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# IT ALL ADDS UP

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**A CELEBRATION OF 20 YEARS OF EUROPEAN FUNDS IN WESTERN SCOTLAND**

**Project Title**            **SME Supply Chain Initiative**  
**Project Sponsor**       **North Ayrshire Council**

## **PROJECT ORIGIN AND DEVELOPMENT**

Supply chain management is one of the most important aspects of business with increasing demands placed on small and medium size enterprises. In consultation with some of North Ayrshire's largest employers, North Ayrshire Council and Scottish Enterprise Ayrshire identified weaknesses in the local supply chain. Baseline data collected from the 15 largest companies identified a willingness to purchase more goods and services locally but a lack of information available as to the local supplier base and the expertise offered.

The Supply Chain initiative was designed to support local small and medium sized businesses (SMEs) to compete against Scottish, UK and World organisations to deliver effective services and products to large local companies. This was carried out in two ways:

- it developed the ability of local SMEs to build their supply capability and allow them to bid for supply contracts. This focused on how large organisations operated, developed negotiating skills and contracted management capability
- it worked with the large employers in the area to improve their knowledge and confidence in the services on offer from local SMEs. This included the development of a searchable database to increase the profile of locally available services and products.

## **PROJECT AIMS AND OBJECTIVES**

The Supply Chain Initiative was available to assist small businesses in North Ayrshire to more effectively compete for contracts to supply goods and services to larger organisations locally, nationally and globally. The scheme was designed to provide SMEs with the essential skills and knowledge to enable them to develop and apply new supply chain practices and procedures, thereby making them more competitive and increasing their potential for growth.

## **PROJECT ACTIVITIES**

Project activities included:

- improving operational efficiency eg the cost associated with the development of an action plan and the introduction of improved supply chain systems and procedures
- Improving product or service provision eg the costs involved with improving customer or supplier online communications
- Introducing innovative business improvements eg the costs associated with feasibility studies into new market penetration or innovative marketing materials
- Skills development eg tailor specific training programmes to meet the needs of local SMEs or signposting companies towards supported training opportunities.

- Raising awareness of growing business opportunities with large organisations eg hosting seminars with large organisation (MOD, NHS, Local Authority, etc) on their contracting procedures and requirements

### PROJECT STRUCTURE

North Ayrshire Council was the project sponsor and delivery organisation for this project. The project was delivered as part of the Council's Economic Development Support for Businesses with a dedicated project officer. Scottish Enterprise Ayrshire was joint match funding partner with the Council and was involved in the local strategic management and oversees certain delivery aspects of the project.

### PROJECT FINANCE

Funding Partners	North Ayrshire Council, Scottish Enterprise Ayrshire
Eligible Costs (£)	£113,000
ERDF/ESF Support (£)	£56,500
Priority/Measure	Western Scotland Objective 2 Programme 2000-06 - Priority 1: Develop the competitiveness and innovation of the regions SMEs - Measure 1.2: Enhance SME advice and support services to develop a competitive and innovative business base.

### PROJECT PERFORMANCE

Indicator	Target	Achievement	% Target Achieved
No of assisted businesses from areas most in need	7	22	314.29%
No of existing businesses receiving advice	100	101	101.00%
No of instances of advice to existing businesses	300	599	199.67%
No of instances of assistance to businesses in areas of most need	7	51	728.57%