



Report on Resilience First Webinar in partnership with Facebook and ICAEW

3 September 2020

'Helping small businesses recover'

Speakers:

Deji Aina, Head of Global Business Continuity, Facebook

Dr Stephen King, Head of Business and Enterprise, London Councils

Matthew Jaffa, Senior External Affairs Manager, Federation of Small Businesses

Jacqui Baker, Audit Director, RSM UK Audit LLP

Chair:

Iain Wright FCA, Director for Business and Industrial Strategy, ICAEW

Key Messages

- The UK is a nation of small businesses. Around 99% of business employ fewer than 50 people, while 76% have only one employee. Furthermore, small- and medium-sized businesses (SMEs) represent 60% of employment and half of UK turnover. Other developed countries may be similar. Hence, it is important that when we consider the impact of the biggest economic shock to business in modern times, namely the pandemic, that we look at the impact on SMEs and what can be done to help them survive.
- SMEs have been disproportionately hit by the impact of Covid-19 and lockdown. They very often operate in the B2C sectors which have been severely affected by the disruption yet where face-to-face engagement with customers is paramount. They also usually have smaller resources and fewer cash reserves to help them survive a crisis like Covid-19 than bigger companies.
- However, there is an opportunity for them to survive and thrive post-pandemic if they adapt to new business models and take advantage of technology and tools that can help them. Many SMEs are pivoting to new models of business and looking to create new opportunities not only post-lockdown but also post-Brexit.

- Facebook has introduced a number of online commerce products (e.g. Facebook Shops & Business Nearby Tool) that allow SMEs to trade and find new customers online and allow people to find businesses close to them that are open during lockdown. (An important new Facebook guide is also described at **Note 1**.) The company has given cash grants totalling \$100m to 30,000 businesses in 30 countries, with another \$100m to 10,000 black-owned businesses in the US since the start of the pandemic. Training and advice for SMEs are available at Facebook's [Business Resource Hub](#)
- SMEs are showing resourcefulness and an entrepreneurial spirit to adapt to new opportunities and technology platforms so as to bounce back better. But they do need extra support from the government to make sure that they can survive to take advantage and create new jobs. These businesses require financial support to reskill their employees and digitise their businesses. Local Councils (representing 32 London boroughs plus The City of London) have distributed over £1.6b through 100,000 grants to SMEs in London over the past few months. Some boroughs and business sectors have been more affected than others.
- Small businesses are coming together in resourceful ways as communities with new partnerships to recover from the pandemic. Examples of the adaptability of SMEs during lockdown include restaurant catering suppliers now providing home delivery of vegetables to consumers and tour guides who are now running virtual tours in real time for Beatles fans in the USA. Entrepreneurs are resilient people but the path ahead is going to be hard and will need support from government.
- Flexibility in the furlough scheme and avoiding a cliff-edge approach will be important. Specific support for SMEs with tax and other incentives for them to take on new employees are key issues. The level of support for investment in new staff needs to be significant and greater than what is currently on offer to be attractive to SMEs. Government support will be important to see businesses through Christmas when profits can be generated and ground gained so far not lost.
- For some small business owners, the focus is on cash preservation, adapting to what is happening and embracing the shift to e-commerce. Digital upskilling is going to be huge for most people. There is a demographic that shows those would not have shopped online before but who have had no choice during lockdown. Around 85% of people worldwide are now online.

The speakers answered a series of questions from the participating audience.

The full video recording can be found [here](#) and slides used [here](#).

Further engagement notes:

1. **Small Business Re-Emergence Guide.** Attached [here](#) is the final version of Facebook's Small Business Re-Emergence Guide. Please note that the guide has been catered and approved for North American audiences only. Facebook will be working with its EMEA partners to amend it as necessary for cultural relevance for the EMEA region and then it will also go through the policy and legal approval for EMEA before further and wider circulation.
2. **Thames Water's Saving Water Leaflet.** Attached [here](#) is a leaflet from Thames Water that can help SMEs save water – and money. Approximately one-third of businesses will have leaking toilets and/or taps. Within businesses, the average

leaky-loo is losing over 2,000 litres per day, with many losing over 8,000 litres per day. Uncontrolled leaks are losing water 24/7 every day of the year. Fixing just one leaky-loo and uncontrolled urinal could save you around 1.5 million litres of water a year, saving many thousands of pounds.

- 3. SHaRE Interest Group.** As mentioned in the closing remarks, we are delighted to invite you to take part in a one-hour on-line conversation that could help SMEs and local communities talk through the design of an app to strengthen community resilience. The meeting is taking place on Wednesday 16 September 2020, 10.30am to 11.30am. A diary invite will follow separately, and we hope you can make it.

Speakers' Biographies

Iain Wright FCA

Iain started his career as a chartered accountant with Deloitte before moving to One North East the regional development agency for the North East of England. In 2004 he became Labour Member of Parliament for Hartlepool, having succeeded Peter Mandelson in a by-election. During his time in Parliament Iain was a Minister in Gordon Brown's Government, first as Minister for Housing and Planning at the Department for Communities and Local Government between 2007 and 2009 and then as Minister for Schools and Apprenticeships in the Department for Children, Schools and Families from 2009 until 2010. In opposition, Iain was Shadow Minister for Industry between 2011 and 2015. Following the General Election of 2015, he was elected by the House of Commons to be Chair of the Business, Energy and Industrial Strategy Select Committee where he led high-profile inquiries into the sale of BHS and working practices at Sports Direct. He stood down at the 2017 General Election. Iain is a Governor of Middlesbrough College and trustee of Kings College London's Industrial Strategy Advisory Board. He also chairs the policy forum of the Chartered Institute of Personnel and Development.

Deji Aina

Ayodeji Aina (fondly known as 'Deji') is Head of Global Business Continuity at Facebook. His program partners with cross-functional stakeholders across the company, and key outsourced Third-Party Service Providers to develop and enhance capabilities that ensures Facebook sustains its mission during significant disruptions such as a localized power outage or a global pandemic. Based out of the company's Menlo Park Headquarters, Deji leads a global team of continuity professionals that help manage operational risk for Facebook and its Family of Apps and Products (i.e. Instagram, WhatsApp, Messenger, Oculus, Workplace). The team also lends its expertise to resiliency initiatives for Facebook's community of small businesses through webinars and training sessions.

Dr Stephen King

Dr Stephen King is Head of Business and Enterprise at London Councils. London Councils bring together all of London's local authorities and Stephen's role focuses on the interrelationship between the boroughs and businesses. A key element of this work is how boroughs can support their local economy better.

Matthew Jaffa

Matthew Jaffa has spent nearly 15 years at FSB. Currently, he leads on internal and external engagement for London and leads on London policy issues affecting small businesses,

including economic policy. He also worked in the national policy team working on education and skills, and transport policy.

Prior to working at the FSB, Matthew worked in the Cabinet Office in the Better Regulation Executive looking at European Regulatory Impact Assessment and the Strategy Unit, where he was a researcher on various strategic projects.

Jacqui Baker

Jacqui is a Director at RSM and heads up the North West consumer markets sector group, with a particular interest in retail. Jacqui has a breadth of expertise in retail, advising several national retailers together with independent stores.

Whilst she specialises in the consumer sector, Jacqui also has an interest in entrepreneurial, growing businesses, with extensive experience in advising private equity backed businesses, understanding the unique opportunities and challenges they face.

Jacqui is also a member of firms manufacturing sector group, working collaboratively with clients, providing sound commercial advice that enables them to achieve their objectives.

In addition to her role at RSM, Jacqui runs her own retail business in Cheshire.