Objectives:

The project is focused on what a US-style Small Business Administration (SBA) might look like in Wales, and thus what might be the best model to provide comprehensive business support in Wales.

Prior Work:

Supporting SMEs has become an important component of policies to promote sustainable competitive advantage particularly post-2008 crisis. Such support tends to focus (not necessarily evenly) on the 4Cs of Capital (Finance), Counselling (Business Advice, networks and training support), Contracts (Public Procurement) and Championing.

Whilst many of the activities of the US SBA are also currently undertaken in Wales, there are key gaps in the areas of Championing and Contracts. Additionally, an explicit overarching coherent governance structure for SME support policy in Wales is presently lacking.

This suggests Wales could benefit from SBA-type arrangements, but that issues of structure (given bodies already in place), and activity (given existing policies and resource restrictions) need examination.

Approach:

26 interviews were carried out from 5 main stakeholder groups (SMEs, Academics, Government, Business Advocates, Business Support). Conducted either face-to-face, telephone / skype, interviews were written up immediately following their conclusion, qualitative analysis conducted using NVIVO
Results:

Small Business Advocacy with Government, particularly in procurement, emerged as a key SBA Policy focus, as did the need for a strong research arm to generate relevant data, support and evaluate activities. Wales SBA Strategy was seen to require a general (research-supported) remit to promote enterprise. More broadly, strategy promoting more unified approaches to business support services is needed.

The SBA could best undertake Delivery, using stronger (contractual) relationships with existing providers, but also additional contractual relationships with local / regional providers (e.g. Local Authorities and FE / HE sectors). A regionally-based delivery structure consistent with the Cardiff Capital Region (10 UAS) and Swansea Bay (4UAs) City Region, and a non-City (8UAS) Region encompassing the remainder of Wales was seen as optimal.

In terms of Governance, the SBA should be arm’s length from Government, be strongly audited on an annual basis and also be Ministerially accountable via a Committee possessing a diverse board membership. The SBA would sit above current business support structures, acting as a bridge between providers, government and SMEs.

Implications:

The creation of an SBA for Wales has merit, given both additional activities with regard to advocacy, championing, and research, and the overarching business-focused coordinating structure that it could provide.

Value:

This paper provides an initial evidence base for academics, policymakers, SMEs and business organisations, on which to build policy proposals for an SBA for Wales.
INTRODUCTION

Government SME policy is largely focused on areas related to finance, business support, procurement and (more recently) advocacy as means by which to support beneficial outcomes in terms of innovation, exporting, general competitiveness and, ultimately, growth. For example, in the literature, lack of finance, but also difficulties accessing the sources of it, are cited as a particular barrier to entrepreneurship (ISBA Review, 2004). Relevant government support policy issues consequently relate to the need for government support in providing SMEs with access to resources, such as finance (e.g. see Moore and Garnsey, 1993; Cressy, 2000; Beck et al. 2008).

In the UK, government support has also taken the form of direct government advice services (Mole, 2002; Curran and Storey, 2002), and government subsidizing existing sources of formal support (such as private consultants or business professionals) to provide business support to new firms (Turok and Raco, 2000), to promote business growth, in areas such as skills and training development, obtaining resources, and identifying new business opportunities. Au and Ho (2002) also see the worldwide growth of e-commerce making it imperative for government export policy to be aligned with the need to train and support SME usage of the new technologies.

Due to the increased focus on innovation, McQuaid (2002) also identified government business advice policies aimed at improving small firm access to knowledge and innovation resources. This included improved access to universities, in addition to information and advice, and grants to assist and develop products and processes.

There has also been an increasing recognition that public procurement is an important way by which governments can assist SMEs (see EEF, 2010), simultaneously reducing the need for direct financial support and improving the delivery of government services (Loader 2007), as well as promoting diversity (CBI, 2009). Indeed, Beaver and Prince (2004), see procurement by public authorities as a key instrument to maximise the SME contribution to UK economic growth in general, and to local and regional economies in particular (Storey 1994).

Elder and Georghiou (2007) argue that public procurement demand can also provide a mechanism to encourage the development of SME innovation, as it can enable trading opportunities from which to exploit innovation. UK central government policy-makers have also stressed the role of SMEs in public sector procurement processes in broader terms, in particular as a means to develop sustainable communities (ODPM 2003).

Championing small business, in terms of procurement, but also more widely, has however also increasingly been seen as a potential role for government. Australia, for example has Small Business
Commissioners at both national and state levels. In Victoria, the expressed aim is to “enhance a competitive and fair operating environment for small business in Victoria” (http://www.vsbc.vic.gov.au/small-business-matters.html).

Whilst this discussion has identified what resources government policy could usefully deliver (as well as alternative sources), it has not discussed the governance arrangements that could be put into place for delivery. Greene and Patel’s (2013) evaluation of the history of UK enterprise support showed that enterprise policy objectives shifted over time between equity (social inclusion) and efficiency (productivity) concerns, whilst simultaneously being costly.

Enterprise support delivery has also been prone to weaknesses including: congested / confusing provision; high levels of policy initiative ‘churn’; duplication of provision; and weak evaluation culture, problems that the UK Small Business Service did not solve. As a governance-based solution to this, as well as creating a policymaking “anchor” for small business policy delivery, Greene and Patel (2013) therefore advocate a UK Small Business Administration (SBA), based on a longstanding model developed in the USA.

The purpose of this paper is focused on examining the issues that might affect a US-style Small Business Administration (SBA) in Wales, a nation within the United Kingdom that has had devolved governance arrangements (in the form of the Welsh Assembly) for a range of policies including economic development since the late 1990s. The Welsh economy can be seen to exhibit poor performance over the long term in comparison with other parts of the UK (Boddy, 2006), having historically seen low levels of innovation, investment in relevant skills, business investment and entrepreneurship.

Morgan (1997) pointed out that the lack of a strong indigenous entrepreneurial business base (not least because of the concentration in the natural resource based sectors of coal and steel) led to a reliance on public sector investment in the long declining coal and steel industries and then attraction of manufacturing investment from foreign-owned multinationals, often in relatively low-skilled areas. Morgan (1997) thus argues that it was only when foreign inward investment began to become more difficult to attract, in the early to mid-1990s that policy began to focus more heavily on business support, technology transfer, skills development and indigenous entrepreneurship.

Within Wales, the nearest equivalent to the US SBA, however, would have been the Welsh Development Agency (which was merged within the Welsh Government in 2006) and International Business Wales (merged with Welsh Government in 2010). Crawley (2011) highlights, however, that these organisations were primarily concentrated on attracting Foreign Direct Investment (FDI), the WDA’s remit having widened to encompass indigenous SME development only in its final years (e.g. see Morgan, 1997 for the beginning of this process).
In addition, the Welsh Government's negative reaction to recent calls for an arm’s length organisation to succeed the WDA (Western Mail, 2014) suggests that governance of economic development is a particularly important and sensitive issue in Wales. The rest of the paper is therefore structured as follows: a literature review discussing the US model, followed by analysis of the Welsh economic landscape, and mapping SBA activities against those already taking place in Wales. The methodology for the study is then summarised, followed by a discussion of the results and conclusions.

**LITERATURE REVIEW: THE US SBA: AN ANALYSIS OF ACTIVITIES, HOW IT WORKS, AND EFFECTIVENESS.**

Set up in 1953, with the passing of the Small Business Act, the US SBA has consistently aimed to: “aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns”.

The US SBA has four main activities focused around access to capital (Business Financing), Entrepreneurial Development (Education, Information, Technical Assistance & Training), Government Contracting (Federal Procurement with a statutory goal of 23 percent in prime contract dollars to small businesses) and Advocacy (reviewing Congressional legislation, and testifying on behalf of small business). Additionally, it conducts a vast array of research on American small businesses and the small business environment. The Chief Counsel of this office is appointed by the President of the United States and there is also a National Ombudsman.

Unlike the UK’s Small Business Service (SBS), the US SBA, has had legislative powers from its inception to support these activities (initially focused on finance), since 1954. A network of “Small Business Development Centres” was also created for all 50 US states in 1977. The Small Business Innovation Development Act (1982) created the Small Business Innovation Research (SBIR) programme. Brudney’s (2002) examination of the SBA’s Service Corps of Retired Executives (SCORE) programme, also highlighted the use of volunteer retired executives to advise small businesses in what could be seen as a mentoring type approach to business support.

In terms of the advocacy function, this focuses on tackling “excessive” federal regulatory burdens, and enforcement through the offices of Advocacy and the National Ombudsman. Again this is underpinned by legislation, the Regulatory Reform Act 1977. The Office of Advocacy also provides an independent voice for small businesses whilst the National Ombudsman receives complaints and comments from small firms and can act as a “trouble shooter” between small businesses and federal agencies.

In terms of priorities within these four areas, Greene and Storey’s research (2010) found that while the SBA did focus on ‘soft’ support (such as advice and assistance) principally through the Small Business Development Centres, its main role was the provision of ‘hard’ support, specifically finance. Indeed, Craig et al (2008) identified that the SBA’s 2004 loan portfolio ($60 billion) made it the largest single small business financial backer in the United States, a portfolio that grew to $80 billion by 2011 in the
aftermath of the financial crisis. Other policy initiatives currently on the US SBA website also indicate new potential policy possibilities including:-

- Supplier Pay Initiative
- SBA Emerging Leaders Initiative
- Clusters Initiative
- 7(j) Management and Technical Assistance Services Programme
- Small Business Teaming Pilot
- Small Business Jobs Act of 2010
- Start-up America
- Council on Underserved Communities
- Intermediary Lending Pilot
- Greening SBA
- Small Business Saturday
- SBA and Yelp: Success With Online Reviews.

In terms of governance, the US SBA employs rolling four year Strategic Plans. The SBA is divided into several key functional areas, each with headquarters offices

- Advocacy, Laws & Regulations
- Contracting
- Counselling & Training
- Disaster Assistance
- Financial Assistance
- International Trade
- Small Business Audiences.

The SBA has also established regions (each serving multiple states) and regional offices across the country, as well as (sometimes multiple) District offices in each of the states (as well as some in overseas locations). Overseeing this is a SBA Administrator, who is also a member of the President’s cabinet. In addition, Brudney's (2002) examination of the SBA’s Service Corps of Retired Executives (SCORE) programme, where volunteer retired executives are utilised to advise small businesses, indicated a bottom up approach to some aspects of business support (as the expertise would likely be geographically differentiated according to the economic structure of the region).

In terms of its effectiveness, there seems to have been a comparative lack of critical academic debate on the US SBA, particularly given its longevity. SBA schemes have been seen as open to fraud and abuse (DeHaven, 2012). In addition, there have been claims that particularly prior to 2008 its loans were a “wasteful, politically-motivated subsidy” (de Rugy, 2006: 3). Brudney's (2002) analysis of the SCORE programme also suggested that the aforementioned volunteer business support mechanism had in part been utilised to divert SBA resources into its existing concentration of financial support
when evidence suggested that managerial advice would be more effective.

Conversely, Craig et al's (2009) analysis of a number of research papers found that the SBA's guaranteed lending programmes did generate a small positive impact on economic performance. It has also been mooted that the US making more finance available to smaller businesses, particularly since 2008 (Greene and Patel, 2013), has at least partly been responsible for the US economy outperforming the UK’s GDP growth rate over the last 30 years (Barrell et al, 2010).

Nevertheless default rates on SBA loans have gone up more recently, a shift from the historic position that SBA loans were cost neutral to the taxpayer. Greene and Patel (2013) also noted that there are signs of a drift by the SBA away from access to finance issues and towards supporting social inclusion initiatives (soft support). This indicates that the US SBA is not immune from a degree of ‘policy drift’. Greene and Storey (2010) have also identified a relatively weak evaluation culture lacking evidence to indicate that the SBA’s suite of enterprise policies provide economic returns to the taxpayer.

The most recent analysis of the US SBA and the SBA concept more widely, by Bennett (2014), is perhaps the most illuminating. Although technically independent, he argues that the SBA is subject to the changing priorities of Congress (and in particular the members of the House Small Business Committee (SBC) and the Senate Small Business Committee which oversee the SBA and agree its budget) as well as the President. Further, he sees its advocacy role as restricted by it not consistently being seen as a cabinet level role and by being ineffective in the formulation of SME related policy, as well as having responsibilities added to its remit without additional funding.

More seriously, Bennett (2014) argues that the loose definition of small business (which in the US can include firms with up to 1500 employees) indicates an approach where larger firms are advantaged at the expense of smaller ones. He also argues that consistent levels of fraud are a major issue, and the financial focus of the SBA has led to significant deadweight, dependency and market distortion, with a focus on hitting targets (and easy wins) rather than supporting high growth firms. He concludes:-

“Underlying many SBA difficulties has been the extent of political influence over its programmes and targets from the Congressional committees and president. As a result it continues to have a rather weak role as advocate, and its programmes have been over diffuse with a high non-performing loan rate, sometimes extensive cases of fraud, highly varied performance due to its partners’ variability, and a high proportion of businesses supported that show deadweight, dependency, distortion and low graduation rates from programmes, which tend to be in sectors that make little contribution to economic growth, innovation or exporting. Where it has scored successes many of these derive from supports to larger firms, many of which would fail to meet the size criteria to be treated as SMEs in the EU” (Bennett, 2014, p.8).

Comparing the roles and activities of the US SBA against the general background literature of SME
support policy, it can be seen that the US SBA is not engaged in many specific policies that are unique. Instead, it is an organisation with a long term track record of relatively stable provision and a focus on finance provision. As such it may be that an SBA arrangement offers an additional potential benefit, namely that of Continuity. It is this stability, allied to policy provision across a range of related areas focused around Capital, Counselling, Contracts and Championing and an explicit governance structure, that would seem to be of potential relevance.

**MAPPING WELSH SME PROVISION AGAINST THE US SBA**

In order to evaluate the potential for a Wales SBA (WSBA), given the potential deficiencies highlighted by Bennett (2014), it is necessary to first map existing Welsh SME provision against that provided by the US SBA, and also to consider the governance arrangements (particularly that one of the key potential advantages of a WSBA arrangement would be the all encompassing nature of its offering (as opposed to the fragmented system at the UK level criticised by Greene and Patel, 2013). In order to inform this mapping exercise, however, we must first examine the specific policy contexts created by the Welsh economic, fiscal and political environment that might also impact upon the type of SBA proposed for Wales. Jones (2015) highlighted, for example, that Wales has consistently been at the bottom of the UK rankings for relative GVA per head, with little opportunity in the short term at least to significantly change this position.

**Figure 1: GVA per Capita Based Ranking –UK nations and Regions 1995-2012**

[Image of Figure 1: GVA per Capita Based Ranking –UK nations and Regions 1995-2012]

Source: Jones (2015)

There is, however, no single reason for Wales’s relatively poor economic performance over a long period of time. Instead the reasons are many, often interlinked, diverse, and longstanding. Boddy (2006), for example, decomposed the Welsh 42% output per employee (GDP/E) productivity gap relative to London, shown in the table below.
### Table 1: Explanations of the 40% GVA per employee gap between Wales and London

<table>
<thead>
<tr>
<th>Explanation</th>
<th>Proportion of Gap “Explained”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Stock Levels</td>
<td>8/40</td>
</tr>
<tr>
<td>Travel time to London and Main Cities</td>
<td>8/40</td>
</tr>
<tr>
<td>Industry Structure</td>
<td>6/40</td>
</tr>
<tr>
<td>Qualifications</td>
<td>6/40</td>
</tr>
<tr>
<td>Population Density</td>
<td>3/40</td>
</tr>
<tr>
<td>Full Time : Part Time Mix</td>
<td>1/40</td>
</tr>
<tr>
<td>Public/Private Ownership, Multinational Ownership, No web site for external use</td>
<td>1/40</td>
</tr>
<tr>
<td>Unexplained</td>
<td>7/40</td>
</tr>
</tbody>
</table>

Source: Boddy (2006)

Highlighting these general causes of the productivity gap in Wales, however, does not explain why they exist. Jones (2015) argues that the way in which the UK and EU political and economic domains have interacted to support free factor movement, competitiveness, spatially blind procurement, and a lack of focus on regionally strategic sectors, has been particularly detrimental to Wales. Most specifically, he argues that this has led to homogeneity in policies and sectoral foci that, almost by definition, will fail to narrow regional differences in economic performance.

Certainly the focus of Welsh Government economic development policy since devolution needs to be seen in the light of there being more restricted resources in some areas, and greater resources in others (particularly the areas of skills, entrepreneurship and innovation) where additional EU Structural Funds are available. Adams and Robinson (2005) also identified a range of business productivity-related policies brought forward focused on clusters policies, science parks, and the knowledge economy in particular into which the UK (and EU) government level also has significant input and thus control. Pugh (2014) argues for example, that with regard to the EU’s smart specialisation agenda, Welsh policy-makers are following an existing sectoral, cluster-based rationale, but are omitting entrepreneurial discovery processes that would identify Wales’s specific economic strengths and are consequently in danger of merely replicating failed approaches.

Even if policy were able to develop successful Welsh medium-sized firms, Bowen et al (2015) argue that there is little prospect of such firms continuing in Welsh ownership. This is because of a range of long standing conditions (and indeed SME policies) that have led to previous successful Welsh medium-sized companies ending up in non-Welsh ownership and therefore control, often with deleterious impacts on the communities in which they sit.

Consequently, a WSBA would sit within a very different economic and political environment than in the US. The fact that falling levels of public sector resources for Wales are having a knock on effect on the economic development policy resources available, makes even more important the issue of opportunity cost in the allocation of future resources. This means that although Jones (2015) sees little prospect that the current economic development focus on capital, infrastructure and training will make
a significant difference to Wales’s performance, neither does he see the “managed decline” of the Welsh economy via UK government fiscal transfers as tenable in an era of fiscal autonomy.

Mapping Welsh provision against activities carried out by the US SBA (Table 2), and analysing difference in governance structures (Table 3) highlights that many of the activities of the US SBA are being carried out in Wales, at least in part. There are also, however, some key gaps, particularly in the areas of championing and contracts.

Table 2: Gap Analysis of Most Relevant US SBA Activities Against Those Carried Out by Government in Wales

<table>
<thead>
<tr>
<th>Area- Counselling</th>
<th>Nearest Wales Equivalents</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Starting and Managing provides</strong> online articles on practical set up and management issues</td>
<td>Business Wales provides online advice on starting up a business,</td>
<td></td>
</tr>
<tr>
<td><strong>Learning Centre provides</strong> Online training, videos and chat rooms. Online business analysis tool - Online Google style map also shows local resources</td>
<td>• Potential Gap</td>
<td></td>
</tr>
<tr>
<td><strong>Local Assistance provides</strong> SBA working with a number of local partners to counsel, mentor, and train small businesses, including:-</td>
<td>Business Wales Support Brokerage Service- provides links to other organisations that provide help and advice</td>
<td></td>
</tr>
<tr>
<td>• Small Business Development Centres (SBDCs), which are partnerships primarily between the government and colleges/universities aimed at providing educational services to small business owners</td>
<td>• Potential Gap</td>
<td></td>
</tr>
<tr>
<td>• Women’s Business Centres (WBCs), national network of educational centres to assist women start and grow SMEs</td>
<td>• Potential Gap (Nearest equivalent would be Chwarae Teg)</td>
<td></td>
</tr>
<tr>
<td>• U.S. Export Assistance Centres (USEACs) designed to provide export assistance and make worldwide commerce achievable for SMEs</td>
<td>• International Trade Support (workshops, one to one support, signposting and information)</td>
<td></td>
</tr>
<tr>
<td>• Certified Development Companies (CDCs), non-profit corporations certified and regulated by the SBA which work with participating lenders to provide financing to small businesses</td>
<td>• Potential Gap</td>
<td></td>
</tr>
<tr>
<td>• Procurement Technical Assistance Centres (PTACs) which provide technical assistance to businesses that want to sell products and services to federal, state, and/or local governments</td>
<td>• Tendering Support (workshops, one to one support, collaborative tendering, meet the buyer events)</td>
<td></td>
</tr>
<tr>
<td>• SBA Regional Offices support local district offices and work to advocate economic development, growth and competitiveness within their geographic area</td>
<td>• Business Wales is a consortium of providers and the services can be accessed via phone, online or 11 one stop shops around Wales</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area- Capital</th>
<th>Nearest Wales Equivalents</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US SBA</strong></td>
<td>Business Wales provides online advice on starting up a business,</td>
<td>Key</td>
</tr>
<tr>
<td><strong>Loans and Grants</strong> SBA provides a number of</td>
<td>Finance Wales uses funds from</td>
<td></td>
</tr>
</tbody>
</table>

10
financial assistance programmes for small businesses including:

- Guaranteed Loan Programmes (Debt Financing).
- Bonding Programme (Surety Bonds Programme (SBG))

- SBA’s Small Business Investment Company (SBIC) Programme is a public-private (venture capital-equity) investment partnership created to help fill the gap between the availability of growth capital and the needs of small businesses.

- The SBA also provides information and advice on government funded grants including research grants and venture capital (as it does not focus on these itself).
- Online tool to help search for available financial assistance. All available in 8 different languages.

The difference is that SBA acts as guarantor and facilitator (though with SBIC it accesses government debt to part fund equity) whereas in Wales Finance Wales (apart from Xenos Business Angel equity) it directly invests monies derived from Welsh and EU government sources. Neither directly give grants.

<table>
<thead>
<tr>
<th>Area</th>
<th>Contracts</th>
<th>Wales Equivalents</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>US SBA</td>
<td>Contracting provides online resources background information etc.</td>
<td>Business Wales provides online and other advice to assist with tendering National Procurement Service for Wales supports SME contracting via Business Wales (offering workshops and one to one sessions on tendering, e-procurement, collaborating with other small companies to bid together and attending ‘meet the buyer’ events)</td>
<td>National Procurement Service is more focused on needs of public sector than needs of SMEs. Business Wales fulfils some of the activities of SBA but many appear to be currently absent in the Welsh environment.</td>
</tr>
<tr>
<td></td>
<td>Business Development programme to help disadvantaged companies compete in the marketplace</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A Mentoring scheme to help small businesses be more successful in contracting</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Topical blogs</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telephone helpline to assist small businesses in strengthening contract bids and keep to the strict eligibility criteria</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commercial Market Representatives offering counselling and help to small businesses with Government contracting based at local offices</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Freephone hotlines to report instances of misconduct and cases of contract “bundling”</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Natural Resources Assistance Programme where surplus resources are set aside for purchase specifically by small businesses</td>
<td>Potential Gap</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Certificate of Competency (COC) programme allows a small business to appeal following an unsuccessful bid where although it was the lower bidder it failed over concerns of being able to carry out contract</td>
<td>Potential Gap</td>
<td></td>
</tr>
</tbody>
</table>
Size Protests – other small businesses can register concern if they believe a winning contractor does not meet business size eligibility criteria

<table>
<thead>
<tr>
<th>Area- Championing</th>
<th>Nearest Wales Equivalents</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA Oversight and Advocacy</td>
<td>SBA acts as an independent voice of small business within the federal government and is the main source of small business statistics</td>
<td>Potential Gap (Nothing specifically Welsh government led. FSB, South Wales Chamber of Commerce play a role)</td>
</tr>
</tbody>
</table>

Examining the table below indicates that there are two bodies, Business Wales (Counselling) and Finance Wales (Capital), who fit relatively easily within SBA type structures, with Contracts and Championing being much less obviously directly served, though existing organisations (such as the National Procurement Service for Wales, or the Wales Audit Office) do have a degree of relevance here. More broadly there is a lack of an explicit overarching coherent governance structure for Small Businesses in Wales. In its place is a patchwork of provision from a variety of government bodies, most notably Business Wales, Finance Wales (and Xenos), and programmes (e.g. Communities First, A4B, etc.), supported by activities carried out by non-government bodies (e.g. FSB, SWCC, Chwarae Teg, etc.).
### Table 3: Mapping Most Relevant US SBA Structures (Relevant to 4Cs) against those in Wales

<table>
<thead>
<tr>
<th>Area: Counselling (Advice, Training etc.)</th>
<th>Nearest Wales Equivalent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office of Entrepreneurial Development</strong> The OED oversees a network of programmes and services that support the training and counselling needs of small business</td>
<td><strong>Business Wales</strong> provides the nearest equivalent in terms of role</td>
<td>Business Wales can be seen to provide equivalence in a range of areas. There are gaps, however, in relation to particular groupings, including women.</td>
</tr>
<tr>
<td><strong>Office of Entrepreneurship Education</strong> The OEE develops and promotes innovative resources for small business owners and prospective entrepreneurs, designed to assist in the start-up, management, and growth of small businesses. Such resources include specialized training sessions, distance learning, written materials, websites, other means of providing business development, business management, and business growth information. OEE manages one of SBA’s key business assistance programmes, SCORE</td>
<td><strong>Business Wales</strong> provides some online resources</td>
<td></td>
</tr>
<tr>
<td><strong>Office of Small Business Development Centre</strong>’s mission is to providing the critical funding, oversight and support needed by the nationwide network of Small Business Development Centres</td>
<td><strong>Business Wales</strong> provides the nearest equivalent to this via its 11 centres around Wales</td>
<td></td>
</tr>
<tr>
<td><strong>Office of Women’s Business Ownership</strong>’s mission is to establish and oversee a network of Women’s Business Centres (WBCs) throughout the United States and its territories</td>
<td><strong>Chwarae Teg</strong> (a charity), covers some of this, outside government, as part of its wider remit</td>
<td></td>
</tr>
<tr>
<td><strong>Office of International Trade Management</strong> works in cooperation with other federal agencies and public- and private-sector groups to encourage small business exports and to assist small businesses seeking to export</td>
<td><strong>Business Wales</strong> covers these aspects</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area: Capital</th>
<th>Nearest Wales Equivalent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office of Capital Access</strong>’s mission is to expand access to capital among small businesses—particularly those that might not otherwise obtain financing. The office does so through a network of programmes and services that make capital available to small business borrowers, working primarily through financing partners to reach those seeking to start new businesses or expand existing enterprises</td>
<td><strong>Finance Wales</strong> is the nearest equivalent though financing firms in different ways to the SBA</td>
<td>There is a strong degree of overlap here in terms of structures in relation to finance (though not necessarily in how loans and equity themselves are organised). There is also access to innovation, but this is via</td>
</tr>
<tr>
<td><strong>Office of Credit Risk Management</strong> conducts a continuous, risk based, off-site analysis of SBA’s lending partners through the Loan/Lender Monitoring System</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Office of Investment and Innovation</strong>’s mission is to stimulate the economy by providing small businesses and entrepreneurs access to a) capital investment via our SBIC programme and b) intellectual property and Federal research dollars via the SBIR and</td>
<td></td>
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</table>
### STTR programmes

Government programmes run in universities, and so the governance is different.

### Area: Contracting

<table>
<thead>
<tr>
<th>US SBA</th>
<th>Nearest Wales Equivalent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <em>Office of National Ombudsman</em>’s mission is to assist small businesses when they experience excessive / unfair federal regulatory enforcement actions</td>
<td>Wales Audit Office has some overlapping roles but as part of a much wider remit</td>
<td>There is very little of direct equivalence here. The bodies that do have some overlapping roles have these as part of a much wider remit.</td>
</tr>
<tr>
<td>• <em>Office of Government Contracting &amp; Business Development</em>’s mission is to help enhance the effectiveness of small business programmes by working with Government Contracting and Business Development programme offices and others to develop policies, regulations, and statutory changes</td>
<td>National Procurement Service for Wales has a small overlap, but is much more focused on public sector achieving value for money.</td>
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</table>

### Area Championing

<table>
<thead>
<tr>
<th>US SBA</th>
<th>Nearest Wales Equivalent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <em>Office of Advocacy</em>: Acts as the independent voice for small business in the Federal Government and also the source of small business statistics</td>
<td>No equivalent within government for advocacy</td>
<td>The area of small business championing seems weak within government, though there are some organisations outside government that play this role at least partially, and programmes that also have some impact in this area.</td>
</tr>
<tr>
<td>• <em>Office of Diversity, Inclusion &amp; Civil Rights</em>: Acts as a champion for a diverse workforce and inclusive culture by ensuring equal access and equitable treatment regarding employment and entrepreneurial endeavours</td>
<td>FSB, SWCC cover some of these roles outside government (SWCC has wider firm size remit) Welsh Government Statistics and Research cover some aspects of SMEs within a wider remit</td>
<td></td>
</tr>
<tr>
<td>• <em>Office of Hearings &amp; Appeals</em>: An independent office of the Small Business Administration (SBA) established in 1983 to provide an independent, quasi-judicial appeal of certain SBA programme decisions</td>
<td>Equality, Diversity and Inclusion Division, Welsh Government (with staffing costs of £0.6m in 2013) Chwarae Teg (a charity, since 1992 working to help ensure that women in Wales can enter the workplace, develop their skills and build rewarding careers) cover some of these roles outside government but as part of wider remit</td>
<td></td>
</tr>
<tr>
<td>• <em>Office of Inspector General</em> provides independent, objective oversight to improve the integrity, accountability, and performance</td>
<td>Wales Audit Office has some overlapping roles but as part of much wider remit</td>
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There have been recent moves by the Welsh Government to examine the potential to alter and more closely align finance and business support, in ways that can be seen to mirror aspects of the SBA. The Development Bank for Wales Task and Finish Group’s (2015) final report recommended, for example, that Wales establish a Development Bank (DBW), also arguing that the focus of provision of finance be more on micro-businesses given their growing importance to the Welsh economy, and that the bank take over many of the activities of Finance Wales. Interestingly the report also argues that financial support through the DBW is fully aligned with Welsh Government business support functions, but the DBW should also directly provide financial training and support for businesses and intermediaries, including subsidised consultancy for businesses needing to strengthen their management.

Simultaneously, Robert Lloyd Griffiths, Chair of the Business Wales Strategy Board, has also been examining how financial and non financial support can better align. Lloyd Griffiths (2015) focused on the issue of lending readiness, given the perception that many SMEs in Wales need business support-related activities (business planning, strategy etc.) to assist them in qualifying for lending support. The report suggests that Business Wales has a key role to play in raising financial source awareness and signposting, and that banks also signpost clients to Business Wales. Notably, Lloyd Griffiths (2015) argues that Business Wales should establish relationship managers for those businesses with growth potential but also that Business Wales does not currently have the skillset or expertise required for high growth businesses. He therefore suggests referring these to private providers.

Even if this closer alignment were to occur, however, some key gaps remain, particularly in the areas of Championing and Contracts. More broadly there is still a lack of an explicit overarching coherent governance structure for Small Businesses in Wales. This suggests that Wales may benefit from a SBA type arrangement, but also that issues of structure, given those bodies already in place, and

<table>
<thead>
<tr>
<th>SBA and its programmes for the benefit of the American people</th>
<th>No specific body, though programmes such as Communities First do have some overlapping activity in this area as part of a wider remit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Faith-Based and Community Initiatives works with faith-based and neighbourhood organizations to build awareness of SBA programmes that can transform neighbourhoods and change lives</td>
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activity (given the policies already in place and restrictions on resources) need to be examined with potential stakeholders.

This is made even more pertinent by the criticisms of the US SBA by those such as Bennett (2014), making it vitally important not to superimpose the US model on Wales, but rather to learn the lessons of where the US SBA has been seen to be less successful (including governance and oversight according to Bennett (2014)) and also to place a Wales SBA in a Welsh politico-economic context.

METHODOLOGY

A qualitative semi-structured interview approach was adopted, the interviews conducted with a number of different stakeholder groups, given the multi-faceted nature of the issues involved. In terms of the stakeholders interviewed these were drawn from government, academia, business, third sector groups, etc. from around Wales. 26 interviews from the 5 main stakeholder groups (six SMEs, seven Academics, three Government, three Business Advocates, seven Suppliers of Business Support) were undertaken, conducted either face to face, telephone or skype, with writing up conducted immediately following the conclusion of the interview itself.

In order to discuss the relevant issues, a basic model of what a Wales SBA might comprise was constructed, around which questions were framed. What a Wales SBA might look like obviously depends, in part at least, on the degree to which what already exists can / should be fitted within an overarching SBA type structure and the governance for that structure (e.g. as a quasi autonomous organisation or part of government).

For reasons already highlighted (in discussing the Welsh policy context) and linked to differences in size, demography, and economic and policy history, a Wales SBA may have significant difference to that which exists in the US. In addition, the need to focus scarce policy resources in a way that broadens the economic sustainability of the communities in which SMEs sit also suggests that a broad focus on SMES that are able / have potential to grow sustainably over the longer term may be a sensible approach. Consequently, the WSBA is described (in broad terms) as follows for interviewees:-

“Set up with a Small Business Administration for Wales Act, the SBA’s legislated long term aim would be to: “aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns”. It would have four main activities focused around:-

- Access to Capital (Business Financing) providing small businesses with an array of financing for small businesses from the smallest needs in micro-lending, to substantial debt and equity investment capital (venture capital) with a specific focus on firms with a long term sustainable growth track record / focus / capability that can be seen as the foundations of the economy.
Entrepreneurial Development (Education, Information, Technical Assistance & Training) providing free individual face-to-face, and internet counselling for small businesses, as well as low-cost training to nascent entrepreneurs and established small businesses in locations throughout Wales (through centres focused on Small Business Development Centres, Women’s Business Ownership, and Ethnic Minority Business, and via University located centres) with a specific focus on firms with a long term sustainable growth track record / focus / capability that can be seen as the foundations of the economy.

Government Contracting (Procurement) to reach a statutory goal of 23 percent in prime contract pounds to small businesses, with a supplementary role of encouraging large and medium-sized businesses in Wales (for example supermarkets) to also increase procurement activity with Wales-based SMEs. An office of the Procurement Ombudsman would be established to promote effective, fair, open and transparent procurement. It would see its clients primarily as SMEs that supply government, but would also liaise with stakeholders including multinationals and other large and medium sized businesses with activities in Wales, business associations, chambers of commerce, procurement specialists, programme managers, and politicians. Its overall aim would be to acts as a fair, impartial, unbiased voice for the concerns of these stakeholders whilst avoiding being perceived to be a lobbyist for SMEs or apologist for government departments and agencies. This office would also provide small businesses with subcontracting procurement opportunities, outreach programmes, and training.

Advocacy (Voice for Small Business), this Office would review legislation and, where relevant, testify on behalf of small business, this element being headed by a Chief Counsel appointed by the First Minister. It would also assess the impact of the regulatory burden on behalf of small businesses and because of the need for real time small business monitoring, it would also conduct a vast array of research on small businesses in Wales and the small business environment. This would also support the other general activities of the SBA, supported by statistics (not currently published) to monitor the effect of the SBA on a wider basis including quarterly GDP, GVA, inactivity performance on a Wales wide and sub regional basis, existing SME analysis by sector, gender, activity, hours worked, age groups, and future potential using internationally accepted methods such as the GEM protocols. This would require a Chief Statistician to be appointed. There would also be a National Ombudsman who would receive complaints and comments from small firms and act as a “trouble shooter” between small businesses and government agencies. Finally, because of the need for internal audit and explicit governance structures, an Inspector General would undertake this role to ensure the integrity, accountability, and performance of the SBA and its programmes for the benefit of the people of Wales.

Additional possibilities that the SBA could also pursue could include (in order of importance):

1. Small Business Innovation and commercialisation
2. Small Business Use of ICT and the internet
3. Small Business Productivity
4. Small Business Exporting
5. Small Business Growth
6. Start-up Wales Initiatives (including Promotion of a Welsh Enterprise Culture)
7. Supplier Pay Initiatives
8. Clusters Initiatives
9. Council on Underserved Communities
10. Intermediary / Non Traditional Lending Initiatives
11. Small Business Saturday
12. Local innovative policy responses (linking businesses and stakeholders in new ways).

Overseeing this would be a SBA Director, who would also be a member / could be called to cabinet / the Assembly, and who could be a successful business executive, entrepreneur, and official, active in the processes himself/herself. The mandate of the SBA would run for at least 20 years, accountable on an annual basis to the relevant Assembly committee (related to internal SBA audit function). Whilst it would have centralised functions, it would also have an essentially decentralised delivery structure based on the UA map of Wales, supplemented where desirable through relevant sub-contracting / partnering of activities to stakeholders such as UAs, universities, business organisations etc”.

The questions interviewees asked were then as follows:-

1) What are your current opinions / experiences of government policy (in particular in the areas of Access to Capital, Business Support and Training, Government contracting and procurement, and Small Business advocacy) as it applies to small business in Wales, in terms of the policies themselves, quality of the service delivered, and the governance structures used to create and deliver policy?

2) Do you think there are any areas that are currently missing in Wales and what do you think in general terms about the idea of an SBA for Wales (as outlined in the one page summary)?

3) What would you like it to concentrate on in terms of policy areas and specific policies? For example, do you think it should have the space to innovate within and outside the four main activities? If so what areas are these (additional areas mentioned / not mentioned)? Do you think there should be scope for more local policy experimentation and initiatives?

4) How would you like it to be organised relative to current structures (e.g. Business Wales, Finance Wales, Xenos, etc.), how would you like it to deliver its remit (e.g. directly, via commissioning SBA services from intermediaries such as Business Wales, Finance Wales, Xenos, Unitary Authorities, Universities, third sector organisations, in partnership with business professionals, professional
organizations, business incubators, collaborative spaces etc., and how would you want its audit / accountability to be delivered?

5) How would you like to see the overall governance structures organized? (as a department of government, as an arm’s length body, centralized or regionalized)?

RESULTS AND DISCUSSION
Taking each question in turn, as well as using Nvivo software to aid analysis, the following summary table and findings were identified.

Table 4: Summary of Responses from Stakeholder Group Interviews

<table>
<thead>
<tr>
<th>Issue</th>
<th>Overall Summary of Responses</th>
<th>Summary of Responses</th>
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<tbody>
<tr>
<td>Existing Policies</td>
<td>Dichotomy: Academics, SMEs, Suppliers of Small Business Support and Small Business focused advocates are critical of QUALITY OF current policy (too little, fragmented, uncoordinated) whilst government and big business focused ON QUANTITY (i.e. more on offer than in England)</td>
<td><strong>Academic:</strong> Fragmented, uncoordinated, uncertain, top-down <strong>SME:</strong> little early stage support, poor quality, too generic, but also too specific with regard to accessing (sector) <strong>Government:</strong> More support in Wales than in England <strong>Suppliers of Small Business Support:</strong> Fragmented, uncoordinated, uncertain, un-signposted (same as academics) <strong>Business Advocates</strong> Dependent on focus of advocate’s organisation, more small business focused are critical of current policy, more big business focused believe SMEs receive a wide range of assistance already</td>
</tr>
<tr>
<td>Missing areas</td>
<td>No real consensus here. Academic and Business Support see lack of overarching strategy. SMEs and Small Business advocates see need for more specific bespoke support and account manager relationships, whilst government see</td>
<td><strong>Academics:</strong> Lacks overarching strategy, diversity, quality (in main areas of 5Cs) <strong>SMEs:</strong> More specific support of various types (account manager sounds like most obvious) and less sectoral / regional eligibility criteria <strong>Government:</strong> Responses suggest either that what is missing is the fault of the SMEs or that the missing areas are currently being examined by government <strong>Suppliers of Small Business Support:</strong> Assessment of need, unified message, overarching analysis (similar to academics) <strong>Business Advocates:</strong> Dependent on focus of advocate’s organisation. Smaller business focused looking at more small local links and policies</td>
</tr>
</tbody>
</table>
| General views about the idea of an SBA for Wales | All but government see good potential (including strategic role), though pointing out possible barriers (from government), whilst government see it as unnecessary / duplicating what is there already | **Academics**: Good potentially, but possible barriers from government and need to ensure good governance  
**SMEs**: See as a good idea generally, but focus on what it can do to provide a central focal point, help SMEs navigate support structures / increase speed / reduce bureaucracy  
**Government**: Generally negative, seeing it as either unnecessary, replicating what is already there, at best being a signposting coordination mechanism, (rather than also having a strategic overview)  
**Suppliers of Small Business Support**: Good potentially, but often highlighting potential practical; barriers that would need to be addressed and (e.g. finance, attitude of government)  
**Business Advocates**: Good potentially, but possible barriers from government and need to ensure good governance |
| SBA Policy areas and specific policies? | Broadly having a strong strategic role with emphasis on being a focal point, strong research element and providing a range of more tailored policies, government focusing on regulatory / access aspects | **Academics**: Provide a strategic focal point, strong research and identification of best practice function; provide coordination and signposting  
**SMEs**: Range of more specific support (in a variety of areas) tailored to individual needs of companies  
**Government**: Main focus on regulations to control SMEs accessing services (though those nearer to business face did see benefit from more strategic role). Focus is on scope and process rather than policy! Also a sense of frustration with SMEs themselves  
**Suppliers of Small Business Support**: Provide a strategic focal point, strong research and identification of best practice function; provide coordination and signposting (same as academics)  
**Business Advocates**: Provide strong research (identification of best practice function) and base policy on this |
| Scope for more local SBA policy experimentation and initiatives | Academics and Small Business Support providers see scope at Regional level including providers and for information gathering, SMEs are focused on more local / individual firm | **Academics**: Regional context of some importance, use existing structures (FE / HE), but not too much diversity of policy  
**SMEs**: Nothing specific. Focus is more on firm level than geography  
**Government**: Nothing specific (unsurprising given the above)  
**Suppliers of Small Business Support**: Regional context of some importance, diversity of policy not really discussed. More about regional / local information gathering (more like government)  
**Business Advocates**: Nothing specific |
level. Not generally keen for geographical diversity of policy

| Overall SBA governance structures organized (Government department v./ arm’s length) | Academics: SBA sits above existing structures, apart from government, with diverse independent board, but with strong audit and reporting requirements to minister and government committee. |
| | SMEs: Build, in partnership, with what is there already there, acting as a “bridge” across the offering, at arm’s length from government to ensure a business focus. |
| | Government: General agreement of need for arm’s length structure, though again some negative comments about actual concept. |
| | Suppliers of Small Business Support: Very broadly want to make some use of existing structures but appears to imply a need for review and rejigging of this. Also generally supportive of arm’s – length relationship with government to be more speedy and business focused, but language quite vague. And often highlighting practical problems in restructuring. |
| Business Advocates: SME focused see need for arm’s length from government, accountability and, implicitly, wider number of stakeholders. As move to organisations with other focis worries of duplication of existing provision increase. |

| Overall SBA governance structures organized central v. regional | Academics: Regional but small number of regions, and greater importance placed on use of local expertise in delivery. |
| | SMEs: Regional / local in terms of delivery specifically. |
| | Government: Regional, but only to extent of accessing information. Lack of local capacity mentioned (though implicitly acknowledged this is partly a result of central government policy). |
| | Suppliers of Small Business Support: Nothing specific (apart from one very focused on regional aspect) |
| Business Advocates: SME focused want more regional / local focus (and indeed sees this as the level the SBA should sit at). Others have no opinions (presumably because their focus is on duplication issues). |

Specifically given the analysis of the interview data summarised above, a range of policy proposals for a WSBA were identified. These come under the categories of Policy, Strategy, Delivery, and Governance, also derived from the analysis.

The initial Policy focus for the WSBA was seen to need to be in financial support to assist in growth, increased support for exporting, training and continued education to achieve Investors in People type accreditation and on the job excellence in small businesses, training to include practical soft skills and networking, business skills training in activities such as Social Media marketing and sales and management for SMEs, and financial support to cover areas that other lenders such as banks currently do not (e.g. businesses with under £1m turnover) and also mentoring services. The WSBA
was also seen to need to take a key role in Small Business Advocacy, particularly in the area of procurement, but also in relation to relevant non SME-focused Welsh Government policies such as Innovation and Science, Enterprise Zones, Priority Sectors and Anchor Companies. In addition, however, a strong research arm was also identified as of importance, to generate relevant sets of statistical data, and support and evaluate activities, including identifying areas of overlap with non SME-based policy (e.g. in terms of finance) that would better allow Welsh-owned SMEs to grow into major employers without necessitating ownership (and therefore control) being lost to outside Wales.

WSBA Strategy was broadly believed to require a general (internal and external) advocacy remit to promote enterprise, and research-led activity to aid business support providers and better inform government of the most advantageous strategic routes to take. This includes assessing the potential for more bespoke, agile, support for businesses (including start ups, gender-focused, ethnic minority, high growth, etc.) which have the greatest potential for sustained growth / innovation / exporting / support for community economic development, regardless of sector, geography, or size. Given the argument made by one government respondent that in Wales there is often confusion as to where “big business” ends and “small business” begins, this also highlights the need for the WSBA to be explicitly dealing within the 0-250 employees range that the SME definition actually covers. More broadly, the WSBA was generally believed to require a strategy that promotes a more unified approach to business support services, including some suggestions for the allocation of an account manager for each assisted SME to streamline current processes, with support to be encouraging and industry specific, rather than generic sign posting. Finally a more “well rounded” approach was identified as of relevance, offering perspectives and skills from the private sector (e.g. business support and advice delivered by those who are / have been in business themselves), but also public and community sectors, and including more female mentors and role models.

In terms of Delivery, where possible the WSBA’s structures, respondents argued, were best fitted with current (and future possible) ones, but having stronger, contractual, relationships with existing finance, and business advice providers, and building additional contractual relationships with local and regional providers of skills, training and enterprise / innovation services such as from UAs but also FE / HE. A regionally based structure that is consistent with the City Region structures newly established for the Cardiff Capital Region (10 UAS) and the Swansea Bay (4UAs) City Regions, and possibly a non-City (8UAS) Region encompassing the remainder of Wales was also seen as important.

Finally, as an organisation, it was argued by the vast majority of respondents that in terms of Governance arrangements the WSBA needs to be at arm’s length from government, but strongly audited annually and accountable to government (via a Committee) and specific minister, and to have a diverse board membership. It would also need to sit above current business support structures, creating a partnership between providers, acting as a bridge between them, government and small business itself.
Focusing specifically upon this issue of governance, this, inevitably led to comparison with and discussion of the Welsh Development Agency (WDA). For the SME owner group, the WDA “had its issues” but was a recognisable brand for Welsh enterprise in and outside of Wales. Members of the Suppliers of Small Business Services group also thought the structure of the WSBA should be “WDA-like” in terms of its operational style in order to attract investment. The strong brand of the WDA was also recognised by the Academic interviewee category group, which also argued that the WSBA should have the same four regions structure as the WDA had had, and that support has grown for a WDA-type vehicle because subsequent support has been fragmented.

In comparison, the Government interviewee category group appears to have a more top down centralised approach, with less faith in local / regional delivery and concerns that a WSBA would lead to a duplication of activity. Their focus was also more on the quantity of business support available, whilst the other stakeholders placed more emphasis on the quality of support, and the need to ensure it was coherent and developed a strategic overview. Whilst seeing potential benefits from an SBA approach, however, there was also a general perception of potential problems because of Government attitudes towards these types of structures (not least because of the evocation of the WDA example.

In terms of insights into SBA-type approaches and small business support more generally, the evidence presented here highlights that it is the coherence of governance and policy delivery in particular that SBA approaches offer the greatest potential. This, however, may depend, crucially on how the activities that a SBA would undertake are organised under pre-existing structures. In the case of Wales, for example, there are perceived gaps in policy (specifically with regard to SME procurement and advocacy), but also a fragmentation in current delivery which is likely to have led to a WSBA being an attractive alternative. In terms of small business policy, the consensus around the need for increased research to identify best practice in small business support policy was also strongly evident.

CONCLUSIONS

In many ways the results for the WSBA both support and reinforce the work the Welsh Government has already commissioned, in terms of the Development Bank for Wales Task and Finish Group (2015) and the work of Lloyd Griffiths (2015). Indeed, there is likely great scope to integrate the proposals of these reports with those suggested in the evidence presented here, the greatest potential for the WSBA being through provision of a more complete SME policy governance structure, as well as additional foci on procurement and advocacy, and larger remit for SME research.

It also highlights however, that the overall coherence that a WSBA could provide is inextricably linked with an economic development policy governance structure that will inevitably create issues of reorganisation for government, particularly given previous policy in this area. This paper therefore provides an initial evidence base for academics, policymakers, SMEs and business organisations, on which to build future policy proposals for an SBA for Wales.
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