

# Belfast shows way in dash for growth

## N Ireland entrepreneurs most likely to hit £1m turnover quickly, report finds

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Do you want to found a business that will hit £1m turnover within three years? Try Belfast. Looking to triple that within another three? Move to Middlesbrough.

A new business map of the UK has some surprising features. While London has the highest start-up rate, it is entrepreneurs in Northern Ireland who are the most likely to reach £1m turnover within three years.

About 6 per cent of businesses nationally achieve this, compared with 10 per cent in Ulster. The region is home to a nascent technology sector and has plentiful public funding for business loans and grants.

The "growth dashboard" produced by the Enterprise Research Centre, a group of five university business schools part-funded by the Department for Business and four banks, aims to help government formulate policy.

TES, an engineering business in Cookstown, Northern Ireland, supplies the

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waste and power industry. It has increased turnover by 83 per cent over the past three years through exports and new products with advice and funding from Invest NI, a government agency. "Invest NI support has been a key component in the growth achieved by TES," Brian Taylor, managing director, said.

Frank McGonagle, of Wholeschool, an educational software business in Belfast, said the city had a skilled workforce and its small market gave a good foundation from which to grow. "We do have entrepreneurial people," he said.

Prof Mark Hart, deputy director of ERC, said: "Part of the story in Northern Ireland is longstanding policy infrastructure – a commitment by government and its agencies to invest in enterprise from start-up through to growth."

Whitehall values creating businesses more than expanding them, Prof Hart said, and the target of creating 600,000 new businesses this year was "stupid". "We need scalable companies that lead to economic and productivity growth." Only 1.2m of the UK's 5.1m businesses employ more than the owner.

The ERC report, for its annual conference in Birmingham, found that "golden pillars" – fast-growing businesses that generate a disproportionate amount of

jobs growth – thrive in areas with mobile populations and immigrants. Ethnic minority graduates are more likely than white graduates to start a business, the research found.

London is top for fast-growing companies with 19 per cent of businesses showing annual employment growth of 20 per cent or more. Lancashire, Oxfordshire and Leicestershire are close behind. The Luton, Bedford, Milton Keynes and Northampton area is another hotspot. One in nine businesses there is led by a non-white person.

Raj Rizwan Iqbal's international links helped him found a business. While in the merchant navy he helped a friend find plastic for his moulding factory. That led him to set up a business in Slough buying waste and sending it to manufacturers in China. He made losses in the recession until growth returned as competitors dropped out. "We had to accept a loss to stay in the market," he said. Turnover is now £15m and the business employs 25 people.

Across the country, about 6 per cent of businesses with £1m-£2m revenue in 2011 reached £3m turnover in 2014. In Middlesbrough and the Thames Valley, it was 9 per cent. Overall, jobs, start-up and growth rates returned to pre-2008 crisis levels for the first time in 2014.

Poor strategy and management was the biggest barrier to growth, according to the report. Some 53 per cent of businesses cited it as a block, compared with 39 per cent mentioning a shortage of skills. Access to finance, blamed by 27 per cent, was the fourth-biggest barrier.

Neville Prior, chairman of Cornelius Group, a chemicals distributor and manufacturer in Bishop's Stortford, Hertfordshire, said companies needed to adopt a "can do attitude".

After making a loss in the recession Cornelius invested in research and development and manufacturing and moved into new markets. Turnover has grown from £17m in 2008 to £65m and the target is to hit £250m in a decade.

Cornelius now employs about 150 people and is building a factory in Belgium. Mr Prior said: "You need people to take more risks. I bought a business in Russia 18 months ago. I could have found reasons not to do so. That business is growing and profitable."

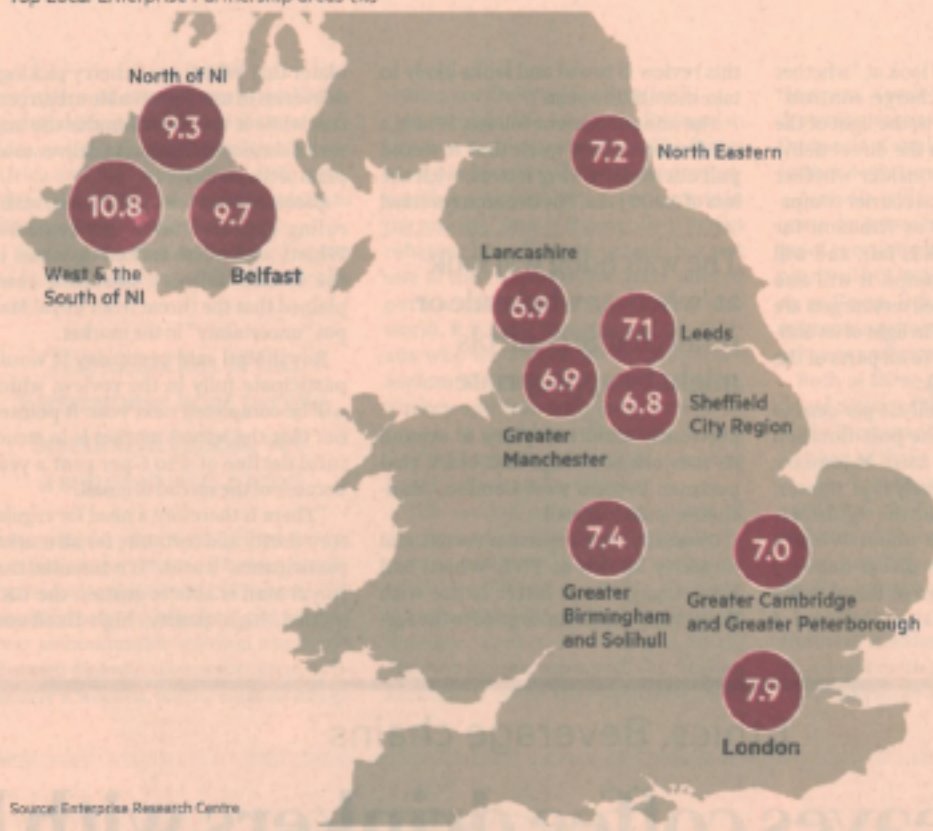
The ERC's growth dashboard, which will be updated regularly, uses data from 39 Local Enterprise Partnership areas, cities in England and local authorities in Scotland, Wales and Northern Ireland. Prof Hart said: "The UK has Europe's highest rate of entrepreneurship. But regional disparities remain."

## Tracking turnover

### Start-ups: initial scaling

Proportion of start-ups in 2011 reaching £1m turnover by 2014

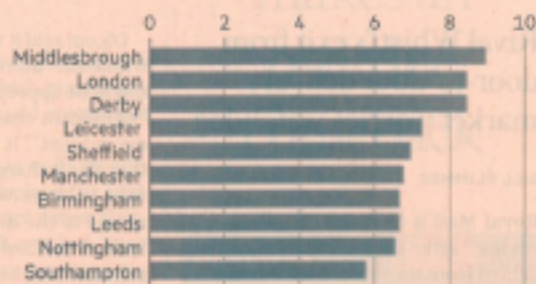
Top Local Enterprise Partnership areas (%)



Source: Enterprise Research Centre

### Growth of existing businesses

% of companies with turnover £1m-£2m in 2011, reaching £3m in 2014, by large urban area



### Barriers to growth

% of companies reporting factor as a barrier



FT Graphic