

Theme:

Economic and consumer trends alongside green growth goes hand in hand to allow SMEs to grow

Area of Focus:

SMEs should make investments in environmentally friendly changes so that they can grow

Key Findings:

There are 6 million small to medium enterprises (SMEs) across the UK, a quarter of which were closed for some of the last 18 months due to COVID restrictions. With money available to build back better, SMEs can also build back greener.

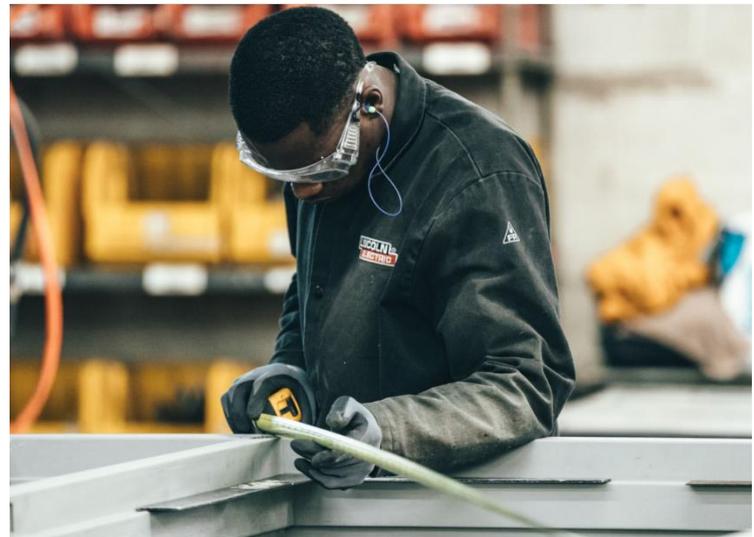
There is still a stigma around sustainable practices for businesses, with the assumption that they are counterproductive, costly, and damaging to growth. However, 70% of SMEs agree that the environment should be prioritised above profit. Both consumers and businesses are becoming increasingly keen for more sustainable packaging, products, and production.

Companies can go greener in a couple of ways. One is organizational changes, like training with a focus on Net Zero, as well as communication of changes. Technological changes are often require more time and capital, but can be aligned with the business' reinvestment into production. Improved processes can be cleaner, more efficient and save money on gas, water, and electricity.

SMEs can be encouraged to go green by:

- Ensuring regulation, taxes, and environment law encourages low carbon products and services
- Supporting R&D in SMEs
- Subsidies and grants for changing the production process

The pandemic has encouraged SMEs to rethink their business model which creates scope for environmentally sustainable changes.



Midlands Engine Impact:

- The Midlands Engine has numerous SMEs and small manufacturers who are already producing low carbon goods, or who could produce low carbon goods. Enabling them to access the support to change their production would lower the environmental impact of the UK's manufacturing sector.
- The region has suffered more from the pandemic than other areas of the UK. Supporting the growth of sustainable and competitive low carbon goods and service market, as consumer demand and awareness continues to increase, will help support regional recovery and create jobs.
- The region has extensive academic and business R&D capacity but is underfunded. Growing SME R&D capabilities would help encourage R&D investment into the region and SMEs.

For Further Information Contact:

Dr Anastasia Ri
Aston Business School, Enterprise Research
Centre
a.ri@aston.ac.uk
0121 204 3305