

## **SCOTTISH ENTERPRISE/ BUSINESS GATEWAY JOINT SUBMISSION**

### **SCOTTISH PARLIAMENT ECONOMY AND FAIR WORK COMMITTEE INQUIRY INTO TOWN CENTRES AND RETAIL**

#### **E-COMMERCE ACTIVITY IN SCOTLAND EVIDENCE SESSION – WEDNESDAY, 4 MAY**

Dear Convener,

Scottish Enterprise (SE), including Scottish Development International (SDI), and Business Gateway (BG) welcome the opportunity to contribute to the Scottish Parliament's Economy and Fair Work Committee's inquiry into town centres and retail, specifically focusing on our efforts to support SMEs in Scotland develop and grow their e-commerce activity.

We recognise how important it is that our organisations are aligned to ensure all companies in Scotland have the right type of support available to take advantage of the digital opportunities available to them, such as online sales. In that spirit of collaboration, our written submission comes in the form of a joint contribution.

This submission will highlight how our respective organisations support companies achieve their digital ambitions, both domestically and internationally. This contribution will also outline how the established partnership between SE, BG and other public agencies ensures the correct support is provided to businesses that use our e-commerce services. Finally, we will share examples of how SE and BG have supported specific companies develop their digital activities.

#### **OVERVIEW**

As consumer behaviour has changed and the business landscape has altered over the past decade, more and more companies have turned their attention to digital channels to help them sell their products and services. The COVID-19 pandemic clearly accelerated that pace of change.

For example, ONS figures show internet sales as a percentage of total retail, at less than 10% in 2010, rising to over 20% in 2019. The COVID-19 pandemic and associated lockdown restrictions led to a spike in May 2020, to 32%. Although some of this was temporary, there was a clear shift in consumer habits.

That's why digital activity is part of both SE and BG's efforts to support businesses. Whether this is one-to-one services, delivering digital events in partnership with the private sector or simply enhancing our suite of existing digital services, our organisations have worked hard to ensure companies can access these as easily as possible.

These services and activities, which have been used by thousands of SMEs across Scotland, are fully aligned to relevant Scottish Government policies, including those set out in *A Trading Nation* and the recent *National Strategy for Economic Transformation*, which highlights the importance of digital adoption in the economy. SE's Digital Transformation Team, along with BG's support and company engagement, will be a key driver in achieving increased understanding and enhanced digital adoption across Scottish businesses, demonstrating the importance of partnership between our organisations.

#### **WORKING IN PARTNERSHIP**

SE/SDI and BG work together through the Business Support Partnership (BSP), which is absolutely focused on customer needs. The partners are SG, 32 local authorities (SLAED), three enterprise agencies, Skills Development Scotland, Creative Scotland and Visit Scotland. The aim of the BSP is to make it easier for businesses to navigate the support system and for the public sector to deliver services more efficiently and collaboratively.

Find Business Support gives customers an overview of all funding and services offered by public sector organisations across Scotland, including specific support around digital opportunities. This makes it quicker and easier for businesses to find the information, advice and support they need, when they need it.

Information is available for businesses of all sizes – from start-ups, established companies, sole traders, large enterprises to social enterprises.

## **BUSINESS GATEWAY**

BG supports all entrepreneurs and businesses with any level of business acumen or maturity, including pre-starts. The network provides support to businesses through general business advice, webinars and digital health check and one-to-one support & coaching services. Through DigitalBoost, businesses can get access to free webinars, support from a digital consultant, online advice and tips to help their business and platforms do more with digital.

In addition to this, in the last financial year the DigitalBoost Development Grant helped approximately **6,000 businesses** improve their Digital Maturity and develop a Digital Implementation Plan by giving a grant of 50% to businesses for a range of digital improvements. These included, but were not limited to:

- Buying software
- Building an online booking system
- Implementing Ecommerce solutions
- Digital Skills Training
- Building or upgrading a websites
- Developing an app,

## **SCOTTISH ENTERPRISE**

SE is focused on, and works with, companies that will make a strong contribution to Scotland's economic recovery and growth. This is through the delivery of an Account Management service, providing access to skills and expertise as well as, in some instances, access to funding. SE's specialist support covers:

- Digital Transformation
- International
- Innovation
- Enterprise Europe Network
- Intellectual Property
- Scottish Manufacturing Advisory Service
- Sustainability
- Workplace Innovation and our Research Service

SE works with SMEs, large indigenous and foreign direct investors to support and build capabilities in innovation, internationalisation, increasing productivity, raising investment, exploring new markets as well as encouraging the adoption of fair work principles and supporting a transition to Net Zero. The aim is to support companies to grow and scale creating well-paid jobs and opportunities in every region. SE's support enables companies to achieve long term, sustainable growth which contributes to a fairer, greener, wealthier Scottish economy.

SE and its international arm, Scottish Development International (SDI), offers e-commerce services to help SMEs trade both domestically and internationally.

SE's Digital Transformation Team has been providing high quality, expert, honest and impartial advice about digital marketing and e-commerce since 1999. Within the team, there is an experienced pool of digital advisors with significant experience of marketing and e-commerce, several of whom have decades of experience in creating and managing successful e-commerce sites. The team is widely known and trusted across the private sector and regularly contribute to developments and events at national and international levels

The team provides the following one-to-one services in relation to e-commerce and digital marketing:

- Ongoing advice, guidance and support around good practice in site design, usability, management and marketing
- Assist with development of briefs and specifications and provide guidance on the procurement process
- Help clients implement and understand analytics and what these mean for the best performance of their site
- Advise on tools, technologies and platforms available and help clients assess these

Embedding crucial digital knowledge, skills and know how within our companies and partners, serving as a conduit to others in the public sector, is at the heart of what the team does.

### **SDI-SPECIFIC ACTIVITY**

The Digital Trade team within SDI is very active in the international e-commerce space. Expanding into e-commerce internationally can be a natural extension of a company's current online capability, and SDI's International E-commerce Programme offers the tools to get businesses started.

SDI specialists provide advice on developing e-commerce strategies, guidance on choosing the correct platform to boost international sales and support on how to sell globally via established online marketplaces, including Amazon and eBay.

The programme provides an action plan to allow SMEs to implement their online strategy. The events and masterclasses can be accessed individually or as part of an intensive programme designed to accelerate a firm's international business growth.

SDI's International E-commerce Programme has proven to be incredibly popular: since April 2020, approximately **2,000 companies** have participated on it.

Eligible SMEs also had the opportunity to participate on the E-commerce Accelerator Programme, an intensive 10-week programme designed to ensure companies advance rapidly towards achieving their e-commerce goals, supported by experts from SDI's international network of offices.

## EXAMPLES OF COMPANIES BENEFITING FROM BG E-COMMERCE SUPPORT

### FINDRA CLOTHING

Unique in its offering, [FINDRA Clothing](#) is an outdoor clothing brand that designs stylish, versatile and sustainable outdoor clothing using predominantly natural or recycled raw materials.

FINDRA Clothing made the most of funding accessed through DigitalBoost, BG's national upskilling programme, to improve their stock management system and ensure their customers enjoy the best online ordering experience. The company re-platformed their website, as well as reviewed their ordering process. The CRM and Stock Management Systems ensured a more efficient and smoother customer experience for each order.

***Alex Feechan, Founder of FINDRA Clothing, said: "Thanks to Business Gateway support and funding through DigitalBoost, we know that our customers can order something with ease, and we are confident we can deliver to them quickly and efficiently."***

### CANDY COATED ACCESSORIES

[Candy Coated Accessories](#) specialises in creating high-quality textile products. These include luxury knitted scarves, mini hot water bottle covers and cotton baby accessories.

The Fraserburgh-based business has successfully grown with the launch of a new online shop after accessing support through DigitalBoost, Scotland's national digital upskilling programme delivered by BG.

The business is now developing a new product with another manufacturer based in Scotland and hopes to scale up operations further by working with a variety of Scottish-based manufacturers to meet customer demand. The firm is also aiming to take on their first part-time employee this year.

***Fiona Ross, Owner of Candy Coated Accessories, said: "By working with Business Gateway's DigitalBoost programme, I've been able to upskill and learn how to make changes to my website. Before, I wouldn't have been confident switching up the front page, but now I have the knowledge to make technical changes."***

## EXAMPLES OF COMPANIES BENEFITING FROM SE E-COMMERCE SUPPORT

### ANM GROUP

[ANM Group](#) is a co-operative farming, food and finance business based near Inverurie, Aberdeenshire. Recognising the challenges that social distancing would bring due to the COVID-19 pandemic, ANM Group worked in partnership with SE and embraced e-commerce, allowing it to take its expertise in the live auction ring and apply it online. Not only did this help the company reach customers adversely affected by COVID-19, it opened up new markets and opportunities for this innovative firm.

### BREWING

A large brewer saw a significant increase in consumer traffic and sales during the pandemic. Two SE digital specialists worked with the business to develop its e-commerce strategy, which led to the

firm re-platforming onto a better platform, and on the company's digital marketing strategy. Digital specialists also worked with the business to procure an updated back-office system, which will not only integrate with the e-commerce system, but also integrate with the company's trade customers through electronic transfer, providing real-time stock and sales data.

## **CONCLUSION**

The COVID-19 pandemic clearly demonstrated that more and more businesses and consumers are turning to e-commerce platforms to meet their needs. According to data from [IBM's U.S. Retail Index](#), COVID-19 accelerated the shift to e-commerce by five years.

This appetite has been evident in Scotland. For example, in Financial Year 2020/21, **more than 1,000 businesses dialled into SE's e-commerce online events**, a fourfold increase compared to the previous year. Similarly, DigitalBoost saw its attendee numbers for Business Gateway's Digital training events **reach peak at 11,917 in 21/22 with a 50% increase in DigitalBoost page views**, post the COVID-19 pandemic onset.

To keep up with this demand, SE and BG are committed to working with our partners to provide innovative and e-commerce support and services to companies in Scotland, enabling them to turn their digital ambitions into reality.

Scottish Enterprise & Business Gateway – 3 May, 2022

**ENDS**