

22nd MEETING - NATIONAL ECONOMIC FORUM: 1 MAY 2019
DISCUSSION REPORT: Building global ambition in Scottish based businesses

Host: Derek Mackay MSP, Cabinet Secretary for Finance, Economy and Fair Work

Speaker / facilitator: Steve Dunlop, CEO, Scottish Enterprise

Scribe: Scott Strain, Directorate for International Trade & Investment

Summary

A candid discussion regarding the support ecosystem for Scottish companies and how to encourage more female entrepreneurship. Recognition also of the importance of tourism and the creative industries in garnering goodwill towards Scotland.

Introduction and Background

The Cabinet Secretary welcomed participants to the discussion group and encouraged participants to be forthcoming and to be comfortable discussing issues beyond the theme of the workshop. He underscored that these discussions influence ministers, which in turn influences the Civil Service.

Topics discussed:

A Trading Nation

- The rigour and focus of *A Trading Nation* was broadly welcomed but concern expressed whether £20m was sufficient resource to effect change. Mr Mackay recounted the broader recalibration of government effort and spending (£300mn) which goes well beyond the additional £20mn funds available to A Trading Nation.
- The evidence based approach of *A Trading Nation* was commended but delegates also encouraged government to track key indicators in emerging markets such as the growing middle class size. Mr Mackay acknowledged the need for us to follow “megatrends” and act accordingly, both through our agencies but also partner organisations.

Tourism & education

- Delegates thought tourism and education were key export sectors and an important platform to build goodwill and exposure to our values overseas. Mr Mackay concurred and thought a holistic approach and thought alumni could become an important conduit to promote links between Scotland and priority market.
- The high rate of VAT was raised as a concern and delegates hoped that in time a more competitive rate could be set should this become a devolved matter.
- Delegates commended the Scotland is Now brand (ScIN) and hoped to see it used for business purposes. Mr Mackay acknowledged we are at the early stages of developing our ScIN business brand but recounted his positive experience seeing ScIN branding used to good effect at the Scottish Pavilion at MIPIM. The brand could also be applied at major cultural events such as the Rugby World Cup and the Royal Edinburgh Military Tattoo performances overseas.

Global Scots

- Delegates underscored the need to galvanise our diaspora more effectively, in the UK and overseas. Discussion revolved around the revamp of GlobalScots and experiences of not being able to engage with them for advice in markets such as India. Mr Mackay outlined the revamp of the GlobalScot network and how a new IT platform should help increase the visibility and accessibility of members.

Business support ecosystem & “falling between the cracks”

- Concern was expressed that the product based support offered by Scottish Enterprise was inflexible to meet the needs of small & growing businesses. Anecdotal feedback suggested that applications for support were rejected if applications did not meet all of the criteria. A more flexible and pragmatic approach was called for.
- After recounting their experiences delegates felt there was a strong perception that we gave more supporting overseas investors than to growing our domestic companies. This was rebutted by Mr Mackay but it was acknowledged that outcome focussed rather than product based solutions was the way to improve our service to companies.
- Mr Dunlop acknowledged mentioned the revamping of the single access portal for services, which should offer a better tailored experience for users. He also noted that agencies and government needed to share data more in order to improve insights and customer service.

Commercialising our public enterprises

- Delegates felt that public owned Scottish assets such as port authorities and ferries could support the export effort if they were empowered to seek opportunities overseas. Mr Mackay thought this was a good idea but acknowledged that governance and regularly frameworks would needed to be adjusted to allow our agencies commercialise and pursue international opportunities.
- Delegates also suggested there could be a for the Scottish National Investment Bank to play in supporting our export effort with loans and guarantees. Mr Mackay acknowledged that the risk appetite from government had changed and that a more entrepreneurial approach from public bodies such as SNIB could be applied once it is operational.

Women in business

- Delegates discussed the low number of female entrepreneurs who were account managed by Scottish Enterprise (9%) and what steps could be taken to increase awareness and uptake of SE services by female businesspeople.
- There was a recognition that business teaching is male dominated and that women can be encouraged to focus on softer skills (e.g. HR) rather than finance and selling. This needed to be challenged and changed but to do so evidence and data was required before effective action could be taken.

Global by Birth

- Delegates discussed and agreed that companies could export successfully from the outset if they had the right mind-set and processes from the beginning. It was not necessary for companies to outgrow the UK before attempting to export.

Closing Comments

The Cabinet Secretary thanked the delegates for their candour and constructive interventions around changing our approach to export support, reaching female entrepreneurs, and continuing the support the values and goodwill that our creative, tourism and education sectors offer.

Scottish Government
May 2019