always well marketed. So we had to test how best to engage small businesses, and experimented with different marketing messages and marketing channels. By far the most effective method of recruitment has been face-to-face at business networking events. However, that may well have skewed participation to those who attend such events and it is time-consuming.

There was also a considerable challenge in recruiting larger firms to participate and volunteer their managers' time in the initial timescale. We used our existing networks and connections and drew on the influence of our steering group to hone our messaging and secure commitment. As mentioned above, once individuals have participated they often return year after year finding the experience rewarding and highly satisfying. However, 'selling' the idea to organisations as something that benefits their businesses as much as the micro-businesses is something we are still refining. We have had two organisations, a stock-market listed software company based in Newcastle and a large international bank who have provided multiple managers and this is an aspect we want to develop.

Ongoing funding is also a challenge. We have not yet offered Captured as a fee-paying programme for the micro-businesses because we have a perception that this will deter participation. Originally it was conceived that the larger regional firms might pay for their managers to participate as part of their personal development, but we have not yet pursued this. Sponsorship of the programme by one or more of the companies involved could be seen to damage the 'neutral broker' role that the Business School is able to play.

### 15. SUCCESS FACTORS

Institutional support at University, Faculty and Business School level and a small team within the Business School committed to the programme has been key to the success of the

programme. The support from the Steering Group and the individual managers from the larger regional businesses has also been key.

The ability for the academic members of the team to present conference papers and publish articles from the project has also been significant.

## 16. TRANSFERABILITY

This case study is useful to any Higher Education Institution wanting to play a role in their local ecosystem through utilising their anchor institution status. Our analysis leads us to argue that, by re-orienting some of its engagement activities towards building relationships with the micro-business community and between that community and larger regional firms, HEIs can facilitate an important and under-researched role in regional economic development.

The programme requires individuals in both the HEI and larger regional organisations with sufficient motivation and capital to mobilise organisational resources appropriately. Some programme participants from the larger firms seemed to be motivated by a general desire to support the small business community, but for others it was clear that it was regional businesses and the region in general that they wished to benefit from their actions. A high percentage of the managers from large firms who participated were from the region and identified strongly with it. This may mean that the programme is most transferable to areas with a strong regional identity.



## FURTHER INFORMATION

### 17. PUBLICATIONS / ARTICLES

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### 18. LINKS

[www.newcastle.ac.uk/business-school/captured](http://www.newcastle.ac.uk/business-school/captured)

## 19. KEYWORDS

Anchor institutions, Universities, Micro-businesses, Business Support, Entrepreneurial Learning

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