

## Associated document

# Commercial and new business opportunities

### 2017-2032, the next fifteen years

In forecasting, fifteen years is the most difficult horizon. Trends can often be extrapolated for a five year forecast. Over fifty years, not only new technologies but changed attitudes may be factored-in. But predicting what the next fifteen years holds will always be a challenge. This period of time opens unpredictable effects in the applications of technology and the changing face of social interaction. This might not have been the case in the (slower) pace of industrial revolutions through the eighteenth and twentieth centuries. But with today's unprecedented escalation in world population, individual aspirations and global commerce, things are getting complex. Even those who specialise in forecasting, the 'futurists' of this world, often fail to spot the game-changers. Only ten years ago, driverless cars were impractical and the prospect of more mobile phones being in use that there are people in the world was thought to be unrealistic.

### A Cornish perspective

But, in our little corner of the world, fifteen years might just not change anything. Think again - no small corner is left untouched, for better or worse. A cold, hard but constructive look at Cornwall's future is called for if we are to benefit from change. And, yes, we can.

We can grab a hold of the coat tails of inevitable change. We might even stimulate some changes, having wide impact beyond Cornwall. New businesses are encouraged to 'start global'; in other words to think how broad their markets can be and how to design for them from the outset.

If we look at commerce in Cornwall, there are some coat tails and some innovators.

Key Cornish business sectors are growing, but still represent a smaller proportion of Cornwall's economy that their counterparts do in the UK as a whole. The companies in these sectors can look forward to further growth as they increase their significance in the Cornwall economy.

Many players in their chosen market are risking the firm with bold adventures on a global stage.

Cornwall also has its share of small businesses that ply a traditional craft-centred trade within a local market without realising the potential for global

sales, made through Internet shopping and the explosion in parcel delivery. Other small businesses are developing new technologies and exploring new service models. The world acclaimed authors' writing package 'Scrivener' started out as an idea in 2006 and came to life from a front room in Truro. Now it is a global application available on Microsoft, Apple and Android platforms and used to pen popular series like Spooks, Doctor Who and Luther.

Over the next fifteen years, it will be hard to say how many established businesses survive or how many new ones become world-leaders.

There are however, some signals today that hint at what the future holds. Some things are the 'inevitables' for tomorrow.

Let's look at some of Cornwall's 'inevitables'. Let's also try to imagine how these might play to Mevagissey's advantage.

## **Developing established markets**

According to Community Intelligence, Cornwall Council ([intelligence@cornwall.gov.uk](mailto:intelligence@cornwall.gov.uk)), there are 248,000 people employed in Cornwall.

The Cornwall Local Plan emphasises delivery of infrastructure and economic development and as such these will support both industrial activity and tourist accessibility. The Local Plan also chooses to focus on the prospects for green energy technologies making a significant contribution to the economy, not just in the provision of green energy but through generating significant new business opportunity.

Whilst this is a laudable aim, this is not an established market and the writer sees no evidence that such ambitions can be easily realised. Indeed Cornwall is already falling behind its low-level activity in green energy compared with other national and international 'Centres of Excellence'. This discussion will concentrate on the evidence for potential within nationally established sectors and successful innovation in Cornwall. It will attempt to try to apply these lessons to the economic sustainability and growth of Mevagissey.

### **Cornish employment focus**

19,000 (7%) of people employed in Cornwall work in industry sectors showing high growth but which are not yet as large in Cornwall as they are in the rest of the UK. If these sectors continue to grow until they reach the national average, they would generate another 25,000 jobs in Cornwall.

The sectors characterised in this way are, business admin & support services (12,300); information & communication (3,500); financial & insurance (3,200). These sectors also show high levels of full-time employment.

66,000 (27%) are employed in accommodation, food services and retail sectors. Although seasonal, these sectors can be assumed stable areas of

business for which employment levels and revenues are to some extent guaranteed. With recent extensions to the season, small but significant growth may be expected.

Arts, entertainment, recreation & other services; agriculture, forestry & fishing provide for 26,000 jobs (11%). These areas are in serious decline, although the fishing industry in Cornwall has stabilised in recent years following significant decline at the end of the last century and again in the 1960s. Mevagissey is a leader amongst the 'second tier' fishing ports in Cornwall. Newlyn revenues are an order of magnitude greater than Mevagissey and other individual ports. In 2012, the value of the Mevagissey catch exceeded the individual catch taken in the competitive ports of Looe, Newquay, Fowey, Padstow, Hayle, Penryn, Portreath, St Ives, St Mawes and Truro.

So, whilst Mevagissey is attractive for tourists and maintains a strong 'second tier' fishing industry, any commercial growth would have to come from new industries.

Such new industries would best follow the evidence for growth prospects across Cornwall. New industrial activity and entrepreneurial zeal should be directed into the sectors of business admin & support services; information & communication; financial & insurance. These sectors rely heavily on national and international networking and on digital technologies. These are the attributes to be cultivated in order to capitalise on the recent availability of superfast broadband and emerging opportunities for sustainable economic growth and employment.

Such a strategy would be in synergy with the other policies of this Neighbourhood Development Plan (NDP). They would not impact on the needs to preserve the landscape and scenic environment of the Parish

### **The Harbour and the fishing industry**

Mevagissey harbour is a Trust Port, and is also registered as a Charity. The Harbour Board undertake measures to sustain the support for fishing and provide infrastructure for access, parking and services to the fishing industry. Recently, the central quay in the inner harbour was lengthened to provide improved loading and unloading capacity. Additional work included craneage, and a new slipway constructed for vessel maintenance. For some time, plans have been explored to improve protection for the outer harbour from easterly gales and swells, but to date no viable scheme has proved economic to progress. However, such measures are still being considered and would be supported by this NDP.

Effective methods of transporting the catch through the narrow village streets to be collected by ever-larger trucks has also proved problematic, but various solutions are being considered. The NDP would not want to see buildings in the conservation area removed or damaged to allow large trucks onto the harbour, but a solution to use small vehicles to transport the catch to a

dedicated marshalling area outside the village would be supported. At present, there are 63 registered fishing vessels in the Harbour. The fishing industry in Mevagissey approximately 57 full time fishermen. Latest figures from the harbour office would indicate 72 registered fishing vessels with about 85 full time fishermen employed.

The average age of fishermen in Mevagissey is falling owing to an influx of younger men into the industry.

During the summer many of the boats are used for visitor fishing trips and round trips along the coast.

A regular ferry operates between Mevagissey and Fowey during the summer.

### **Shops, restaurants and accommodation**

Five times as many residents work in retail, catering and construction as in fishing.

There are a number of shops catering for tourists which tend to close out of season. Others provide for every-day needs, like grocery, newsagent, food outlets and public houses.

Mevagissey has seen a steady growth in restaurants over recent years, with the quality of fayre improving.

There are 5 Mevagissey hotels listed in Tripadvisor, all having high customer ratings.

### **Tourist attractions**

The majority of Mevagissey visitors are day-trippers. For thirty days of the summer holidays alone, 60,000 people visit Mevagissey. Many others who stay in Mevagissey come to walk the coastal path, take advantage of boat trips, the Fowey Ferry or base themselves in Mevagissey in order to tour locally.

Therefore, the scenic value of the coast and country sustains the B&B industry and local restaurants, whilst day-trippers, appreciate the harbour, the old-town and take advantage of local food outlets.

Once more, if we look at the evidence, three village attractions garner the most comment from visitors:

1. Tripadvisor on the Museum 98/109 excellent or VG:

"This is a gem of a place. If you have never visited Mevagissey before this is the place to find out the history of the place and its surrounding area's (? APOS). Could not believe it is free to go round, so we gave a very good donation as it was worth it. Would visit again as I am sure we must have missed some items. Very helpful staff as well. We (CAP) spent about hour and half looking round, plus half an hour chatting to the staff.

2. Tripadvisor on the aquarium 133/200 Excellent or VG:

"A small, but well stocked with local fish, aquarium using the former

lifeboat station. Very interesting to get a close up of what lies beneath our waves. It was proving very popular with families whilst we were there. It is another free exhibition well worth the visit.

3. Tripadvisor on the Model Railway 24/53 Excellent or VG:

"Fabulous for adults and children alike. Went in to miss a shower and stayed for ages. Incredible detail and really imaginative sets. Nice little museum, thought it was a bit pricey but we appreciate that these small museums need supporting."

This NDP seeks to preserve and enhance the natural and built environment of Mevagissey through which tourism may be encouraged.

It also highlights the opportunities for the key attractions of the village to grow their business and expand activities associated with their proven value (see above)

### **Regenerating craft businesses**

Mevagissey supports a number of artists with shops in the village. Artists in paint, pottery and jewelry are a great asset to the village and a popular diversion for tourists. But sales in these areas are presently limited by location, season and market awareness.

Cornwall's business sector for arts and associated services employs 13,700 people but has recently suffered a 13% year on year decline.

## **Cluster opportunities in Mevagissey Parish**

The generation of new business opportunities is often facilitated by the existence of nearby centres of enterprise or specialist talent. In this way 'Silicon Glen' in Cambridge gathered around it many high-tech enterprises. There are established centres of specialist talent in and around Mevagissey. The obvious one is the harbour, which previously gave rise to associated employment in boat building and repair and in fish processing. For many reasons, the harbour no longer offers such opportunities and locations which might support such enterprise have long since been converted to residential and tourist businesses. The harbour no longer owns sufficient land to spawn physically associated businesses. Nearby businesses which might sustain associated enterprises are The Lost Gardens of Heligan and the Pentewan Sands Holiday Park. Suitable enterprises may emerge in association or by establishing synergies with these businesses. The physical proximity of land in the Parish like Peroppa Barns may serve to host associated businesses. There are also 'clusters of excellence' within Cornwall where knowledge of skilled workers allows craft industries to be sustained through local knowledge. In this way timber craftsmen in Mevagissey provide skills and products to shipbuilding and other trades in centres like Falmouth and Plymouth.

Building a 'virtual infrastructure' around Parish assets also serves to enhance

local business. Mobile data services have been harnessed by the Mevagissey Museum to provide location-sensitive information about the village via mobile 'phones.

## Moving online

4G systems like that from the Mevagissey Museum provide innovative ways to add value to a local attraction but electronic commerce could also be more generally utilised. Selling online removes the problem of making sales beyond the confines of the flea market or local trading in Cornwall. And the growth of parcel delivery services allows online sales to get to customers almost anywhere. Ofcom found that UK consumers spend over £1,000 per person a year shopping online - a trend that continues to grow. Social networking has served many local businesses in retaining clients and growing their local market.

Using digital business channels is not just for Silicon Valley stars like Elon Musk (PayPal) or Mark Zuckerberg (Facebook). Mohammed Taushif Ansari lives in Dharavi, where Slum Dog Millionaire was filmed. He earns over £12,000 a year selling leather goods through eBay to customers around the world. BirdDesign on Este (an online craft mall) achieved 18,000 sales in a little more than a year and made £8,000 doing it.

So, although the arts and craft sector in Cornwall is apparently in the doldrums, smart entrepreneurs could find new markets via online sites like Este.

The ingredients for online business success are also online.

Even if you don't know how to sell online, there is plenty of advice out there from those who have been successful:

- <http://jewelrymakingjournal.com/making-3000-sales-or-more-on-etsy/>
- <http://www.slideshare.net/mobile/justinehudak/untitled-presentation-30440212>

YouTube also provides a platform for educational (DIY) videos. Mellisa Lima (a 21 year old Brazilian) gets over £3m per year from advertising revenue associated with her YouTube clips.

Many of the resources to grow online businesses are themselves online. Computing power is for rent from Amazon and crowdfunding sites such as Kickstarter will generate peer to peer finance.

Oh, and by the way, if you don't feel qualified, you can achieve international level qualifications online too, and at any age! In June 2012, Battushig Myanganbayar, then a 15 year old Mongolian student, earned a perfect score in Circuits and Electronics, a freshman class at M.I.T. via a college course filmed and broadcast almost free to anyone with an Internet connection.

## Broadband benefits - the evidence

Superfast broadband is rated at 24Mbps. By 2020, the UK government promises that speeds will reach 100Mbps.

At the end of 2009, 12.8% of the UK workforce (3.7 million people) worked mainly at or from home. This is a 21% increase since 2001. The region with the highest level of homeworking is the South West, at 15.6%. Despite the increasing numbers of companies offering their employees the chance to work from home, around two-thirds of homeworkers are self-employed. This is probably part of the explanation of the difference between regions, with areas that have lower levels of self-employment likely also to have less homeworking (statistics and comment from 'Flexibility.co.uk', the leading provider of news, views and resources about flexible working).

South Korea leads the world in the percentage of homes that are connected to all-fiber networks. 98% of South Korean households have broadband access compared with 70% in the UK (2010). We are 13<sup>th</sup> in the country league table, just ahead of the United States. The average advertised connection speed in the UK is 34Mbps (typical of Mevagissey) and we stand 15<sup>th</sup> in the country league table, still ahead of the US. Average advertised speed in South Korea, Portugal and Norway is c.70Mbps. Speeds in Japan are advertised at 150Mbps but connection costs are high. Median achieved speeds are highest in Korea – twice as fast as anywhere else. Median speeds in Japan are about the equal of the UK. Statistics from the OECD for 2011.

The variation in median to advertised speeds reflects the type of connection. Korea has the highest penetration of fibre (high speed) infrastructure. This is the type of connection rolled out in Mevagissey (2012-13). Although, unlike Korea, most UK homes do not receive fibre direct to their premises.

What the Results Mean for Broadband as Local Economic Development Policy? Is a report from the Public Policy Institute of California 2010.

The findings of this report indicate is a positive relationship between broadband expansion and employment growth (see table below). The relationship is strongest in more technology-reliant industries, and population growth does not appear to be the trigger, which was the most plausible alternative explanation to a causal relationship, because most broadband subscribers are households, not businesses.

Summary of findings	Relationship with broadband	Possible reason
Economic outcome		
Employment	Positive and big	Broadband expansion causes existing businesses to expand or redistributes economic activity toward the area
Working-age population	Positive	People are mobile and

		move to where employment opportunities are _
Employment rate (employed residents / working-age population)	None	Because people are mobile or willing to commute, labor supply grows along with labor demand, and businesses need not pay a large premium for basic technology skills
Average pay per employee	None	
Median household income	Negative	
Telecommuting	None	Home-based work requires faster speeds than the minimum that qualifies as broadband, and many corporate cultures are not well-suited to telecommuting
Bringing work home	None	
Having home-based business	None	

A US report for the Department of Commerce in 2006 stated, 'The results support the view that broadband access does enhance economic growth and performance, and that the assumed economic impacts of broadband are real and measurable' (research from the USA (2012)).



'Online Marketing (online resumé posting) yields an 8 percent chance of success in uncovering the next opportunity. This rate matches those of 2009

"Only 30 percent of small and medium businesses in the UK have bought or sold something online... It's unbelievable that 70 percent of our SMEs [small- and medium enterprises] are not taking part in that digital economy fully. And that must be why our productivity levels and exporting are down."

Martha Lane-Fox, Baroness Soho (co-founder of Lastminute.com), Jul 15, 2015

'Need To Know,' Posted By Jullien Gordon, 8/10/10)

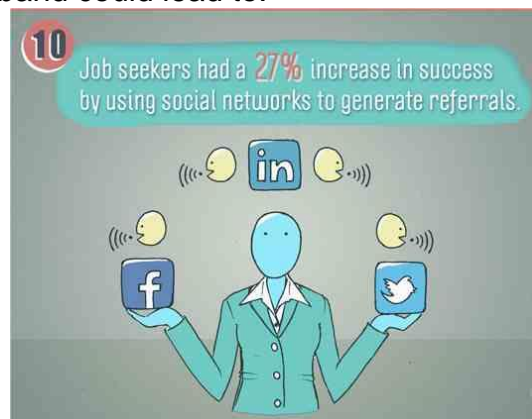
'Nearly one in five (18%) of new jobs were created as a direct result of Broadband Internet.' (Strategic Networks Group, "e-NC and SNG Release Broadband Findings for North Carolina," 10/28/11 <http://www.sngroup.com/e-nc-and-sng-release-broadband-findings-for-north-carolina/>)

**The potential for the UK.**

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Regeneris Consulting reported (2012) on behalf of BT, 'For a typical rural area (or set of rural counties), superfast broadband could lead to:

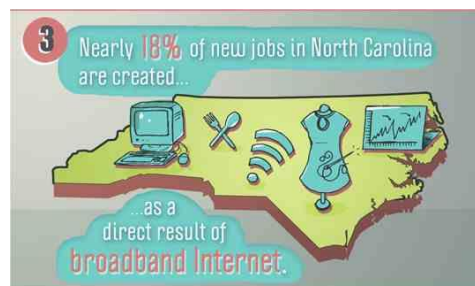
An annual increase in GVA of 0.3% per annum over 15 years. For every £1 a business invests in superfast broadband, this will create nearly £15 in additional GVA for the UK economy 1,470 business start-ups as a result of Cloud Computing and support for 7,780 home workers. Around 1,810 jobs created through business creation and improved business performance'.



Broadband is spreading from WiFi installations into mobile applications with the advent of 4G.

A study of mobile data usage published in 2012 by Deloitte and GSMA, states that, 'A doubling of mobile data use leads to an increase of 0.5 percentage points in GDP per capita growth rates;

countries characterized by a higher level of data usage per 3G connection have seen an increase in their GDP per capita growth of up to 1.4 percentage points;



a 10 per cent rise from 2G to 3G penetration increases GDP per capita growth by 0.15 percentage points'.

## How do communications technologies relate to planning

### issues?

Many burgeoning industries in craft pursuits and in information and communications technologies (ICT) only require small workshops or 'home-offices'.

In trying to satisfy the need for small workshops and dedicated offices, access to both road and Internet traffic are important.

'Superfast broadband' has spread throughout Cornwall but direct access to fibre cable is the key to really effective broadband communication. Domestic consumers receive broadband via copper cable from a local street cabinet which is linked to the local exchange by optical fibre cables (Fibre To The Cabinet). Currently, FTTC services offer download speeds up to 76 Mbps while FTTP (Fibre To The Premises) services offer download speeds up to 330 Mbps<sup>[1]</sup>.

In selecting a suitable site for commercial development (workshops and offices) access to FTTP is important and should be explored in combination with other site selection criteria.

1. <http://www.increasebroadbandspeed.co.uk/what-is-fibre-broadband>