



Annual Report

2021/22



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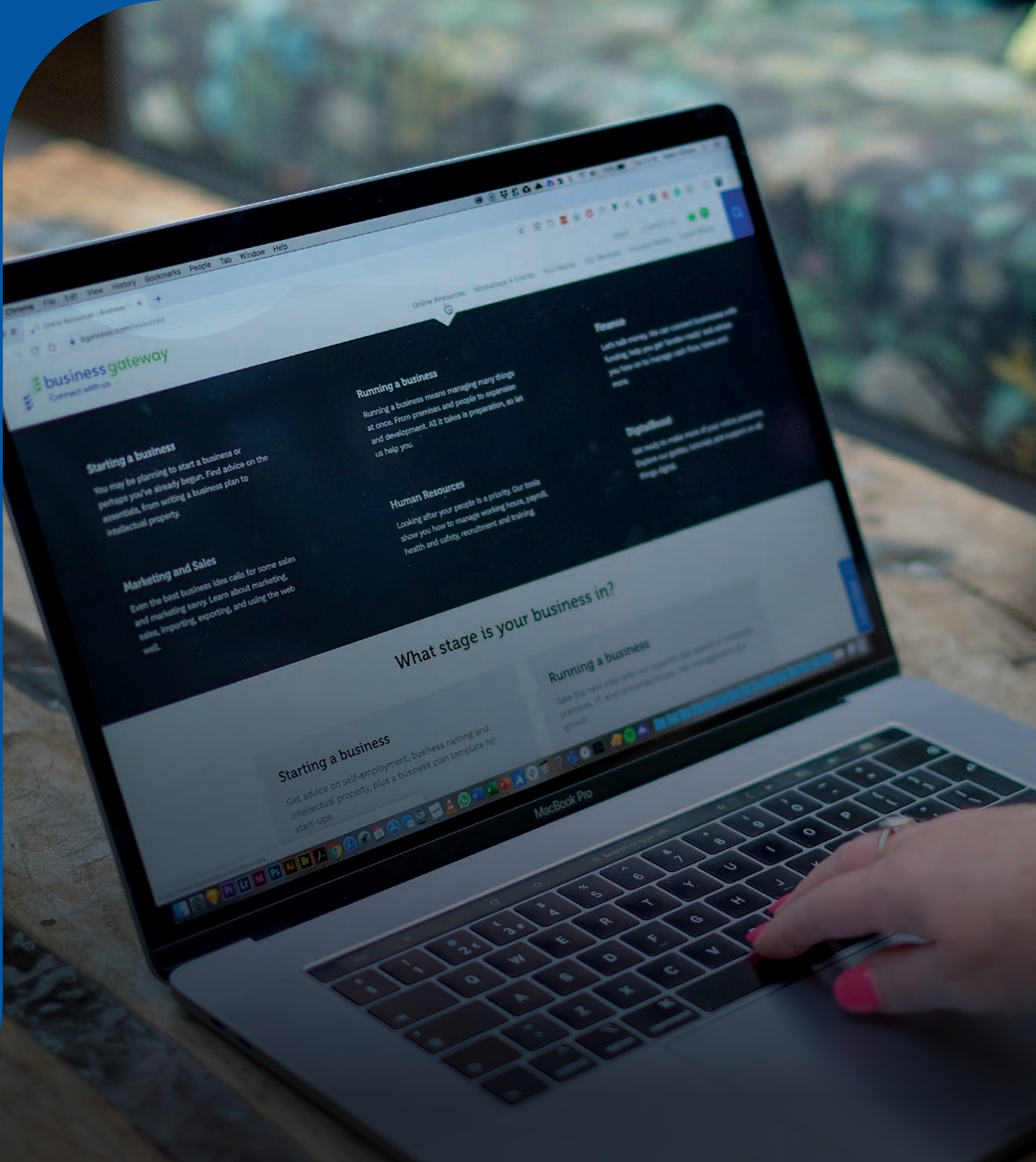
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Summary

In the last year, across the country, Scottish businesses have demonstrated their resilience in responding to the ongoing challenges presented by the Covid-19 pandemic and the cost-of-living crisis.

Business Gateway advisers have been there for SMEs throughout 2021/22, with the service advising over 50,000 businesses, including over 25,000 existing businesses and over 18,000 start-up customers.

	2021/22
Total customers supported	52,706
Start-up customers supported	18,405
Existing businesses supported	25,160



Foreword

The last 12 months have seen us reflect on our lives and livelihoods more than ever before. As a nation, we continued to feel the impacts of the pandemic and Scottish businesses, especially small businesses, have been at the core of this.

While the challenges have been significant, as we come out of the other side of another year, what I continue to be astounded by is the rallying of the business community and organisations across the country who have come together to support the future of not only Scottish business but also the country's economy and reputation in the global playing field.

As I take time now to reflect on the results of Business Gateway's 2021/22 annual report, it is wonderful to see that, despite such a period of instability, more than 7,800 start-ups were launched in the last year. It is a testament to the businesspeople in Scotland, and their drive, adaptability, and innovation in adversity.

We are very proud of the important role our local advisers in each of Scotland's 32 local authority areas have played in offering expert advice and encouraging words to those starting out, as well as those taking the next step in their business growth journey.

In 2021/22, our advisers helped more than 52,706 start-up and scale-up businesses in Scotland. Included within the report are several examples of the businesses we have supported, and I am particularly proud to see the breadth of locations and sectors that Business Gateway has reached.

As we faced further lockdowns, developing our digital offering remained vital and we have continued to adapt our resources to fit the needs of small business owners, and importantly, let them know, wherever they operate, our support did not waiver. In the last 12 months, our teams have produced 2,500 online workshops and events attended by more than 30,000 people.

Our DigitalBoost service has continued to thrive and in the last 12 months, we hosted 322 events on digital upskilling attended by over 11,000 people. This service will only continue to develop as we work closely with partners to support Scotland's National Strategy for Scotland's Economic Transformation announced in early 2022.

Naturally, observing business survival has been a key focus in the last year, however, our monitoring shows that survival rates are on the up. This year 87% of start-ups remained open a year after launching, compared with 76% last year. The road ahead is not yet clear, and our fantastic network of advisers will be essential in supporting Scottish SMEs to future-proof their operations.

Fundamental to survival is a continued programme of financial support and in the last year, local authorities administered more than £100 million in grants; these grants have been absolutely critical to keeping businesses open and would not have been possible without the hard work and collaboration with the Scottish Government.

As a country, we have a very strong support model in place for business owners. Our own work at Business Gateway, the work of our partners, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise, Skills Development Scotland and local authorities, as well as a whole host of universities and youth enterprise schemes are working to inspire minds across Scotland.

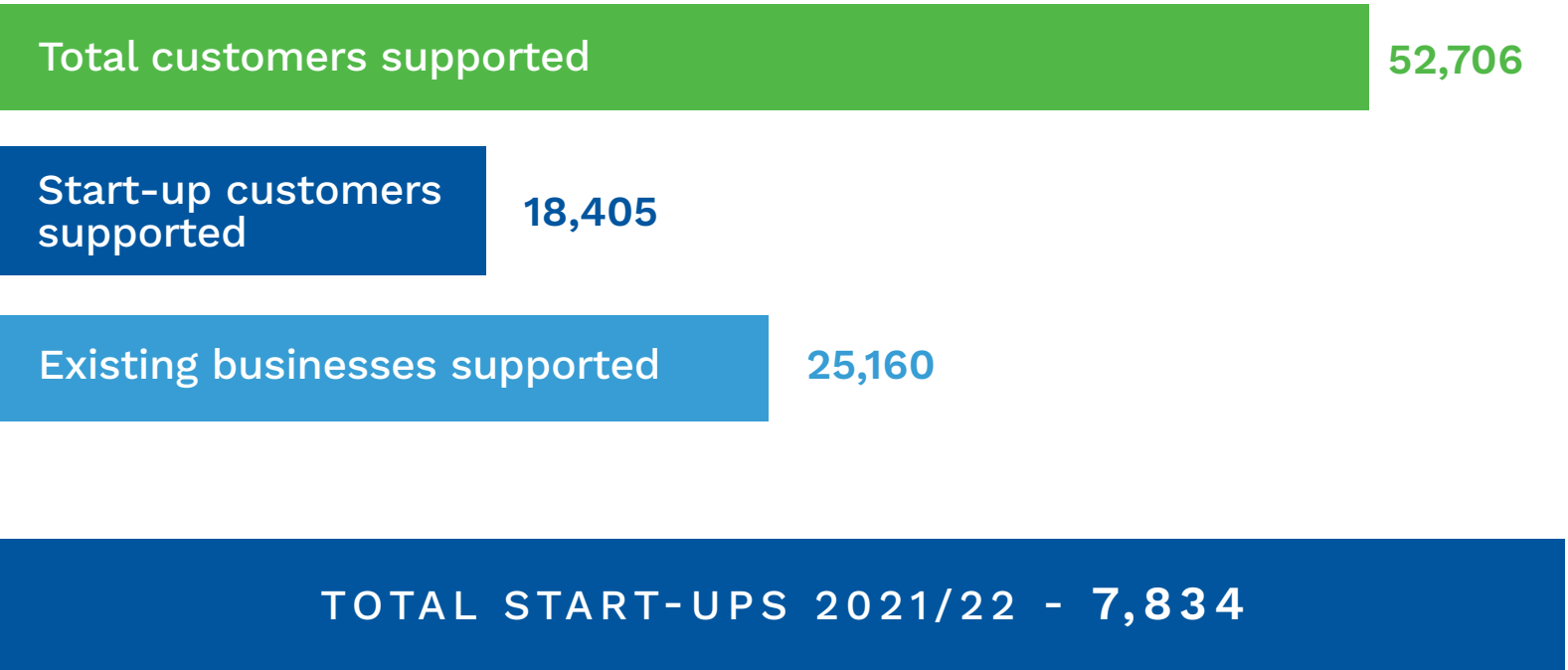
The focus must now be on economic recovery and therefore business support, and a sense of community has never been more important. I would like to thank our local advisers and partners who offer their expertise, and huge thanks to the entrepreneurial minds and small business owners at the heart of driving innovation and growth for the country. We are in this together, and I am positive about what we can achieve collectively in the years ahead.



Cllr Gail MacGregor
Chair of Business Gateway Board

Convention of Scottish Local Authorities
Environment and Economy Spokesperson

Our year in numbers



Gecko Glazing

The business
Founded in 2020, Gecko Glazing is the brainchild of former economist, Gareth Claase. It specialises in easy-to-install secondary plastic glazing, called Gecko Panes, which easily fit into windows to help homeowners insulate their properties and save on energy costs.

The challenge
Despite a degree in economics and a successful career in banking, Gareth was always interested in engineering and finding solutions to reduce the UK's poorly insulated homes. After spotting a gap in the market for a more affordable, sustainable, and less disruptive way to cut heat loss from old windows, Gareth developed his idea for Gecko Glazing and approached Business Gateway in 2020 for help on launching his business.

The support
Working with Business Gateway, Gareth accessed 1:1 support from his local business adviser in Edinburgh and received help on developing his business plan, along with advice on funding, buying a business premises, and marketing. Business Gateway also facilitated several introductions to experts in relevant fields, allowing Gareth to upskill and get to grips with starting his business.

The results
Since he began trading at the end of 2020, Gareth has received orders for more than 1,000 panes. In the last two years, Gecko Glazing has also received formal accreditation for thermal performance, signed an agreement with a third-party supplier to offer professional installation for customers, and Gareth has been the recipient of the prestigious Scottish Edge Award for promising early-stage Scottish firms.

Interview with our adviser

Steve Newlin, Business adviser at Business Gateway's East Lothian office, reflects on the challenges of starting a business in 2021/22 and shares his insights on the key trends which start-ups are facing.

1. What were the top three challenges for someone starting a business?

One of the biggest challenges we have seen over the last year is a lack of self-belief. Ideas are the foundation of any new business, but many individuals are challenged by imposter syndrome and getting themselves into an entrepreneurial mindset. Having faith in your abilities is crucial for starting a new business. Another area where some start-ups struggle is planning. It is so important to establish a clear business plan and understand the importance of a strategy, whether that is during the start-up stage or when you are preparing to scale up. Finally, understanding where to access funding is crucial for those looking to start a business.

2. Do you expect the number of start-ups to increase in 2023?

I do think that we will see a slightly different business landscape next year, but I also think that we could see the number of start-ups increase. I don't believe the rate of businesses starting up in Scotland will drop. People are always full of innovation and new ideas.

3. Are there any key trends or industry issues you're seeing with start-ups?

Embracing technology is a key trend for all industries. Finding out more about how technology can maximise business efficiency and increase profitability is and will be crucial for start-ups within the next few years. Sustainability and the move towards net zero will also be an important consideration for business owners, whatever scale they operate at. How businesses access funding has also changed, as we see a move away from the reliance on high street banks and an increase in alternative lending methods.

4. How has the increased use of digital technologies helped start-ups successfully launch?

Digital has truly changed the way that businesses can reach customers. If you're online and maximise social media and influencer marketing, you can reach customers that you never would have reached otherwise. Digital technologies are truly at the core of every business plan nowadays, no matter the industry.

5. What does success look like for a start-up?

Success looks different to everybody and depends on individual goals and aspirations. How you feel inside is the best measure of success and this has become apparent over the last few years. Profit, of course, is important, but happiness and enjoyment of the day-to-day running of your start-up business are also an indication of success.



Number of enquiries

Total enquiries	32,731
Start-up enquiries	17,529
Existing businesses enquiries	12,992

“My Business Gateway adviser has been there every step of the way, injecting their expertise and providing tailored support throughout my business journey so far. Whether that was helping me to develop my business plan or taking me through processing accounts, I knew I could count on Business Gateway for expert guidance. That’s what is great about its services.”

Fiona Ritchie, Founder of Ochil Skincare



Ochil Skincare

The business
Ochil Skincare was launched in 2015 by Fiona Ritchie after she wanted to create and market chemical-free products that were kind to the skin. The business makes and sells hand-made natural, vegan soap and skincare with a Scottish twist. All products are free from palm oil and parabens and contain thistle oil which moisturises and rejuvenates.

The challenge
The business was performing well and had an established client base within the Scottish hospitality sector, however, 80% of this trade was lost when the lockdown forced hotels and restaurants to close. Fiona was determined to retain sales, so she decided to grow her online presence and engage with customers directly. She turned to Business Gateway for support in digital upskilling.

The support
Fiona accessed regular 1:1 support from her dedicated business adviser through Business Gateway’s growth service and received a strategic review of her business plan to identify new opportunities, including how an online retail sales focus would work for her business.

The results
Fiona was able to create the brand’s e-commerce site, which is now core to business turnover and resulted in a 400% increase in online sales throughout the lockdown. Access to specialist support also helped to develop ideas for the brand’s social media content.

Interview with our adviser

Dorothy Henke has worked for Business Gateway for six years, providing support and advice to local businesses in Alloa and Clackmannanshire.

1. What have been the main challenges for business owners over the last year?

Challenges vary within each business sector. For example, over the last year, hospitality businesses of all sizes, while seeing increased demand, have struggled to fill vacancies with skilled staff. Whereas the manufacturing and construction industry has suffered from supply chain issues due to factors such as Brexit, the Covid-19 pandemic, and the invasion of Ukraine. Global instability has had a knock-on impact on any business operating internationally.

2. Are you confident about the outlook for businesses?

Historically we have always had periods of uncertainty. In the wake of the pandemic, the business landscape in Scotland was somewhat unknown, however, businesses that tightened their operational control and motivated their employees came out stronger. Scotland is rich in dynamic entrepreneurs who have weathered this storm, so I am confident about the future for businesses, but optimism must be coupled with a clear vision and planning.

3. What are the key trends business owners should be aware of looking forward?

Following COP26, carbon reduction technology has become even more prevalent, presenting opportunities for businesses across sectors to reduce their footprint – all businesses should be looking to join the road to net zero. The pandemic also forced the hand of some businesses to digitise their operations, allowing business owners to understand the value of digital when seeking new ways of reaching customers. Additionally, the pandemic meant several businesses have adopted remote working. Remote working is very much here to stay, demonstrating that businesses can save money by downsizing premises and reducing travel costs. When done properly, this can both benefit the business and the work-life balance of the employee.

4. How can businesses keep their employees motivated?

Communication is key. Employees want to be kept informed of what is happening now and in the future. A lot of businesses are good at doing this but can often forget the importance of allowing employees to voice their views too. A motivated employee feels heard and it makes for a much happier workplace. Recognition of employee achievements is more important than ever.



Scottish Business Week 2021

Scottish Business Week 2021, a free, virtual, first-of-its-kind event, took place between 18–22 October 2021, with 611 unique logins from business owners and aspiring businesspeople around the country.

It came at a crucial time as businesses began to emerge from a sustained period of lockdowns due to Covid-19 and looked to reset and refocus on the future.

Delivered by Business Gateway and its national support partners, including Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise, and Skills Development Scotland, the event saw more than 55 webinars, panel discussions and masterclasses presented over the week.

Sessions covered all manners of business support from digital adoption and business transformation in the wake of COP26, to opportunities for women in business, access to funding and keynote speeches from Scottish businesspeople. There were also daily health and wellbeing sessions, and speed networking events, providing a platform for learning, development, goal setting, and networking for businesses across Scotland.

Councillor Steven Heddle, Environment & Economy spokesperson at COSLA opened the event. He talked about the significant challenges businesses had faced as a result of the pandemic and how the country's business landscape had shown incredible resilience, innovation and adaptability in the face of such extreme uncertainty.

The week-long festival proved a significant success, attracting 611 unique logins from around Scotland, generating 214 questions during webinars and panel sessions, 425 page views for www.bgateway.com, and a total of 626 minutes spent within the Meeting Hub, an area where attendees could connect and network.

Virtual exhibition stands from Business Gateway, Federation of Small Businesses, Scottish Enterprise, South of Scotland Enterprise and Zero Waste Scotland generated 90 individual visits.



Survival monitoring

Research shows that businesses in Scotland experience a strong survival rate with 87% of start-ups remaining open a year after launching, up 11% from the previous year.

Our latest monitoring also indicates that 49% of businesses trading for one year anticipate a positive outlook in the next 12 months.

While the survival rate has increased and almost half of businesses are optimistic about the future, when asked about the current business landscape, 59% of respondents describe the current climate as ‘unfavourable’, likely as a result of the ongoing impacts of the Covid-19 pandemic and cost-of-living crisis. This figure is down on last year when 66% of businesses described the climate as ‘unfavourable’.

According to our network, 62% of businesses no longer trade because of the Covid-19 pandemic, compared to 70% in 2020/21. Although a drop in numbers represents a more positive outlook, the number highlights the lingering effects of the pandemic on businesses across Scotland.

		2021/22	2020/21
Annual survival rate		87%	76%
How do you see the outlook in the next 12 months?	Favourable	49%	49%
	The same	34%	31%
	Unfavourable	17%	20%
What effect has the current business landscape had on your business?			
	Favourable	21%	21%
	The same	20%	13%
	Unfavourable	59%	66%
Top reason why companies are no longer trading			
	Covid-19	62%	70%

Number and value of grants given out

Thousands of businesses around Scotland have turned to Business Gateway for advice on how to survive the challenges presented over the last couple of years.

Many of those have needed critical funding to stay afloat, with closures and restrictions having a dramatic impact on their everyday operations.

Local authorities have delivered £108.3 million in grants to support businesses during 2021/22. More than half of this was awarded to the hospitality industry through initiatives such as the December and January business support top-up scheme and the nightclub closure scheme.

These grants have been critical to keeping businesses open and would not have been possible without the hard work and collaboration with the Scottish Government.

FUNDING SCHEME	NUMBER OF GRANTS AWARDED	TOTAL PAID (£)
Hospitality: December and January Business Support Top Up	10,727	51.5m
Hospitality and Leisure: January Business Support Top Up	12,464	19.9m
Public House Table Service Restrictions Fund January	2,317	6.4m
Nightclub closure	131	4.4m
Brewers Support Fund	98	1.0m
Taxi and Private Hire Driver and Operator Support Fund 2022 - (Taxis)	18,817	14.1m
Taxi and Private Hire Driver and Operator Support Fund 2022 - (Operators)	9,950	10.9m
TOTAL FUNDS OF ALL SCHEMES (£)		108.3m

Events & webinars

Business Gateway has continued to deliver events throughout 2021/22, focusing on virtual audiences as businesses fully adapt to remote and agile ways of working.

The national programme of webinars continued throughout the year, upskilling businesses in important areas such as digital transformation and financial planning.

Events attendance remained strong from last year with 30,327 people attending 2,515 sessions in the past twelve months.

While it was encouraging to see some in-person events start back up, virtual delivery remained a priority for the service, helping those in rural communities or business owners operating independently to stay connected.

	2021/22	%INCR/DECR
Total events & webinars held	2,515	-20%
Total attendees	30,327	-10%
Start up: Events	714	-24%
Start up: Attendees	5,434	-24%
Growth: Events	759	0%
Growth: Attendees	9,164	-9%
Local: Events	516	-16%
Local: Attendees	3,812	-36%

Attendee numbers are not included in the total customer numbers.
Figures include DigitalBoost events.

DigitalBoost

DigitalBoost continued to be a critical resource for businesses of all sizes, with over 322 online events being hosted on a national scale, drawing over 11,000 attendees, a 7% increase from the previous year.

Total 1:1 projects were up by 9% from 674 in 2020/21 to 736 in 2021/2022.

3,284 Digital Health Checks were completed, and there were 26,171 visitors to the DigitalBoost homepage.

	2021/22	2020/21	%INCR/DECR
Total events	322	830	-61%
Total attendees	11,210	10,483	+7%
Total 1:1 projects	736	674	+9%
Video tutorial views	4,350	7,061	-38%
Visitors to DigitalBoost homepage	26,171	26,618	-2%
Digital Health Checks completed	3,284	3,233	+1%



S'wheat

The business

S'wheat is the world's first reusable water bottle made from 100% plant fibres. The e-commerce business and social enterprise was founded in 2020 by students Amee Ritchie and Jake Elliot-Hook.

The challenge

Amee and Jake came up with the idea for S'wheat in 2018 after noticing the large numbers of single-use plastics being disregarded by their peers at college and university. Research told them that water bottles on the market were receiving critique over their weight, cleanliness, or sturdiness. Fuelled with an idea and a passion to make a change, after graduating, they contacted Business Gateway to discuss their business concept.

The support

Amee and Jake received 1:1 support from their Business Gateway adviser, helping them develop their business plan, understand the legalities around company regulations and HR, and kick-start ideas for marketing. They were also signposted to funding options and successfully accessed £10,000 from Scottish Edge, helping them to create their prototype in 2019.

The results

The business has grown by 300% since it first launched to market after the founders expanded their offering to include brand partnerships. They have continued to grow, and with a mission to protect the environment from plastic pollution, which includes positive climate action for every S'wheat bottle sold, they have already planted over 2,000 trees.

Website sessions

	2021/22	2020/21	%INCR/DECR
Web visitors (Sessions)	975,618	1,006,845	-3%
New visitor sessions (New Users)	691,767	678,743	+2%

Quality Assurance

Each year, Business Gateway carefully measures the quality of its services and the satisfaction and benefit that customers using its services receive. Research is carried out on Business Gateway’s behalf by a professional and accredited market research agency (Progressive Partnership Ltd) through a regular email satisfaction survey. This is sent to people after they have accessed Business Gateway’s services and includes questions which inform a set of Key Performance Indicators (KPIs).

- The key findings from our quality assurance reports for April 2021 to March 2022 were:
- Overall satisfaction between April 2021 and March 2022 was 80%.
 - 79% of respondents said their expectations had been met or exceeded.
 - 86% of respondents reported that the support they received would be beneficial for their business (excluding those reporting it was ‘too early to say’).
 - 83% of respondents this year would recommend Business Gateway to other businesspeople or those thinking of starting a new business.



Old Mother Hunt



The business
Old Mother Hunt is run by husband-and-wife Matt and Becky Hunt. The business specialises in manufacturing small batches of spiced rums and came about after Matt, a former pilot, was made redundant at the beginning of the pandemic.

The challenge
Facing an uncertain future, the couple decided to explore options to start their own business. In the search for a ‘pandemic proof’ product and fuelled by a love of learning, the couple settled on rum and decided to approach Business Gateway in 2020 to help turn their idea into reality.

The support
Matt and Becky accessed a package of support across Business Gateway’s start-up and growth services, including 1:1 business advice and support with their business plan. They received assistance with marketing and attended a digital marketing strategy webinar, a digital marketing online tutorial, and a session on how to improve digital engagement, which were crucial for generating online sales.

The results
Using skills learnt from Business Gateway sessions, Matt and Becky have made substantial improvements to the Old Mother Hunt website, doubling visits and increasing turnover. They have also put their digital upskilling to use, boosting the company’s organic search traffic by 100% since November 2020.

Where next



DigitalBoost

Digital upskilling has remained a powerful tool for businesses over the last year, allowing operators to take advantage of technologies and improve their productivity, creating new market opportunities as a result.

Advisers at Business Gateway have seen this first-hand through DigitalBoost, Scotland's national digital upskilling programme, which has helped thousands of business owners understand how digital technologies can benefit their businesses.

Now in its sixth year, DigitalBoost remains a vital free resource for businesses of all sizes, emphasising the critical role that digital services play in today's business landscape.

Investment in digital technologies has been an important part of many business owners' survival strategy in the last year, but businesses should not lose sight of best practices and digital ways of working to ensure they stay ahead, as the world becomes increasingly digitalised.



Progress with key demographics

Business Gateway is committed to supporting a diverse range of businesses across society. Over the last year, the service has supported many rural, disadvantaged, female-led, minority ethnic-led, young person-led, and disabled person-led start-ups across Scotland.

	2021/22	2020/21	%INCR/DECR
Total start-ups	7,834	6,076	29%
Rural start-ups	34%	35%	-1%
Disadvantaged start-ups	19%	15%	+4%
Female-led start-ups	49%	45%	+4%
Minority Ethnic-led start-ups	7%	6%	+1%
Young person-led start-ups	15%	14%	+1%
Disabled person-led start-ups	2%	2%	0%

Please note the above table includes start-ups that fall into multiple categories.

Positively, there was an almost 30% increase in start-ups in Scotland in 2021/22, showing the resilience of businesses despite the economic climate. This increase was seen across all start-up demographics, other than a slight decrease in rural start-up numbers.



Business Support Partnership

Whatever businesses need to recover, rebuild and grow

In the last two years, business owners have operated in a world of radical uncertainty while restrictions, long periods of necessary closure, and supply chain delays have had lasting effects in all sectors.

In recognition of this, Scotland’s public sector agencies have worked together to redesign the support landscape, offering new tools and services via the Find Business Support website, delivered by the Business Support Partnership (BSP), which was set up to help business owners to navigate, adapt and survive.

With recovery from the pandemic a key focus, the website allows Scottish businesses to access online resources, webinars, and funding applications, depending on their individual needs, all from one central, easy-to-navigate online hub.

Business owners can access advice on a variety of topics including:

- Getting started in business and building a business plan
- Strategically finding new markets and identifying gaps in those markets
- Tips on operating more sustainably and how to make small changes
- Bespoke digital upskilling support tools, as digital adoption becomes a central focus for businesses looking to improve efficiencies and capitalise on the online markets
- Sector-specific insights and market research reports, to support businesses looking to launch or scale up in certain industries
- Information on operational support from research and development, tax credits and government support

The site is regularly updated with current news and trends that impact Scottish businesses including rising costs support and recent insights and advice on the impact of Russian sanctions.

This resource was needed now more than ever, with many companies facing disruption across global, national, and local trading environments.

The platform is accessible to all businesses regardless of location, size or stage of development and as a result, businesses across the country have been able to confidently move forward with the help of Scotland’s dynamic support sector.

www.findbusinesssupport.gov.scot



Planning To Start

For many people in Scotland, the last two years have signified a change in personal and professional circumstances, whether it’s working from home, taking on a new career, or turning a hobby into a business and a new source of income.

Starting a new business can be daunting, and many people simply don’t know where to begin. Advisers across the Business Gateway network have seen this first-hand, with a 29% uptake in start up customers turning to the service for help and advice.

This has also been shown in the success of the Planning To Start Tool, which has seen a 37% completion increase compared to the previous year, including a 5% increase in female customers and a 4% increase in customers from rural areas.

Those looking to test out the potential of their business idea through the tool only need to answer some questions, which can be done in 10 minutes. From there, they will have instant access to a start-up toolkit, filled with resources, advice, and webinars/events.

Individuals will then be connected to a local Business Gateway office and receive help to create a tailored business plan.

The Planning To Start tool makes it easier for anyone looking to start up a business, no matter their experience or background, and will continue to be a priority for the service in 2023.

	2021/22	2020/21	%INCR/DECR
Total PTS completed	9,318	6,791	+37%
Rural PTS clients	31%	27%	+4%
Disadvantaged PTS clients	19%	18%	+1%
Female-led PTS clients	34%	29%	+5%
Minority Ethnic-led clients	7%	8%	-1%
Young Person-led clients	12%	12%	0%
Disabled Person-led clients	3%	3%	0%

Looking ahead

The last year has continued to be extremely challenging for business owners, both personally and professionally, and for many, this will continue. However, Scotland has shown incredible resilience and adaptability in the face of extreme uncertainty.

As the business landscape slowly resettles, it is clear that while entrepreneurs will continue to pioneer and bring innovation to the heart of Scotland and its economy, support will be vital to ensure their survival, agility and knowledge of the new normal.

Business Gateway, with support from its agency partners, has worked to adapt its offering in the last year, to ensure it remains a dedicated, well-connected and trusted partner to the country’s fantastic start-up and scale-up community. Its network of business advisers in each of Scotland’s Local Authority areas are committed to offering inspiration and advice, to help businesses thrive.

The opportunity for the Scottish economy, if SMEs can prosper, is significant, and Business Gateway will remain at the forefront of championing the business people who are central to this.

Working in partnership

