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#MakingADifference

GROWING YOUR BUSINESS WITH TECHNOLOGY

LARATO

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INTRODUCTION

SMEs all over the UK that are seeking to secure sustainable growth face both opportunities and challenges in their development and maturity. Taking advantage of local expertise and resources can be the key to unlocking their new growth potential.

The government's 2022 Digital Strategy identified that SMEs adopting digital technologies could add £45 billion to the UK economy by 2030. While the overwhelming majority of growing SMEs depend on technology, only 8% are satisfied with the purchasing advice they receive from global brands. In fact, two-thirds want to buy locally, but don't know how.

While on average 66% of SMEs in the UK increased turnover by less than 5% annually since 2007, figures in 2018 – with 22% growing at more than 20% annually - show that the seeds are there for growth if technology opportunities can be harnessed.

SMEs in the West Midlands have a range of unique opportunities to help achieve business success through strategic partnerships and digital innovation. The #MakingADifference initiative connects them with local experts who can help businesses transform and overcome technology challenges.

While many firms have taken positive steps, SMEs can go further by taking advantage of regional funding mechanisms and other support to invest towards a more efficient future.

UNLEASHING POTENTIAL IN THE WEST MIDLANDS

The West Midlands has a fair claim to be the UK's new economic powerhouse. Our economy grew by 6.3% in 2022 – outpacing the UK average of 4.1% - with the region now home to more than 170,000 SMEs. Our region boasts a dynamic business ecosystem, with a diverse range of industries including manufacturing, professional services, and creative sectors. The 'big three' popular UK travel and events guides all refer to Birmingham as the UK's "second city", as opposed to any other city that may stake claim to the title.

However, standing still is not an option. Access to resources and expertise is crucial for capitalising on these growth opportunities. It is vital to boost engagement between SMEs and local technology resellers that offer the necessary skills and resources to help bridge the gap between small businesses and larger national or international suppliers.

Local SMEs can make use of this rich environment to drive innovation and growth. The region's thriving business community presents significant opportunities for SMEs, particularly in the manufacturing, professional services, and creative industries.

The digital technologies sector in the West Midlands is worth £5 billion across the region, and £1.5 billion in Birmingham alone. Local government regions such as the West Midlands Combined Authority (WMCA) have developed funding mechanisms geared to providing financial support for businesses when they make certain tech investments.

The key to unleashing the potential of SMEs in the West Midlands lies in raising awareness and facilitating access to local expertise and resources.

OVERCOMING GROWTH BARRIERS

The landscape for SMEs has changed rapidly in recent years. Political uncertainty, rising living costs, energy and rental costs for businesses, and changing working patterns have all been challenges that firms need to face head on. Added to that is the increasing need to invest in digital innovation for greater operational efficiency and to gain a competitive edge.

Implementing and maintaining green technologies as part of drive to Net Zero is a challenge, with some 45% of UK SMEs citing prohibitive cost as the main barrier to implementing sustainability measures. The reality of cybersecurity threats needs to be addressed, as well as the pervasive growth of AI and automation.

Some 97% of SMEs in the West Midlands rely on technology and need it for growth, while 42% say it is critical. It is telling that 45% of SMEs in the West Midlands cited access to technology as a key factor for growth, according to a 2023 survey by the British Business Bank.

There is a need for expert guidance in technological know-how, financial assistance, skills shortages and access to local support. Overcoming these barriers as part of a strategic business plan is essential for SMEs in the West Midlands to achieve sustainable growth.

By collaborating with local experts, SMEs can address these obstacles and take advantage of the region's dynamic business ecosystem to drive innovation and productivity. Building strong relationships with local technology resellers can help them utilise skills and resources they had been lacking. This can enable them to make better investment decisions and foster economic growth.

STRATEGIES FOR SUCCESSFUL GROWTH

For SMEs, growth objectives may be about implementing a business plan that focuses on specific actions to streamline and scale operations effectively, and to increase profitability.

To grow successfully, SMEs in the West Midlands should align their business strategies with their growth objectives, leveraging local resources, adopting digital tools, and investing in staff development.

SMEs are increasingly leveraging the benefits of local expertise and targeted support to guide them through their growth objectives. Investing in digital tools, such as cloud services and CRM systems, can significantly enhance business operations and productivity. A company may want support on how to reduce its environmental impact, diversify its business offering, understand its competitors, upgrade its products and production line or even expand into other territories.

Fortunately, through this initiative, SMEs can get access to training, resources and support to implement and maintain tech solutions. The #MakingADifference initiative plays an important role by connecting businesses with local technology experts who can provide tailored guidance and support. This approach enables SMEs to tap into the West Midlands' rich business ecosystem, overcome common growth barriers, and position themselves for sustainable expansion in an increasingly competitive market.

Connecting SMEs with organisations, firms and funds that can help with guidance and support not just around finance but with employee training, and effective technology solutions, can help them foster a consistent culture of growth.

SUCCESS STORY

Future Energy Ltd

FuturEnergy Ltd is a Warwickshire-based renewable energy SME and one of the UK's leading wind turbine manufacturers.

By investing in technological innovation, it implemented a comprehensive strategy to drive growth in the renewable energy sector, to boost business efficiency and to maintain its position as a market leader.

How they did it

The company achieved this by partnering with local institutions that offered specialist knowledge and support[JH1] [DB2] . The company collaborated with Aston University's European Bioenergy Research Institute (EBRI) on research and development projects for clean technology solutions.
It leveraged advanced design software to enhance the efficiency and effectiveness of its wind turbine designs, and data analytics to optimise performance.

Additionally, the collaboration with Aston University implemented smart manufacturing technologies to streamline production processes, reduce waste and increased output capacity, and developed micro wind turbines for residential and commercial markets, which allow for more localised energy generation.

SUCCESS STORY

FutureEnergy Ltd

Technology innovations

It introduced Computer-Aided Design (CAD) Software to help design precise turbine components and systems, and Manufacturing Execution Systems (MES) that tracked production processes.

The partnership also developed Internet of Things (IoT) Sensors within turbines, which collect real-time data to help monitor performance and optimise maintenance levels.This helped improve reliability and customer satisfaction.

The outcome

FuturEnergy's streamlined production processes resulted in better operational efficiency. It helped the company make cost savings, boosted its output and increased its market competitiveness.

From a reputational aspect, it was able to further establish its position as one of the UK's leading manufacturers of micro wind turbines in the UK. Additionally, data-driven insights helped drive more reliable products and improved service, which led to better customer satisfaction figures.

ACTION PLAN: DO'S AND DON'TS

Let's recap what we've discussed in this guide to ensure you get on the right path when adopting new technologies:

DO

- *Leverage local technology expertise*
- *Invest in the right digital tools to support your business plan*
- *Focus on data-driven decisions*
- *Engage with local research institutes, networks, and initiatives to access new opportunities and innovations*
- *Sign up for #MakingADifference*

DON'T

- *Don't rely solely on large brands for technology purchases*
- *Don't overlook barriers to technology adoption*
- *Don't ignore the importance of employee training*
- *Don't have a separate digital strategy*

TRANSFORM YOUR BUSINESS WITH SMARTER TECHNOLOGY INVESTMENTS

Harnessing the right technology is a core element in ensuring long-term business growth, productivity, and long-term success.

The #MakingADifference Initiative connects SMEs with local experts and institutions that can provide tailored solutions to your unique challenges. Learn more about the wide range of resources and partnerships in the West Midlands to help you navigate this transition.

Engaging with experts in the vibrant business ecosystem of the West Midlands can help you make smarter investments, improve operational efficiency, and unlock new growth opportunities.

Register now to grow your business with help and support from local technology experts.

#MAKINGADIFFERENCE

About Larato

Larato is a business development company specialising in technology, media and telecommunications. We are passionate about helping businesses to become more productive and efficient by using the right technology for the right business challenge or opportunity. We've been in business for nearly 20 years and are well known in the sector.

We have invested in Making a Difference because we care about business success. This is a no-strings, free of charge, service that is simply here to help.

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