

Moving SMEs into the e-economy

Simon.roberson@bt.com



North East England



- Small region of 2.5m people
- 56,800 businesses (2004)
- 43,100 of these have less than 5 employees
- Growing new digital sector
- Higher proportion of manufacturing than UK
- Most complete Broadband infrastructure in UK 2003-6
- Lowest business Broadband take up in UK

e-Enabling Northumberland's SMEs

- Northumberland Strategic Partnership
- Aligned Solutions – project management & e-business consultancy
- BT – eBusiness Manager suite of hosted applications
- eBAT assessment tool
- Target 75 user SMEs
- Develop local case studies
- £370k joint funding



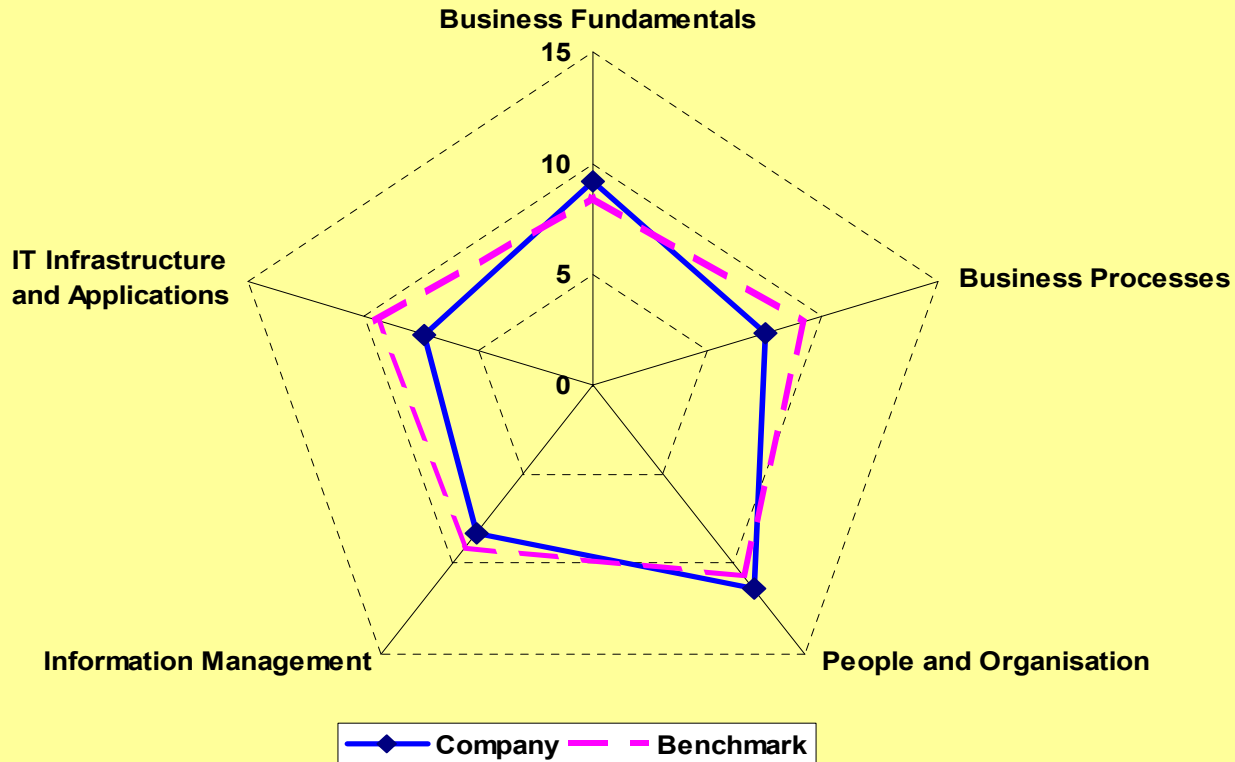
What works...

- SME engagement – 217 advised after extensive marketing
- eBAT tool gives real insight
- Local case studies
- Public sector e-procurement can drive engagement
 - Wansbeck Council
 - www.bordermarketplace.com
 - Newcastle Step Change
- Captures valuable evidence for policy making

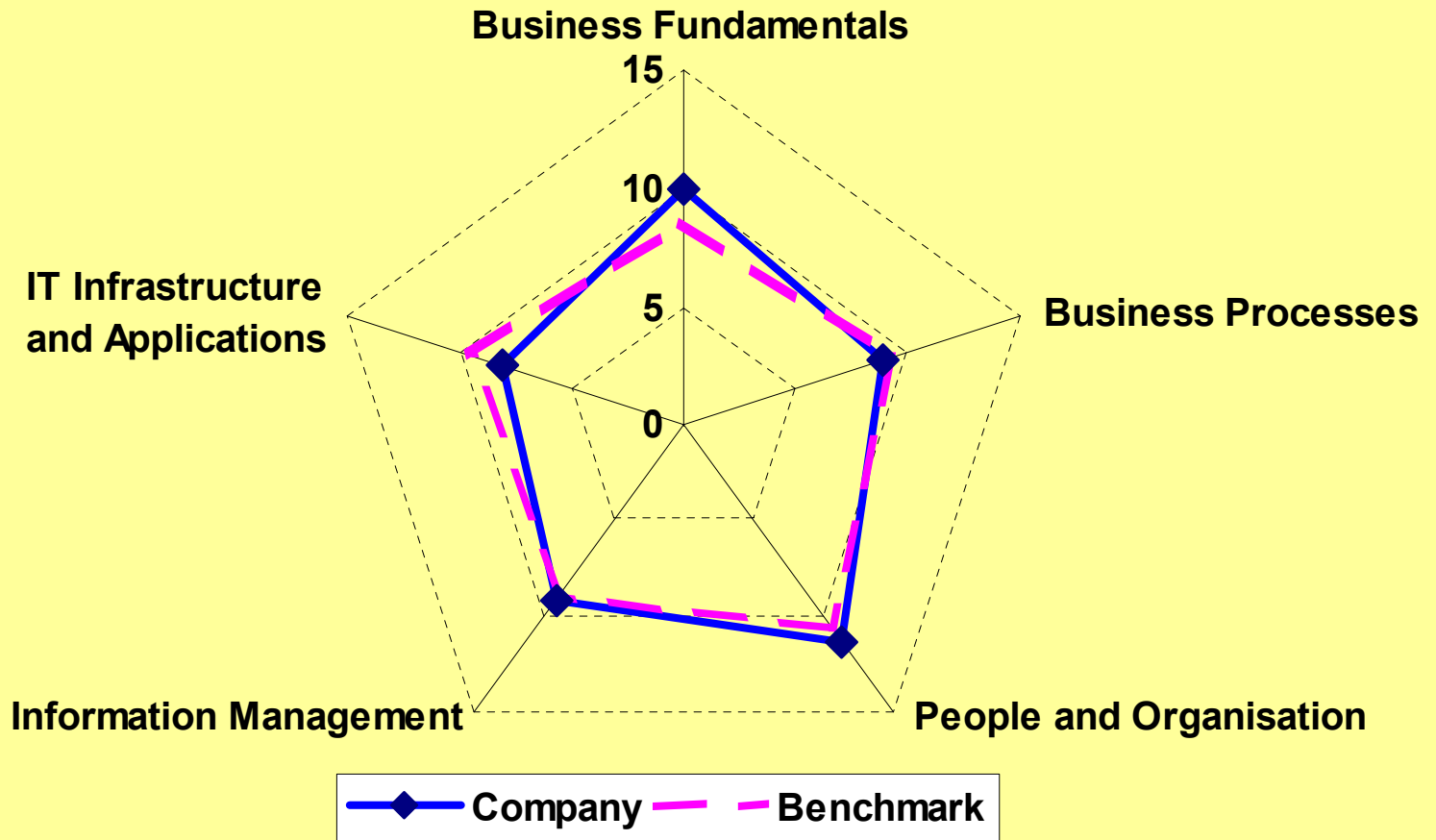


Northumberland eBAT score vs. UK benchmark

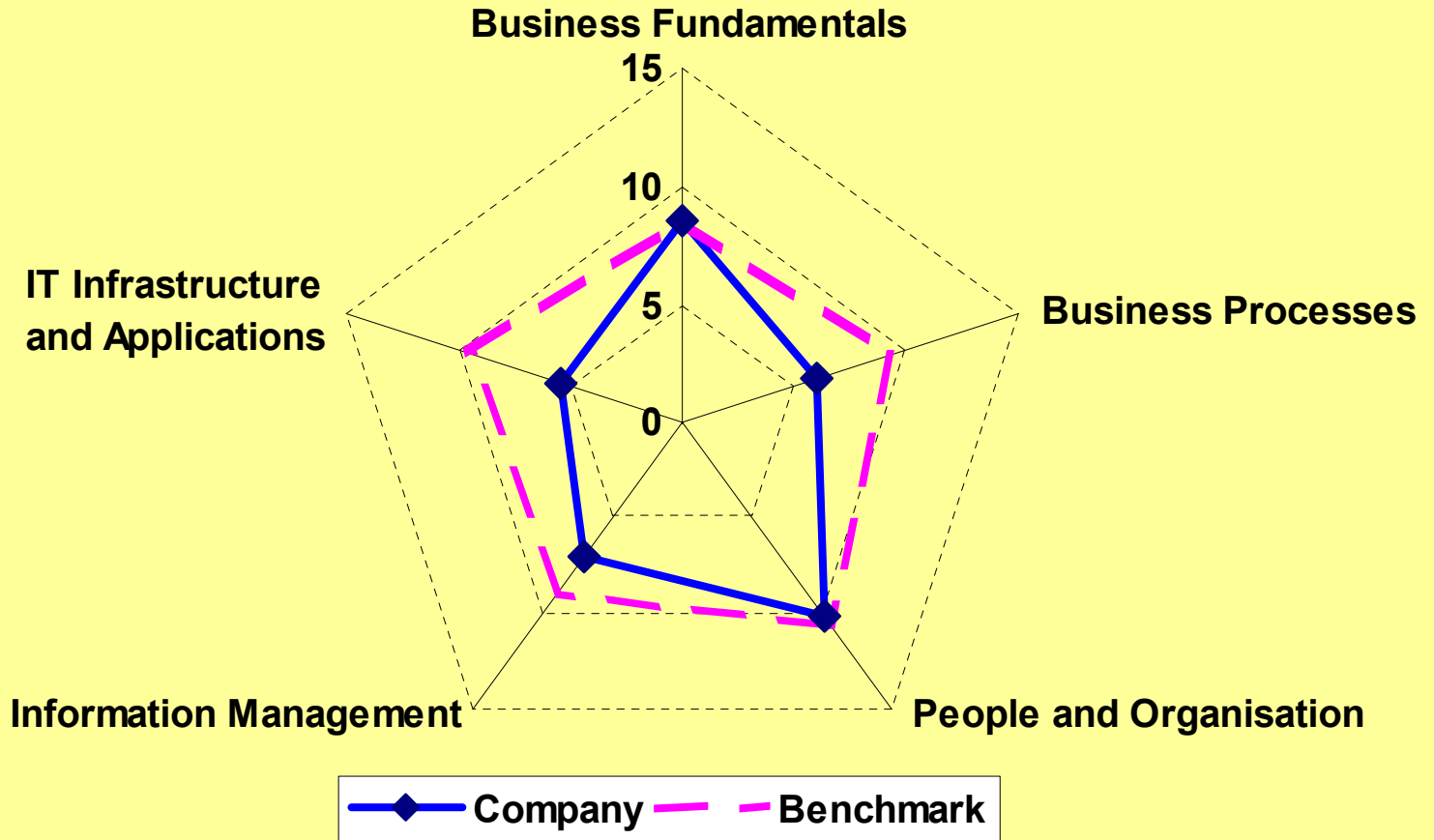
'PeBL' Focus Analysis for N'Land Overall Average Score



'PeBL' Focus Analysis for N'Land Manufacturing Average Score



'PeBL' Focus Analysis for N'Land Food & Drink Average Score



But what doesn't work...

- Same offer to all SMEs, all sectors
- “Free” use of software creates no commitment
- Powerful hosted software
 - SME needs are simpler
- Public sector e-procurement with
 - Conflicting priorities
 - Orders not placed with suppliers
 - Processes too complex for smallest firms

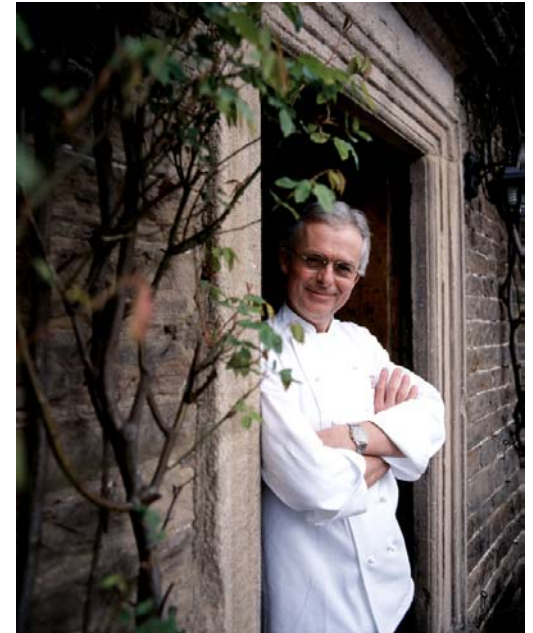
Learning the lessons

- Catalyst project – region-wide
- Multiple suppliers – over 40
- SMEs commit at least 20% of project funding
- Simpler & varied projects
 - Brochure or selling online
 - A few with integration
- 86 projects complete
- £181k project value, £107k public funding, ave. 60% project funding
- Phase 2 - £450k committed for further 260 projects



Conclusions

- It can be done!
- Public sector is catalyst not dictator
- Simple analysis tool is available
- Align projects to real needs
- SME engagement requires intensive & intelligent marketing
- Supply chains are a major influence
- Public sector e-procurement works – if done well!





Bringing it all together