

## **Exploring the Productivity Gap in Lancashire – Project Plan**

### **Aim of the project is to:**

explore the productivity gap within Lancashire. In light of the strategic economic plan being refreshed, this is a good opportunity to drill deeper into the issues relating to the productivity gap, gather data on the landscape of SMEs within Lancashire through secondary and primary research and potentially inform how the LEP allocates future resources.

This piece sits within the context of two other significant strategic areas of activity: skills and innovation.

### **To achieve the aim of the project, the following research will be carried out:**

#### **Secondary research includes:**

- The definition of productivity to be kept deliberately broad to encompass an interplay of growth, employment, GVA, jobs, skills and ‘smarter’ practices
- What is the economic contribution of SMEs in Lancashire? What are the characteristics of Lancashire SMEs? Do they suffer from growth aspiration deficit, and what is growth aspiration? What does a high growth / dynamic business look like? Discussion about birth and death rates of SMEs and what Lancashire looks like and is there information on this by sector?

#### **Primary quantitative research:**

- A survey of nearly 9,000 Lancashire SMEs
- The survey will investigate the SMEs at a firm level.
- The purpose of the survey is to find out what the relationship is between productivity, leadership & management, ICT & e-business strategy, innovation, and international activities. Related to international activities, what would be the opportunities and challenges during and after Brexit?

**Primary qualitative research will explore the relationship between capital (human, social and institutional) and productivity at an individual level (SME managers / owners). This will probably comprise of four components (resources permit):**

- A workshop/focus group with the two Chief Executives of East and North & Western Lancashire Chamber of Commerce and Industry, and managers of intervene programmes. This is to explore the effects of current invention programmes on productivity and possible recommendations for future programmes.
- Interviews with SMEs that took part in an intervention programme (with Winning Pitch) but decided not to participate further. This is to explore barriers to growth.
- Interviews with medium-sized enterprises. This is to explore what the ‘glass ceiling’ is for mid-caps. What risks did they have to take for growth? How did they overcome the challenges?

- Possible interviews with pre start-ups, to explore the necessary support they need to start up and sustain their businesses.

**Possible outcomes of the project:**

- Productivity is defined within the context of Lancashire
- Key factors that have an effect on productivity are identified
- Growth aspiration is identified
- Barriers to growth and possibly barriers to start-up (resources permit) are identified
- Recommendations on how to build and maintain an entrepreneurship ecosystem, that embraces a culture of self-sustainability that could be achieved by promoting learning skills