



West Midlands
Growth Company

QUARTERLY ECONOMIC DIGEST

The Halo Effect - harnessing the potential of
the Commonwealth Games & the BATP to
transform the fortunes of the West Midlands

ISSUE 3: FEBRUARY 2023



West Midlands
Growth Company

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Partners
West Midlands

FOREWORD

We publish issue three of our Quarterly Economic Digest at a time when the economic position of the West Midlands is one of the most challenging in the UK, with our businesses grappling with post-Brexit barriers to trade and access to capital, with a slowing in the pace of capital investment and R&D, high staff turnover and skills shortages and record input price inflation.

All that said, however, West Midlands businesses have the strongest outlook for exports of any region over the year ahead and a healthy number have new projects in the pipeline such as product releases and marketing activity. Our primary focus in this issue is on the opportunities on offer for the region going forward:

Dr Tim Moonen, MD of Urban intelligence firm The Business of Cities, and Mike Wright, Chair of the West Midlands Innovation Board set out a case for why the region is well placed to evolve into a key centre of for innovation in the coming years – with the potential to compete effectively with Europe's top 'middleweight' city regions.

Nigel Driffield, Professor of International Business at Warwick Business School and Russell Hornsey, WMGC's Senior Research Analyst, show how the region is punching its weight on a global stage as location for tech, creative and life sciences inward investment.

Andy Phillips, WMGC's Head of Research, James Turner, WMGC's Head of Sector Marketing, Shannon Chu, WMGC's Senior Research Analyst and Martin Clarke, WMGC's Senior Tourism Marketing Manager discuss how efforts to showcase the West Midlands' offer to investors and international tourists are starting boost the region's visibility in global markets.

Lucy Blackman, WMGC's PR and Communications Manager, provides a view from a range of key West Midlands businesses on the challenges and opportunities for the region's tech sector.

We hope you find the Digest an interesting and informative read.

We would love to hear your feedback.



Neil Rami,
Chief Executive,
West Midlands
Growth Company

Economic review

Summary

The consensus among economists is that Britain will be the only major industrialised country to see its economy shrink in 2023. Economic growth in the West Midlands dipped into negative territory in August 2022 and has now been in this position for six consecutive months. Businesses are grappling with post-Brexit barriers to trade and access to capital, with a slowing in the pace of capital investment and R&D, high staff turnover and skills shortages and record input price inflation.

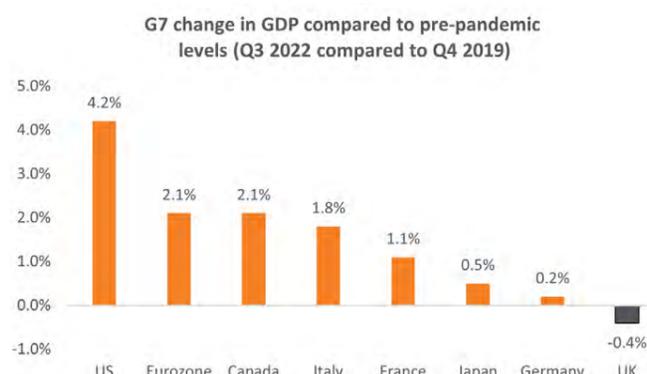
All that said, however, there are tentative signs that economic conditions may be improving. The consensus is that inflation is likely to have peaked and that the recession will be less severe than previously predicted. In the West Midlands there are signs of emerging green shoots of recovery with businesses reporting improved export prospects and that they are taking on additional staff in preparation for an eventual recovery in demand.

The UK economy is going into recession

There is a consensus among economists is that Britain will be the only major industrialised country to see its economy shrink in 2023 with an 0.6% contraction in GDP forecast by the IMF. This reflects the fact that:

- Despite inflation easing in January for the third month in a row headline inflation remains very high at 10.1%, and food inflation even higher at 16.7% according to figures from the [British Retail Consortium](#)
- Rising interest rates the Bank of England raised interest rates for a tenth consecutive time in February to 4%, with a market expectation that rates may reach 5% by the end of 2023. Mortgage rates are double what they were a year ago and it is forecast that by the end of 2024 the annual mortgage bill for one in five households will have increased by £5,100.
- After edging up in [Q4 2022](#) consumer confidence fell away again in January 2023 as high inflation continues to erode household income, real wages continue to fall and concerns about the economic future remain acute.

- As highlighted in issue two, many exporters are stifled by post-Brexit barriers to trade with the EU, while new trade agreements with countries such as Australia and regulatory freedoms gained from leaving the bloc do not yet create enough benefit offset these problems.
- The exodus of circa 600,000 people from the UK jobs market which, combined with gaps in the country's vocational education system in key areas such as health, retail transport, is leading to acute labour and skills shortages.



Source: IMF World Economic Outlook, October 2022

The economic position of the West Midlands is one of the most challenging in the UK

Data from the Markit/Natwest purchasing managers' survey shows that economic growth in the West Midlands dipped into negative territory in August 2022 and has now been in this position for six consecutive months (a score of less than 50 signifies a contraction in economic activity).

The Q4 2022 [Institute of Chartered Accountants in England and Wales \(ICAEW\) Business Confidence Monitor](#) indicates that business confidence among West Midlands businesses is well below the UK average as they struggle with:

- Post-Brexit barriers to trade and access to capital – with a slowing in the pace of capital investment and R&D.
- High staff turnover and skills shortages
- Record input price inflation

There are tentative signs that economic conditions may be improving

All that said: In its updated outlook for the UK economy in February 2023 the Bank of England predicts that inflation is likely to have peaked and that the recession would be less severe than previously predicted. It is now forecast that economic output will fall by 1% from peak to trough, compared with the 3% drop expected in the Bank's November outlook.

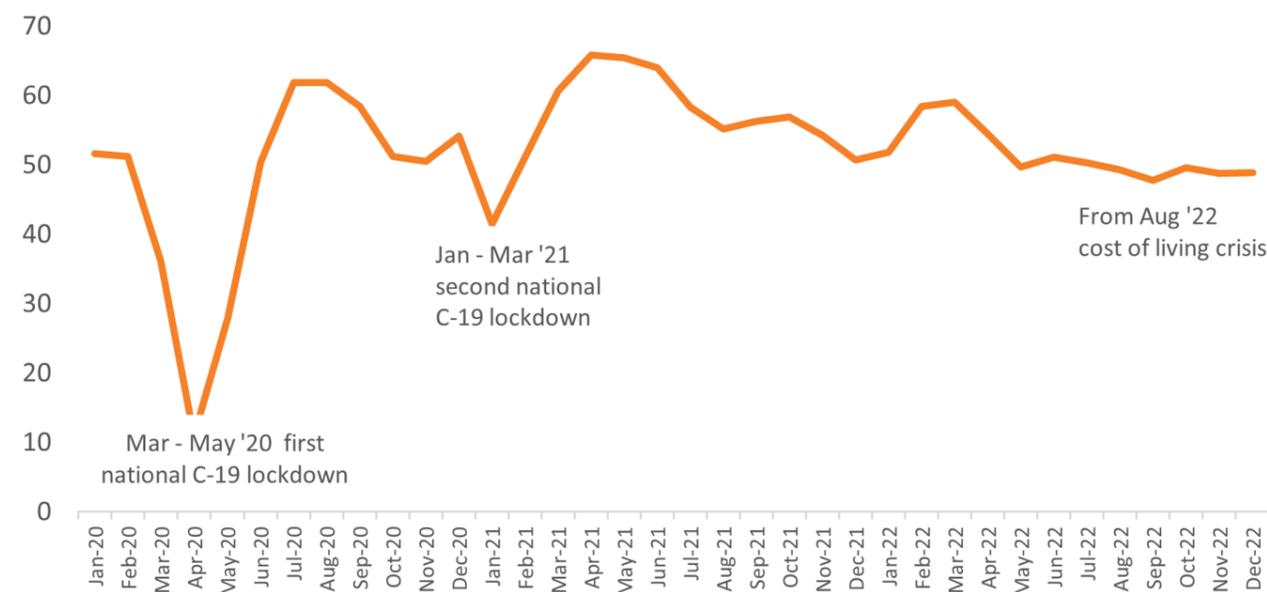
And there are signs of emerging green shoots of recovery in the West Midlands:

- The ICAEW survey also indicates that West Midlands businesses still achieved strong domestic sales growth in Q4 and have the strongest outlook for exports of any region over the year ahead.

- The Markit/Natwest purchasing managers' survey indicates that, despite the region's economy continuing to contract in Q1 2022, there are tentative signs that economic conditions may be improving and firms are taking on additional staff in preparation for an eventual recovery in demand.

As also highlighted in issue two the West Midlands has a number of fundamental strengths in areas such as skills and talent, quality of life and a young and diverse population. This means that, as levels of inward investment into the UK from sectors such as financial and professional services, digital and creative and emerging areas of advanced manufacturing such as electric vehicles, battery technologies and advanced methods of construction begin to recover, the region is well placed to benefit.

West Midlands PMI - recent periods of negative economic growth



Source: Markit/Natwest

The region's innovation potential

The business benefits of innovation

Innovation can play a key role in stimulating business growth – leading to the creation of new products, processes or operating systems and the introduction of new technologies – and ultimately gives companies an edge in penetrating markets faster. There are often opportunities to be innovative through public-private sector collaboration where, for example, businesses are able to form alliances with fellow companies and university research institutes to produce innovations, reduce financial risks or share technologies.

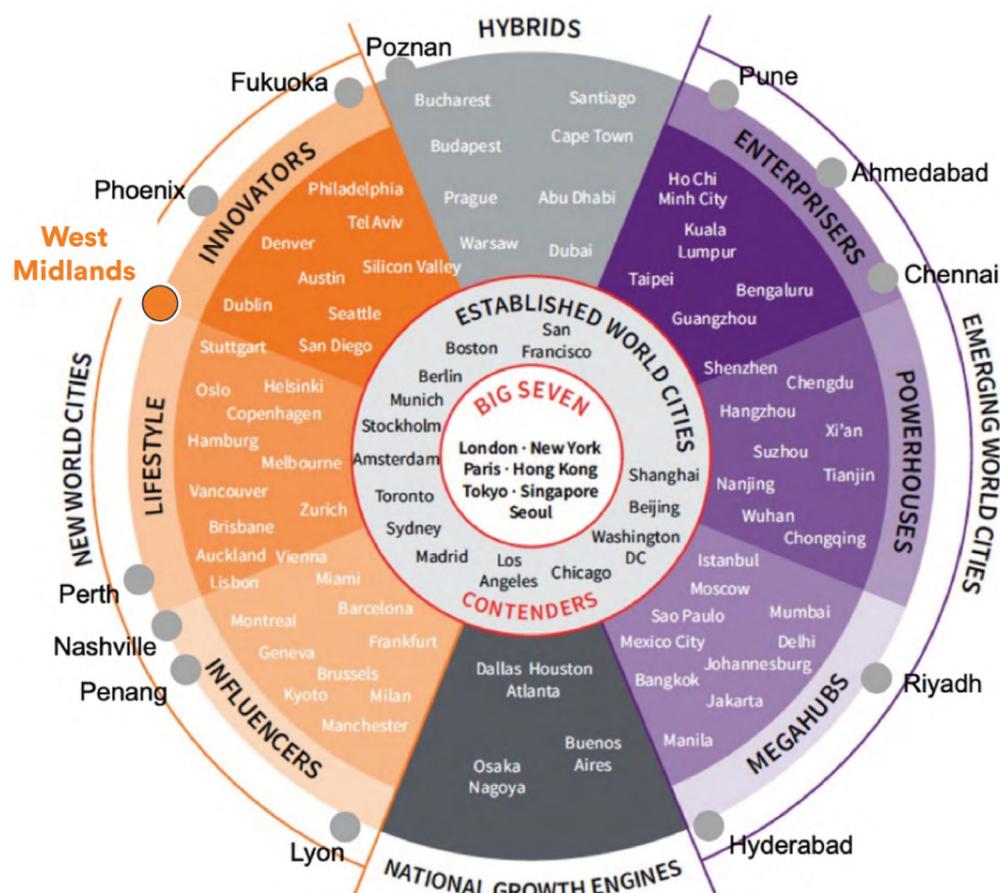
Dr Tim Moonen, MD of Urban intelligence firm **The Business of Cities**, and Mike Wright, Chair of the **West Midlands Innovation Board**, take stock of where the West Midlands stands as a UK and global centre of innovation – and assess its future prospects.

The region's innovation credentials

The West Midlands has a long history of outstanding innovation generated by both its business and universities, with numerous examples of world class innovations in areas of specialism such as advanced manufacturing, precision engineering and gaming. However, individual places within the region such as Birmingham, Coventry do not currently score particularly well in global innovation benchmarks, league tables and indexes.

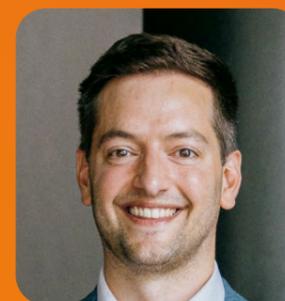
But when the assets of the region are combined it can be argued that the West Midlands has a range of important innovation credentials, with an opportunity to extend this relatively narrowly focused regional capability to leverage a much broader innovation space.

The following diagram shows the world's 100 most innovative and vibrant cities and city regions - and the West Midlands city region is part of a new generation with the potential to join this group.



The region's innovation credentials include:

- The presence of **key business clusters** including HealthTech, MedTech, professional and financial services, creative content production and gaming, the manufacture of future housing, aerospace, electrical light vehicles, battery storage devices, low carbon utilities and circular economy gives the region **strengths across the whole innovation chain**, from scientific discovery and enabling technologies, to market applications, and place-based innovations.
- **R&D investment capacity.** In 2021 the West Midlands ranked 11th in Europe for total private R&D investment among regions containing a major city, ahead of Amsterdam, Düsseldorf and Hamburg.
- **VC investment.** In the five years to 2022 the region attracted nearly \$500m of VC investment, with more than half going to firms outside Birmingham.
- **Specialised university expertise.** There are two West Midlands universities in the UK top 20 for research excellence, with 34% of regional research considered world-leading in terms of originality, significance and rigour.
- **Talent pipeline.** Five of the region's nine universities are in the top 1,000 globally, putting it second in the world among mid-sized city regions – and are essential components in attracting and developing more students combined than in any other region of its size globally.
- **Innovation ecosystem.** With HS2 unlocking a new innovation cluster around Arden Cross, the West Midlands is one of ten non-capital European city regions that are home to the full recognised suite of innovation-rich investment locations – urban innovation districts, R&D led campuses, industry hubs, and re-animated science & business parks.
- **Digital infrastructure.** Launched in 2020, 5SPRING built on the West Midlands' early adoption of 5G technology to become the UK's first 5G commercial application accelerator. The West Midlands now has stronger mobile connectivity on average than Milan, Hamburg and Helsinki.
- And, critically, **the frequency of collaboration between universities and businesses.** There is a vibrant innovation ecosystem within the West Midlands, with prominent examples including:
 - The West Midlands Innovation Programme, which seeks to aid the innovation process via, for example, business networks, incubator facilities, cross-industry technology transfer, mentoring and grant support and graduate internships.
 - The Energy Research Accelerator, supported by three universities (Birmingham, Warwick and Aston), to solve the energy industry's most pressing challenges.
 - Jaguar Land Rover, the University of Warwick and Plug and Play UK's mobility programme on advanced propulsion and connected and autonomous vehicles (CAV s).
 - The University of Birmingham and Bruntwood SciTech's Health Innovation Campus.



Dr Tim Moonen, Co-Founder of The Business of Cities

'The West Midlands has flown under the radar in terms of innovation but there are three big reasons it is emerging as a more competitive prospect. One, its success in applied sciences and in-demand technologies. Two, recognition as a single regional market that unites complementary neighbouring cities.

And three, a cycle of infrastructure connecting up innovative locations and rejuvenated city centres. This momentum should start to see the West Midlands regarded among the high-calibre division of innovative city-regions in Europe and North America.'

Future opportunities

These credentials mean that the West Midlands is well placed to evolve into a key centre of for innovation in the coming years – with the potential to compete effectively with Europe’s top middleweight’ city regions.

With appropriate funding and support, the region’s key business clusters are strongly positioned to make the most of the drive for net zero and the spike in demand, for example, for sustainable methods of construction, battery gigafactories and alternative fuel transport, retrofitting energy grids, recycling of rare earth materials and sustainable professional services.

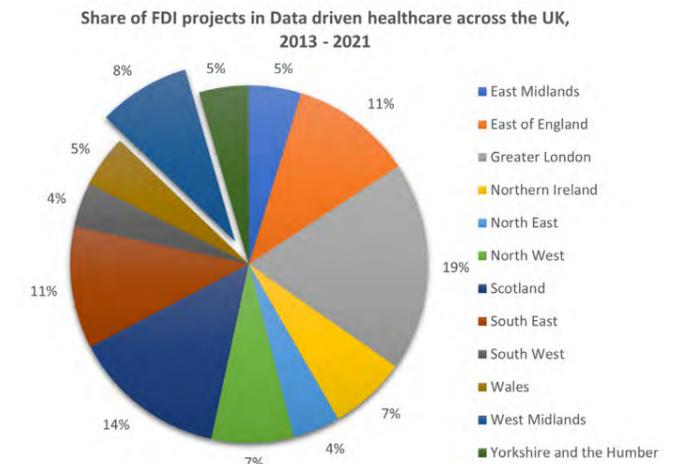


FDI attraction – benchmarking the region against our competitors

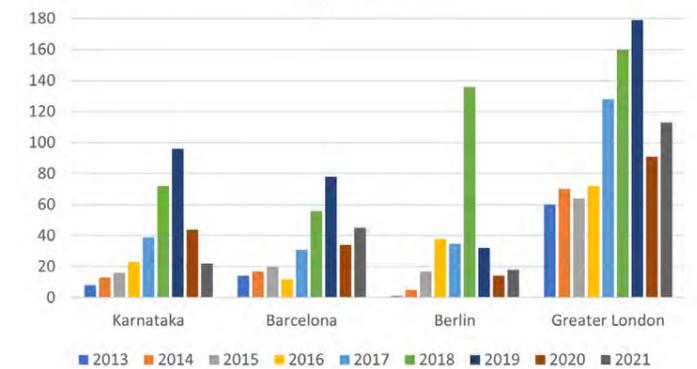
The region’s Plan for Growth identifies a range of priority sectors where the West Midlands has a competitive advantage in the global inward investment market. By focusing on these sectors we can maximise our potential to attract inward investment - and the benefits to the region in terms of business, employment and supply chain opportunities.

As digital and creative technologies (D&CT) is the UK’s fastest-growing tech sector, all regions are competing vigorously to land a share of the FDI flowing into the country. While London dominates the UK market, outstripping the next highest performing region (the South East) by a factor of nearly eight, it is also the global market leader, out-performing other key centres such as Karnataka in India, Barcelona, and Berlin.

- In issue two we looked at how the region stacks up as a potential investment location against its key global competitors in two of these sectors - modern business services and future mobility – which have long been key drivers of FDI into the West Midlands.
- In this issue, using real-time data generated as part of a collaboration between Moodys and the Productivity Institute, Nigel Driffield, Professor of International Business at Warwick Business School and Russell Hornsey, WMGC’s Senior Research Analyst, focus on two additional sectors which are now emerging as key drivers of FDI – digital and creative technologies and data driven healthcare.



The strength of Greater London - number of FDI projects in DCT, 2013 - 2021



Source: Orbis Crossborder Investment database

London’s dominance is a challenge to the other UK regions as they seek to compete for D&CT investments. The West Midlands is in 6th place among the 11 regions in terms of the amount of investment attracted over the 2013-2021 period - slightly more than would be expected given its relative economic size. Unsurprisingly, the region is a significant way behind other leading global destination regions for D&CT investment.

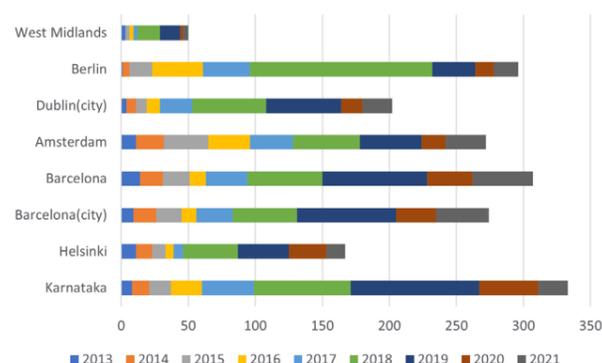


Mike Wright,
Chair of the
West Midlands
Innovation Board

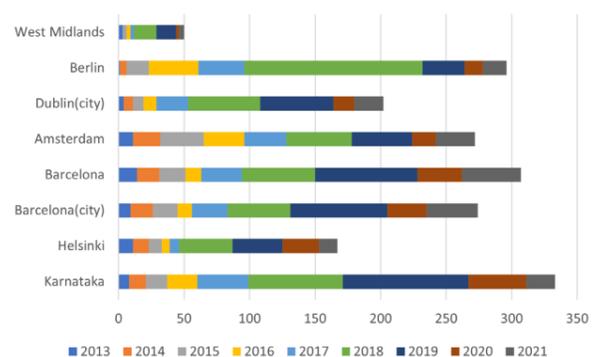
‘The Innovation Board focuses on not only maintaining the region’s world class advanced manufacturing and engineering pedigree but broadening its innovation capabilities to new areas such as meditech and cleantech. The emergent clusters will not only leverage established innovation capabilities but also generate new initiatives that will help address the health and productivity challenges facing the region.

‘The Board is currently working closely with Innovate UK and UKRI, to identify collaborative initiatives from a strong and over-subscribed bid portfolio for the Innovation Accelerator programme, part of the Devolution Trailblazer status the West Midlands Combined Authority was awarded in the Levelling Up White Paper of 2021’.

Leading investment locations for Digital & Creative technologies (number of FDI projects attracted), 2013 - 2021



Leading investment locations for Digital & Creative technologies (number of FDI projects attracted), 2013 - 2021



Source: Orbis Crossborder Investment database

All that said, the West Midlands has made ground against its global competitors over the last five years. There was a strong upsurge in D&CT investment projects landing in 2018 and 2019, which coincided with the establishment of the UK's first 5G testbed in the region. After a pause in 2020, when all FDI was significantly affected by the Covid-19 pandemic, investment levels are once more on the rise.

Digital & Creative technologies related projects in West Midlands, 2013 - 2021



Source: Orbis Crossborder Investment database

The nature of the business means that many FDI projects are relatively small scale, but with a high level of value-added.

Recent landings in the region include:

- In ecommerce, the creation of a last-mile distribution station by Amazon and the opening of an eBay fulfilment centre by Orange Connex of Hong Kong.
- Following WMGC's recent sales mission to India, IT consulting and software development specialist Datamorphosis, tech consultant InfinityLabs and BigThink, a deep-tech startup specialising in Artificial Intelligence and scanning for the digital shopping sector have established a presence in the region.
- These firms, alongside Indian marketing firm Mind & Matter, Canadian music software specialist Feely, Australian fintech firm Fundsquire, and Malaysian company Rezpon have located within 'soft landing' space, with access to specialist business and funding advice, provided by WMGC.

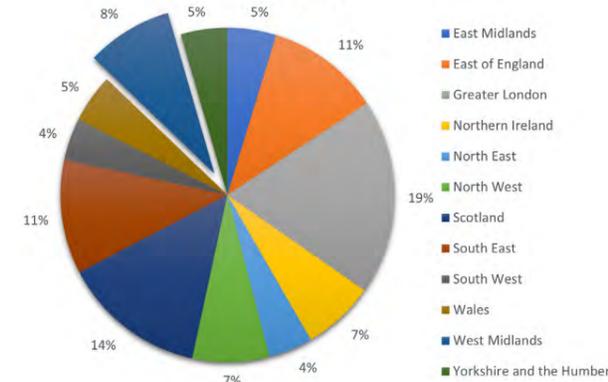
All that said, much larger investments occasionally land in the region. Recent examples include investment firm Goldman Sachs' tech engineering centre creating 550 jobs and the UKHQ of Advanced Software creating 500 jobs.

Data Driven Healthcare

This is another fast growing sector, driven by the upsurge in demand for data driven and patient-centred healthcare solutions. As is the case with D&CT, the West Midlands punches above its economic weight, attracting the 5th highest number of data driven healthcare (DDH) projects of any UK region over the 2013-2021 period.

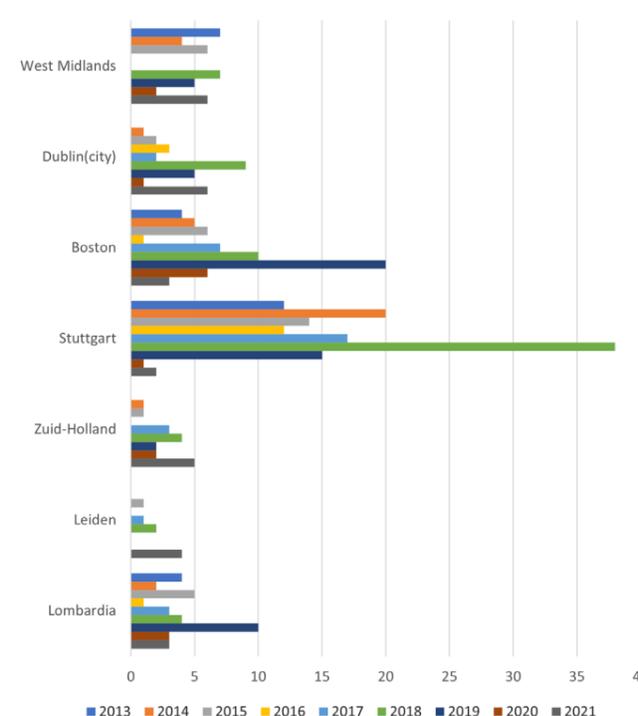
Looking at key global destinations for DDH investment, Stuttgart is the clear market leader. The West Midlands still occupies a prominent position, however, ahead of Dutch destinations Leiden and Zuid-Holland and on a par with Dublin, Boston and Lombardia. Again in common with D&CT, the region has made ground against its competitors in recent years with a strong up-tick in projects attracted in 2018 and 2019, and a strong recovery post-pandemic.

Share of FDI projects in Data driven healthcare across the UK, 2013 - 2021



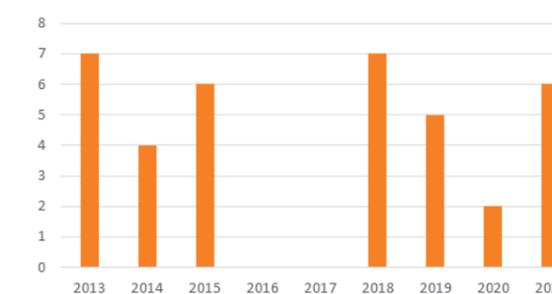
Source: Orbis Crossborder Investment database

Leading investment locations for Data driven healthcare (number of FDI projects attracted), 2013 - 2021



Source: Orbis Crossborder Investment database

Data driven healthcare related projects in West Midlands, 2013 - 2021



Source: Orbis Crossborder Investment database

While DDH projects are often challenging to attract due to the sometimes considerable R&D and equipment costs involved, looking back over recent decades the West Midlands has been successful in attracting investment from the likes of German optical equipment specialist Carl Zeiss, Swiss hospital facilities supplier giant Vamed, Swedish-owned BioSite and US-based HCA Healthcare. Recent investment successes include:

- The £2.25bn acquisition of biotech specialist The Binding Site, which provides specialist diagnostic products to clinicians and laboratory professionals worldwide by US-based Thermo Fisher Scientific.
- The acquisition of Coventry-based Lloyds Pharmacy by German-owned Aurelius Group as part of a £477m deal from US company McKesson.
- The opening of new facilities in the region by Spanish specialist dental clinic chain Impress, Portuguese biomedical innovation company Adapttech and German-owned vitamin manufacturer Nourished.



Nigel Driffield,
Professor of International Business
Warwick Business School

'It is encouraging that, in both these key growth sectors for the region, the West Midlands is competing well and achieving positive momentum in the FDI marketplace in the face of fierce domestic and foreign competition. However, while in both sectors the region is making ground on key global competitors, with a set of key investments attesting to its competitive advantage, it will be important to keep pace with other parts of the UK, which are continually investing in and developing their FDI attraction strategies.'

Using the halo effect of the Commonwealth Games to transform perceptions of the West Midlands

The region's perception issue

Efforts to attract investment, conferences and events and visitors to the West Midlands have long been hampered by the region's limited visibility and reach in global markets. For example, a benchmarking exercise carried out in 2021 by foreign investment specialist OCO reveals that:

- London is seen as a key global centre alongside other 'first tier' locations such as Berlin and Catalonia
- Manchester is seen as a key European centre alongside a range of other 'second tier' locations such as Copenhagen and Kuala Lumpur
- But the West Midlands is seen as only a 'third tier' location – lacking the international reach of key competitors.

This in turn reduces the potential for new business, supply chain and other benefits to be generated in the region.



Harnessing the potential of the Commonwealth Games and the BATP

The Commonwealth Games has offered us a golden opportunity to start to address the region's image problems. The West Midlands shone on a global stage during a spectacular 11-day festival of sport and the associated Business & Tourism Programme (BATP), developed and delivered by the WMGC in partnership with Visit Britain, the Departments for Business and Trade and for Culture, Media and Sport, the Commonwealth Games Organising Committee, the Commonwealth Games Federation Partnership and the West Midlands Combined Authority. The programme was designed to:

- Ensure that these benefits are sustained, utilising the 'halo effect' of the games to showcase its strengths and build its reputation as a truly global city region.
- In turn, ensuring that the healthy in-flow of investment, conferences and events and visitors to the region continues.
- To this end, an ambitious programme of domestic and international marketing and promotion of the region was launched in early 2022:
- In the run up to the Games, a series of marketing campaigns were launched and a series of sales missions to India, Malaysia, Singapore, Dubai and Canada were completed.
- During the Games, an intensive programme of meetings, events, workshops and familiarisation trips were held.
- Post-Games, additional sales missions to India and Australia are being implemented.

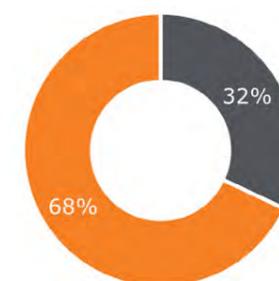
But will all this activity be successful in transforming the region's image in key markets? Andy Phillips, WMGC's Head of Research and James Turner, WMGC's Head of Sector Marketing look at the impact to date on perceptions of potential inward investors. Shannon Chu, WMGC's Senior Research Analyst and Martin Clarke, WMGC's Senior Tourism Marketing Manager then review the impact on perceptions of the region among visitors.

Inward investment

When a new inward investment lands in the region a wide range of business benefits accrue, for example:

- Immediate business opportunities for real estate, recruitment, accountancy, banking and legal firms within the Partners West Midlands network.
- Wider employment and supply chain opportunities for the region's business base.
- Investors bring innovative and creative ideas and technologies, which are often adopted across the business base via 'spillover' effects.

While WMGC's 2022 regional perceptions study indicates that we still face the challenges highlighted in the OCO research, reflecting the scale of the task and the length of time required to shift deep seated perceptions of the region (perceptions of Manchester as an investment location are only now starting to change nearly twenty years on from the 2022 Commonwealth Games), it also shows that BATP marcomms have had significant cut through - laying promising foundations for the future.



- Saw BATP communications
- Did not see BATP communications

More than 30% of investment intermediaries (e.g. site selection consultants, venture capitalists, bankers and lawyers) said that they had seen BATP marketing collateral – and of these:

- Two thirds said that it had improved their awareness of the West Midlands offer.
- A similar proportion said it had made them more positive about the region.
- Nearly 60% said that it made them more likely to recommend the West Midlands to their clients.

Encouragingly, the key sales messages within our marketing campaigns have landed well with intermediaries. The key strengths and selling points for the region they identify include:

- Industry, manufacturing and innovation
- Connectivity
- Cost competitiveness
- A large pool of skills and talent
- Incentives and support





Investment intermediaries' one-word descriptions of the region post-Games (the larger the word the more people said it).

Any weaknesses identified by intermediaries tended to reflect the issues at the forefront of their minds at the time (the survey was conducted in September and October 2022) and would be common to most UK destinations - such as Brexit issues and the currently chaotic political environment. That said, however, many still highlighted a lack of awareness of the West Midlands offer. The scale of the task to achieve a fundamental shift in perceptions of the West Midlands will require a long term strategy, supported by significant and consistent investment over a number of years.

"A better understanding of the opportunities. It reinforced my thoughts and gave me a stronger conviction and brought it to the front of my mind."

Investment intermediary, Australia

"Andy Street is promoting the region so well and generally it's a place that's finding its modern manufacturing identity combined with a supply/logistics hub."

Investment intermediary, UK

James Turner, Head of Sector Marketing at the West Midlands Growth Company said:

Investment campaigns focus on the needs of a segmented target audience and in doing so, major on the specifics of a sector narrative with secondary macro-economic messaging. For some of these audiences and markets, their first awareness of the West Midlands proposition has occurred in this year's campaigns. That our global reach is growing, and these campaigns are working, is demonstrated convincingly by the upturn in FDI pipeline, but also through the perception survey which shows that our innovation-centric messaging is landing well together with lines around connectivity and talent.

It is interesting to note some of the "softer" place and cultural phrasing – diversity, friendly, even Peaky Blinders – are already being quoted by the intermediaries from our "live, learn, earn" campaign. There is more to do in fully leveraging this. Once the technical and economic criteria for FDI have been satisfied, then the choice of how and where staff and their families will enjoy a good quality of life becomes a key differentiator and this is where the broader West Midlands narrative will reap dividends for our FDI campaigns.



Tourism Campaigns

WMGC launched two major tourism marketing campaigns in 2022 to enhance perceptions of the West Midlands' destinations to audiences both domestically and internationally, and to attract additional visitors to our region. Covid dented travel confidence for both visitors and operators. The Birmingham 2022 Commonwealth Games was the first major spectator event to take place since the pandemic restrictions eased, and with a third of the global population tuning in, it was a golden opportunity to show both the domestic and international audience our vibrant cities, beautiful countryside, explosive sporting competition and thriving cultural scene.

Domestic

Birmingham 2022 was a catalyst to grow our future share of the national tourism market. Our domestic marketing campaign wasn't just about raising awareness, it was about changing perceptions – and to do this we have to change behaviours. By building strong propositions based around anchor experiences, we gave our audiences reasons to visit, to stay longer and to return. The campaign was conceived using robust data. A matrix of perception study findings (2021), VisitBritain's segmentation and audience profiles, and a comprehensive media buying strategy, we were able to identify our target audience's needs, motivations, and the role of media across their decision-making journey.

According to findings from the 2021 perceptions survey conducted by the West Midlands Growth Company, UK leisure travellers were more familiar with London and Manchester compared with Birmingham. By building strong propositions based around anchor experiences, we gave our audiences reasons to visit, to stay longer and to return.

The campaign was delivered across three stages.

Stage one – Challenge negative perceptions.

B2022 sporting and cultural festivals, and hero themes gave us an opportunity to shift perceptions of the region by highlighting the must-see and must-do experiences in the region during the run up to the games

Stage two – Shine a light.

Targeting B2022 spectators to extend their stay in the region and encourage Games visitors to engage with the wider leisure and tourism offer. Working with the Organising Committee, we shared relevant information to encourage them to see more, do more, and stay longer with 21% using the Visit Birmingham website as a source of information.

Stage three – Come again.

To target visitors to return to the West Midlands for a short break or encourage others to do so. 93% of spectators said the Commonwealth Games showcased the region in a positive way and we needed build on this positive word of mouth.

The campaign has received over 80m impressions to date. Cinema advertising played a key role as it remains one of the best channels at improving the perceived 'quality perception - our advert ran for 3 months in Spring 2022 . Out of home advertising was delivered in key transport hubs including London Euston (pictured) and Manchester Piccadilly. Online video, social media and programmatic display have allowed us to deliver targeted adverts to our audiences via low cost yet highly targeted platforms where organic sharing is easy and offers earned media potential.

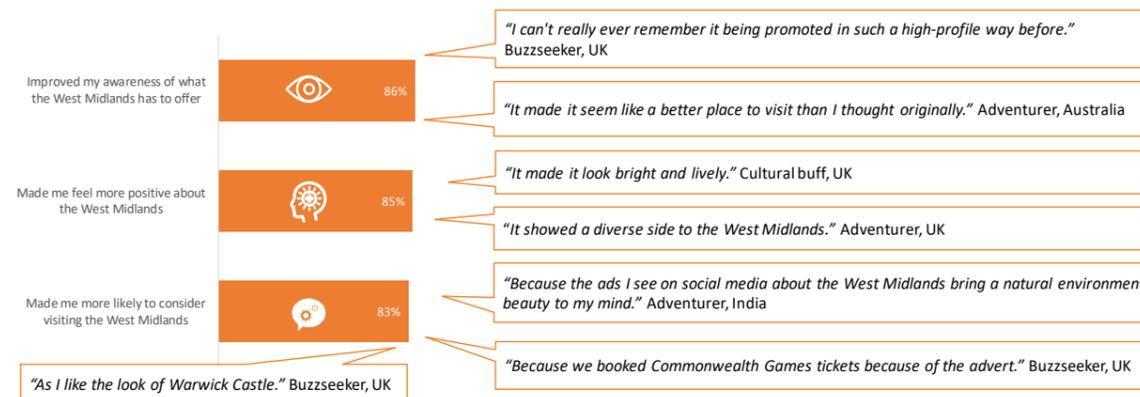
International

The combination of Birmingham 2022 Festival and Coventry UK City of Culture provided a remarkable opportunity to build Birmingham and the West Midlands' reputation as an international cultural destination. The West Midlands attracts an international audience to its heritage waterways, Shakespeare's Stratford, NEC exhibitions, the UNESCO world heritage site of Ironbridge, CBSO, BRB and Peaky Blinders. We developed an international marketing campaign in partnership with VisitBritain that aimed to raise the awareness of the West Midlands' destinations across three core markets: India, Australia and Canada. Data indicated that digital marketing and social media would be key in reaching these audiences and influencing their perceptions.

Challenges and solutions:

1. Come to the 'West Midlands'

The 'West Midlands' has low recognition with international audiences. Birmingham has a higher recognition internationally and we commenced by using Birmingham as the focus, which also aligned with, and capitalised on, the Birmingham 2022 Commonwealth Games identity.



CONNECTED BY... ATMOSPHERE



Come for the games, delight in the culture, create connections that last a lifetime.



CONNECTED BY... TASTE



A feast of culture and a world of new experiences. There's more to explore in Birmingham.



LET'S GO BIRMINGHAM

The West Midlands
One region, many worlds



CONNECTED BY... HERITAGE



Experience natural history in the heart of the city. There's more to explore in Birmingham.



CONNECTED BY... ADVENTURE



Dive in and feel the thrill. There's more to explore in Birmingham.



Martin Clarke WMGC's Senior Tourism Marketing Manager at the West Midlands Growth Company said:

'Our tourism campaigns were delivered with the audiences' needs and motivations at the forefront of our decision-making process. By addressing our campaign objectives and the audience simultaneously, we were able to create a strong proposition that aligned with how a visitor's trip is built.

The Birmingham 2022 Commonwealth Games acted a springboard to highlight the existing world-class tourism offer, sport, culture, and visitor experience now and in the future. Working in partnership with the Organising Committee, Commonwealth Games, and VisitBritain allowed us send a concerted Global West Midlands message.

We have seen some fantastic results to date and our marketing campaigns have succeeded in improving awareness, sentiment and consideration among those exposed to the activity. Nearly a third of leisure travellers said they had seen Business and Tourism Programme marketing and comms activity, of whom 85% said it made them feel more positive about the West Midlands.'

Challenges and opportunities for the Region's Tech cluster - a business view

The West Midlands tech cluster is highlighted as a key driver of growth, innovation and job creation within the region's plan for growth - and has the potential to generate substantive supply chain and technology transfer opportunities for businesses going forward.

After being named the UK's [fastest-growing regional tech sector](#) by the Government in 2021, last year saw the cluster achieving some significant growth milestones despite the challenging business environment it has faced. As well as being valued at [£15.3bn](#), the sector saw a 20 per cent increase in jobs. However, skills shortages are currently proving a significant challenge for tech employers of all sizes and focuses.

Lucy Blackman, WMGC's PR and Communications Manager, reports back from the WMGC's first Tech Sector Dinner of the year, kindly sponsored by SF Recruitment and chaired by Yiannis Mao MBE, CEO of Birmingham Tech on Thursday 9th February. Businesses representing five countries (India, Canada, USA, France and Singapore) and many areas of the tech landscape, from cloud cybersecurity to AI, came together to discuss the challenges and opportunities for the sector in the current economic climate.

Yiannis kicked off the conversation by asking the delegates what they're doing to stand out from the competition in a tough recruitment market. Dan Carter, Manager: Technology, Forecasting and Information at IT services firm, SCC, spoke about how his firm is taking back control when it comes to bridging skills gaps:

"Finding new talent is a constant challenge, so we decided to take the bull by the horns and build our own academy to secure the skills we need. Engagement with the region's universities is also helping us to play a role in shaping the curriculum while raising our profile."

Mahesh Ranganathan echoed these thoughts, discussing how his digital transformation business, Knowledge Lens, is seeking students' views around their future career goals and feeding these insights back to course providers.

Monica Todd, Product Principal at digital consultancy, AND Digital, raised the point that not all of the region's tech firms have the scale and budget needed to invest in their own academies. In her view, one solution lies in reskilling existing employees:

"There just aren't enough graduates to fill vacancies across the tech sector, so it's important to focus on encouraging more people from a range of roles and backgrounds to develop a digital mindset."

Cybersecurity business, Metcloud's Ian Vickers also emphasised the importance of looking beyond graduates during the recruitment process:

"More mature candidates often have a wealth of experience, excellent problem-solving skills and a strong set of values that makes them a real asset to tech businesses. Finding out their reasons for retraining and wanting to get into the industry simply makes good business sense."

Delegates also discussed the importance of being flexible when it comes to their required skillsets. This is especially important due to the rise of "The Squiggly Career", with more workers trying out different career paths and job-hopping to take advantage of opportunities as they arise. The value of flexibility was also discussed in the context of remote working, which for many employers has removed geographical barriers when hiring and provided them with access to a broader pool of tech talent.

Liz Whitefield, Director of digital consultancy, Hippo Digital, also commented on the key role that recruitment firms can play in helping tech companies to scale up quickly:

"Great recruitment partnerships speed up the process of finding skilled people who are also the right fit for the company's culture and values, helping to keep growth plans on track."

Mike Lewis, Creative and Digital Technologies Lead at WMGC, argued that a global outlook will be key to realising the potential of the region's tech sector. A wave of FDI projects into the region following the recent trade and investment mission to India has highlighted the benefits of building tech corridors and collaborating with global markets.

At a time when employer brand is more important than ever to those seeking a new role, Mike also emphasised the significance of being a "purposeful business", with a well-considered ESG strategy in place.

The key take-away...

While skills shortages may show no signs of going away, by harnessing their capacity for innovation, West Midlands tech businesses can transform their approach to securing and retaining talent and future-proof their strategy.



Please give us your feedback on this edition of our QED [here](#).

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