# The Role of Anchor Institutions in Creating Value for SMEs: Insights from North East of England Owner-Managers

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The roles universities are seen to play have changed significantly over the last twenty-five years. The concept of higher education has, and, continues to morph from a distanced, unengaged ivory tower to a highly engaged community-based concept. Yet there is little in the literature about how universities viewed as 'anchor institutions' support organisations. Further, there is an omission of specific detail about the impact of universities on SMEs; they are mentioned but only in broader terms. This empirical study is based on the results of a leadership and business development intervention for fifty UK SMEs. The intervention was facilitated and delivered by a North East University we recognise to be an 'anchor institution'. The study is longitudinal and embeds innovative composite measurement within a value creation framework with a specific focus on identifying how a North East anchored institution creates impact and value for SME owner-managers. Findings include leadership salience to SME owner-managers, increases in SME turnover, and significant gross value added. This study contributes to understanding about what the role of a university, as an anchor institution, is in terms of role, SME impact and value creation, with potential for international application.

Keywords: anchor institution; SMEs; leadership and business development; measurement; impact, value creation

## Introduction

Thatcher et al. (2016) concede that universities play a vital role in facilitating developing businesses, boost the economy and drive regional development as universities' additional mission (Sanchez-Barrioluengo and Benneworth 2019). A flourishing small business sector is central to economic growth in the UK and universities are key facilitators to achieving this vision by acting as anchor institutions (Benneworth and Charles 2007; Cantor, Englot and Higgins 2013; Fonseca 2019). Key stakeholders of an anchored institution typically include businesses (Harris and Holley 2016). Potential interaction with universities tends to be at a local level with small firms usually requiring routine type services and consultancy tailored to the needs of companies. Universities not only provide support to small to medium sized enterprises (SMEs) but can also increase productivity in lagging businesses (Culkin 2016a; Azmat et al. 2018; Fonseca 2019; Sanchez-Barrioluengo and Benneworth 2019). That said, the willingness of SMEs to participate in Higher Education (HE) programs must be borne in mind (Doern 2016) and that facilitators need to know what is really required by business owners (Hughes, Webber, and O'Regan 2019). Nevertheless, the latter conclude that universities have successfully helped SME owner-managers in the UK, and our paper endorses those views. The aim of our paper therefore is to identify what is the role of a university, defined as an anchor institution, in creating value for UK SME owner-managers and the region within they sit.

The remainder of this paper is structured as follows. The first section introduces the 'anchor institution' concept followed by nuanced characteristics of SMEs. It then provides an overview of a value creation intervention: Leading Growth. We then discuss our approach to the study and thereafter a comprehensive discussion of the results is presented. Finally, we draw conclusions and identify implications and limitations of this work and areas of further research.

## The ‘anchor institution’ concept and impact

The roles universities are seen to play have changed significantly over the last 25 years (Uyarra 2010), with the concept of higher education morphing from a distanced, unengaged ivory tower to a highly engaged community-based concept (Birch, Perry and Taylor 2013; Cantor, Englot and Higgins 2013; Hughes and Kitson 2013; College and Conkar 2016; Duke, Osbourne and Wilson 2013) and one where universities are no longer seen as passive urban institutions (Goddard and Tewdwr-Jones 2016) but rather as being ‘anchored’ to, and civically engaged, with their communities. The term ‘anchored institution’ originated out of a study by The Aspen Institution in 2001. Since then the concept of the anchor institution has emerged as a new paradigm for understanding the role that universities could play in building local economies (Taylor and Luter 2013). There is a growing body of anchored institution literature (Sorrentino 2016) with some defining anchor institutions as large locally embedded non-governmental institutions, the presence of which generates or ‘anchor’ wider economic activity within their local (Goddard and Vallance 2013; Goddard and Tewdrw-Jones 2016) or as Duke, Osbourne and Wilson (2013) put it: within their ‘local footprint’, views endorsed by Culkin (2016a) and Harris and Holley (2016). Despite a growing popularity of the ‘anchor institution’ concept, it is still an imprecise concept that needs a more precise definition. There are about forty-one definitions of the concept found in the literature (Sorrentino 2016, 4) and no widely recognised definition of anchor institution in the UK (Smallbone, Kitching and Blackburn 2015, 2; Ehlenz 2018). However, despite a lack of clear definition, there is acknowledgement that anchored institutions have three key roles: research, teaching and providing knowledge-focused services to businesses, which must be regionally and contextually relevant (Rao 2016; Goddard 2018). Further, there has been an explosion of interest in the last decade in the ‘regional’ mission of universities as a specific manifestation of universities’ third mission (Pinheiro, Benneworth and Jones 2012). Universities are increasingly expected to contribute to regional development (Goddard et al, 2016; Dubb and Howard 2016; Benneworth and Fitjar 2019). However, definitions of region are deceptively difficult for understanding what is meant by local and regional development due to an ever changing and contested understanding of what the terms mean (Pike, Rodriquez-Pose and Tomney 2017). Usefully though, Radinger-Peer (2019, 171) defines regional engagement as ‘interactions between the university and its location…’ that generate positive impacts for selected regional stakeholder/the region as such’.

**Anchored institutions and business performance**

Universities act as institutional anchors in business performances (Youtie and Shapira 2008; Doern and Stoney 2009; Hodgson and Sutherland 2018; Sanchez-Barrioluengo and Benneworth 2019). Anchored institutions also provide an environment for business stakeholders to learn within beneficial networks and collaborations facilitated by universities (Culkin 2016a). Culkin advocates universities running developmental programmes for business as they have well organised learning infrastructures essential for delivering practical and theoretical development skills to managers. However, Gordon (2016) criticises universities acting as anchors, in that, without consistent interaction of the business participants, could result in failure of achieving development goals for both the university and entrepreneurs. Success also depends on regional stakeholders and a high degree of legitimacy (Smallbone and Kitching 2019), and whether universities shape their entrepreneurial strategy-making processes to engage their region (Sanchez-Barrioluengo and Benneworth 2019). Many anchor institution engagement strategies have had mixed results, due to risks and challenges associated with limited absorptive capacity of SMEs (Goddard, Kempton and Vallance 2012). This latter factor is relevant to our study, especially for the development of SME owner-managers and restrictions on the richness of learning opportunities available, which are in striking contrast to large organisations (Kempster and Watts 2002). According to Smallbone, Kitching and Blackburn (2015, 6) there is little in the literature as to how anchor institutions support small firms and that in particular there is a ‘potential role anchors might play in supporting small firms to develop their managerial and leadership capabilities’. There exists a wide range of case studies (Goddard et al. 2018) however, these mainly focus on USA institutions for example the University of Pennsylvania (Penn) (Sorrentino 2016); New York (Cantor and Englot 2016) and Ehlenz’s (2018) study examining how twenty-two US universities approach their roles as anchored institutions. There are others that explore and compare universities’ anchored institution roles for example see Trippl, Sanovic and Lawton Smith (2015) for a comparative study of the UK, Sweden and Austria. For UK studies see College and Conkar (2016) who focus on Leeds; Newcastle is studied by Goddard and Tewdrw-Jones (2016) and Goddard (2018), and for an anchored institution case study in Belfast see Gallagher (2016). What we note from these studies is an omission of specific detail about impact on SMEs; they are mentioned, but only in broader terms (Sanchez-Barrioluengo and Benneworth 2019).

Overall, a solid foundation of knowledge has been established on anchor institutions (Azmat et al. 2018) but additional research is required to increase understanding of this concept (Taylor and Luter 2013). This is salient as the UK does not have a broadly accepted definition for anchor institution (Ehlenz 2018). A somewhat fuzzy notion of engagement needs clarity as language surrounding it is fraught, without a clear definition and a mix of terms including civic engagement, lifelong learning and community and indeed third mission and engagement themselves (Duke, Osbourne and Wilson 2013). Further, Uyarra (2010) raises serious concerns about unrealistic expectations of third mission activities and how they balance with a traditional core mission, a view later supported by several theorists (Goddard, Kempton and Vallance

2012; Radinger-Peer 2019; Sanchez-Barrioluengo and Benneworth 2019). Further, third mission activities are difficult to identify and to follow at universities (Vieira, Ferreira and Vidal 2017). By their very nature universities are local (Sorrentino 2016), hence calls for a more nuanced understanding of context-specific support mechanisms that allow university engagement that strengthens regional development (Salomaa 2019). What is significant for our study, though, is education plays a significant role in a university-community connecting process (Harris and Holley 2016; Rao 2016), and 'will continue to do so' (Goddard 2018, 19).

**Characterising and contextualising SME owner-managers and some unique challenges**

A flourishing small business sector is central to economic growth in the UK and universities are key facilitators to achieving this vision by acting as anchor institutions (Cantor, Englot and Higgins 2013; Taylor 2018; Fonseca 2019). However, poor management and leadership skills are constraints to business growth (Nesta 2011; TWF 2011). Several reports, such as the Lambert Review (2003), highlight the need for tighter links between universities and businesses and that universities, as anchored institutions, should support micro and small businesses (MSBs) (Goddard, Kempton and Vallance 2012; Culkin 2016b). A problem here is that the significance and importance of leadership in large organisations is asymmetric to owner-managers. In large organisations career success for a manager is judged against the degree to which they are seen to be a leader, in contrast, SME owner-managers have very different career aspiration and do not identify themselves as a "leader" (Dalakoura 2010). Significant organizational resources are invested in employee training each year (Schindler and Burkholder 2016) yet research into leadership development has identified that the efficacy of formal leadership development activities, exceeding in excess of £50 Billion per annum (James and Burgoyne 2001), is very weak, particularly for SMEs. This despite several theorists arguing that leadership development not only provides return on investment by positively impacting on business performance but also better prepares leaders to meet future challenges, contributes to success' helps with sustainability and reduces a sense of isolation (Smith and Peters 2006; Jones et al. 2007; Dalakoura 2010; Gold, Thorpe and Mumford 2010). The problem is though, is that, historically, SMEs do not engage with HEIs because such interactions are considered irrelevant, they are not provided with information about benefits of interacting with HE or how to go about it and interactions are seen to be time consuming (Hughes and Kitson 2013). Thus, any skills development processes for owner-managers must be plausible and relatable to a business as the owner-manager is typically *the* business and the business reflects the owner-manager. These factors are key indicators and key challenges to be considered for universities undertaking an anchor institution role.

**Leading Growth**

Leading Growth grew out of LEAD, a well established leadership programme delivered by anchored institutions in the UK which had worked with over 3,000 SMEs over a 10 year period (see Smith and Peters, 2006). Leading Growth is facilitated and delivered by a North East University we recognise to be an 'anchor institution' as defined by Smallbone, Kitching and Blackburn (2015) and for the purposes of this paper is identified as a North East Anchor Institution (NEAI). We were particularly keen to show how the NEAI aimed to be responsive to the North East regional economic development agenda through developing leadership and business skills and how value and impact is created for SME owner-managers. Further, 'Effective leadership and management are key to the development of competitive businesses' (DfES 2003, Chapt.2, 2.14) likewise, there is a need to take action to address regional management capability (FRESA 2002). Thus, the aim of Leading Growth is to provide business development education in a way that can be applied back in the owner-managers' practices of leading and developing their businesses.

## Methodology

Given that university engagement and generating impact seems to be an increasingly urgent pressure, we are missing opportunities of telling a typical story of university engagement and impact (Duke, Osbourne and Wilson 2013; Aranguren et al. 2016; Sanchez-Barrioluengo and Benneworth 2019). It is timely to tell these stories as questions are being asked about the contribution that universities make to the public good, and, what are they good for and good at i.e. how do they actively contribute to the developments of *their* area? (Goddard 2018). So too have few studies explored how HE institutions' strategies meet stakeholders' priorities (De la Torre, Rossi and Sagarra 2019). Further, Uyarra (2010) questioned whether a sufficient evidence base exists in relation to the impact of universities with most studies perpetuating a numeric metrics only approach to evaluating impact (Guerrero, Cunningham and Urbano 2015). What is also clear is that there is no one-size-fits-all for measuring university engagement. The complexities of developing a national standard for measuring impact are complicated by the fact that each anchor develops strategies colloquial to their local communities (Sorrentino 2016). Mismatching geographic context is also a limitation in measuring development (Pike, Rodriquez-Pose and Tomney 2017). For example, a regional development index (RDI) and gender-sensitive development index (GRDI) discussed in Pike, Rodriquez-Pose and Tomney's (2017) paper highlights that: 'it is counter-intuitive to place the North East of England at the top of any development ranking because of its high unemployment…and problems of low productivity' (50). Sanchez-Barrioluengo and Benneworth (2019) employed two quantitative techniques in their study: a factor analysis and temporal graphs. They also acknowledged several limitations of metrics methods including a limited understanding of educational impact and data limitations of the Higher Education-Business and Community Interaction Survey (HEBCI). Criticisms of the HEBCI are also offered by Rossi and Rosli (2015) who call for more composite ways to measure knowledge transfer performance and impact including indicators that capture qualitative aspects (Harris and Holley 2016).

The study was conducted longitudinally over a period of two years between 2014 and 2016. Initial data was collected via a baseline questionnaire thereafter, midway data was gathered from all participating SME owner-managers via reflective statements. Post Leading Growth data collection concluded with in depth telephone interviews undertaken with 36 of the SME owner-managers, a response rate of seventy-two percent. Our study required a mixed methods research (MMR) as its central premise because the use of quantitative and qualitative approaches in combination provide ‘a better understanding of research problems than either approach alone’ (Creswell 2006, 5). It also facilitated the collection of a wide range of evidence over time and answer questions that quantitative or qualitative methods alone cannot answer (Creswell, Plano and Clark 2011; Wenger-Trayner and Wenger-Trayner 2017; Sanchez-Barrioluengo and Benneworth 2019). Engaging with MMR enabled us to view phenomena from different viewpoints and through diverse research lenses (Ivankova and Wingo 2018) including pre/during/post Leading Growth participation interviews to allow freedom of expression (Merriam and Tisdell 2015) and integrating quantitative and qualitative data sets and explicitly interrelating them to reach justifiable conclusions (Plano, Clark and Ivankova 2016) . We acknowledge that MMR is new, and for some may not sit comfortably with some views and paradigmatic assumptions, however it is increasingly popular and gaining legitimacy (Archibald et al. 2015).

In this study a Leading Growth programme was delivered to three cohorts with a total of 50 owner-managers completing the programme from SMEs in North East of England. We used the European Commission’s (EC/DTT’s) definition of SMEs: a firm employing less than 250 people with a small organisation having a maximum of 50 people. We also included a definition of less than 20 people as a ‘micro company’. All SMEs in Leading Growth had fewer than 250 employees. The largest number of employees was 129 and the largest proportion of businesses are micro-companies with less than 10 employees. 32% of the businesses are small with fewer than 50 employees. Individual participants from SMEs had to be the owner-manager or have a significant stake in the company and be responsible for decision making. The smallest proportion of individuals who engaged with Leading Growth are female, with 38 of the 50 being male. Typically, individuals are aged between 26 and 50, and none are aged 25 or under. Table 1 shows Leading Growth SMEs' main business activity.

**Table 1** Leading Growth SMEs main business activity about here please

The majority (70%) of the SMEs operate within three main sectors: professional, scientific and technical; information and communications and manufacturing. Many previous studies examined manufacturing firms (for example see Karaev, Lenny and Szamosi [2007]; Ghobadien and O'Regan [2006,10]). This study includes SMEs beyond the manufacturing sector thus the choice of our sample broadens the scope of previous studies; as well as, timely investigation of more recently developed and strategic sectors in North East of England (LEP 2019). The analysis is based on data provided through the life of the evaluation by all LG participants. Data collection received ethical agreement and approval and all interviews were fully transcribed. In this study participants were coded using the initial of their familiar name, details are provided in Table 2.

**Table 2.** Participant Coding. Gender and Sector Information about here please

## Analytical framework

When selecting an analytical framework, we were ever mindful of the role of a NEAI and how that role creates value and impact for SMEs. Yet, communicating value creation is not simply a question of merging financial and non-financial information. By itself one indicator is merely suggestive, and one story is anecdotal (Creswell 2006; Creswell, Plano and Clark 2011; Wenger-Trayner and Wenger-Trayner 2017; Sanchez-Barrioluengo and Benneworth 2019), but the cumulative and combined effect of a set of indicators with a collection of corroborating stories starts to provide robust evidence (Wenger, Trayner and De Laat 2011; Sanchez-Barrioluengo and Benneworth 2019). Therefore, evidence is created from a wide range of factors relating to each other (Benedikt and Oden 2011; Elkington and Beloe 2007; IIRC 2013). For the purposes of our paper we broadly define value creation as ‘interventions that bring about improvements that impact and create value for organisations’. Our value creation process is supported by Wenger, Trayner and De Laat’s (2011) five cycle framework as it fits well with our MMR design. The five cycles are: **Cycle 1.** *Immediate value;* **Cycle 2.** *Potential value;* **Cycle 3.** *Applied value;* **Cycle 4.** *Realized value and* **Cycle 5.** *Reframing value.* These cycles are important for our study as they produce a clear and succinct story about the strategic role the NEAI plays in facilitating value creation for businesses and regional development. The disadvantages are that there is a danger of generalizations and losing voices within the melee of aggregated themes. To counteract these concerns, we provide illustrative examples through direct quotes from Leading Growth participants.

## Analysis and Results

***Cycle 1. Immediate value:*** the activities and interactions between members have value in and of themselves; however, can also reveal the usefulness of activities whose immediate value was not apparent at the time. Stories captured from early activities demonstrate that owner-managers were able to relate to and with others through sharing common issues faced as entrepreneurs in the North East, and how they could be solved. Thus, from the outset of LG several SMEs were able to realise that they faced the same challenges wherever they operate. One owner-manager commented that ‘LG helped me appreciate that the challenges and issues I face are not unique to me but are in fact common with many other businesses in different sectors’ (C), a view held by several owner-managers across all cohorts.

***Cycle 2. Potential value:*** here we see that activities and interactions of cycle 1 may not be realized immediately. Several delegates were initially concerned about talking openly about their problems, however this concern dissipated during a residential event at the outset of LG where according to one participant ‘it was clearly set out how the programme was going to be delivered and the importance of confidentiality etc’ (R). Another commented that

> ‘…the opportunity to directly discuss issues in a confidential environment and address them relieves the pressure whilst also presenting a different perspective from business leaders you’ve established a respect for’ (S).

Other delegates reported that participation in the LG community has reawakened their sense of professional identity and their place within their company with comments such as ‘happier to consider myself a leader – not where I want to be yet, but much clearer in my role and that I present myself as the leader rather than one of the team/group’ (C) or, for example, ‘being able to define their company role and distribute what is not theirs’ i.e. delegate to others (M). We asked the owner-managers about potential value from LG for their businesses’ turnover from enrolment and up to two years following of from the programme. Most owner-managers, at ninety-four percent, anticipated a higher turnover attributable to LG. In terms of overcoming obstacles several participants acknowledged that not only were they better able to address barriers that they were already aware of but that they were also able to see those they were previously unaware of: ‘The programme identifies barriers that I was not aware of and helped me address these accordingly’ (R).

***Cycle 3. Applied value:*** knowledge capital may or may not be put into use. Owner-managers were able to leverage value through knowledge gained from peer to peer relationships and a strong programme community and network. Likewise, owners-managers gained in confidence so much so that they were able to tackle complex organisational practices such as refocussing on important issues and restructuring. Of note is that all reported a heightened sense of awareness of how to adjust their behaviour as business leaders and how to manage *their* business. Several delegates are more able to think strategically and get others to buy into their vision. One owner-manager was able to refocus on ‘the long-term business plan as opposed to been drawn into the here and now’ stating that ‘this has given the company direction, drive and discipline…’ (L). Participants gained a heightened awareness of the needs of others, how to plan accordingly and be more ‘situationally aware’. Others are more able to address a common issue of business owners not being able to ‘let go’:

> ‘I found the greatest personal growth with understanding how others perceive and communicate (or don’t) with me. This has really helped develop the delegation, decision making through others...’ (S).
>
> ‘Better able to define what we want to do…and seems easier to communicate this to people …firmer at decision making, happier to say no to people’ (M).

***Cycle 4. Realized value:*** Twenty-six (26) businesses experienced a turnover growth of total gross value at an extra turnover approximation of £4.1 million. This equates to a mean average of approximately £114,400 gross turnover per survey respondent (including those that did not report an increase in turnover). Considering no increases in turnover as well as the increases, the gross turnover effect is an increase of £3.5 million. If similar figures were reported for the remaining businesses supported by Leading Growth, then the total gross turnover effect would be £4.86 million. Twelve of the 25 businesses felt that in the region of 10% of the growth could be attributed to Leading Growth. Four felt a larger proportion of their growth (between 40% and 60%) could be attributed to Leading Growth. On average, across all businesses, 20% of the growth in turnover was attributed to the effects of the Leading Growth. Survey respondents reported a total growth in turnover of approximately £4.1million (gross) since participating in Leading Growth, equivalent to approximately £114,400 per survey respondent, a total growth in turnover of £5.72 million gross across all respondents. This can be converted to GVA using an average GVA: Turnover ratio for all sectors in the North East, which is approximately 32%. The total gross turnover created therefore equates to approximately £1.82 million gross GVA created to date. Another key aim of Leading Growth was to create at least fifteen jobs in general and five jobs in disadvantaged areas. The Programme exceeded the jobs created targets, creating 17 jobs (against a target of 15) and 11 jobs in disadvantaged areas (against a target of 5).

***Cycle 5: Reframing value:*** this happens when learning causes a reconsideration of how success is defined.

One participant’s leadership development happened to an extent where he was confident in his abilities to address a strategic leadership issue concerned with restructuring his organisation:

> The course has helped to guide and input into various areas of development that have been taking place over the last year within the business –in particular this includes: restructuring the organisation, the setting up of a new business unit, developing a 5 year strategy / clear vision, and managing the change to employee ownership, to name but a few. (M)

When asked about how they have reframed their leadership behaviour participants responded with how much more aware they are of how they impact people and how to motivate them. Awareness of style and the impact of building internal networks is seen as a positive return on investment:

> 'I have become much more aware of the impact of dealing with people and the ways in which leaders can motivate / take people with them'. (J1)

> '…built a peer network of managers of who I now invest my time and expertise into. They in turn do the same for the teams they lead'. (R)

> 'The course has helped open my mind to review current and future practices within the workplace with regards leadership'. (J2)

**Discussion and Conclusions**

The aim of our paper is to identify what is the role of a NEAI in creating impact and value for UK SME owner-managers and the region within they sit. Wenger, Traynor and De Laat's (2011) value creation framework was identified as significant in our endeavours of defining and providing compelling stories of impact and value creation. In doing this we respond in several ways to calls in the literature to address how anchor institutions support small businesses (Culkin 2016 a & b; Smallbone, Kitching and Blackburn 2015). We identified value creation from a wide range of factors, how they relate to each other and the part they play in the role of an NEAI (Elkington and Beloe 2007; IIRC 2013; Sanchez-Barrioluengo and Benneworth 2019). In terms of creating value for SME owner-managers, in cycle 1 the NEAI provided immediate gains by providing a strategic and safe environment for business stakeholders to learn within beneficial networks and collaborations (Culkin 2016a; Sharifi, Lui and Ismail 2014; Thatcher et al. 2016). We conclude from Cycles 2 and 3 that leadership and business development not only provides return on investment by positively impacting on business performance but also better prepares leaders to meet future challenges, contributes to success and helps with sustainability (Tamkin et al. 2008; Preece and Iles 2009; Dalakoura 2010; Gold, Thorpe and Mumford 2010; McCauley-Smith et al. 2014). In Cycle 4 we see owner-managers are able to identity leadership most salient to them and identify themselves as a "leader" (Dalakoura 2010) which in turn leads to reframing values in cycle 5 where we found that owner-managers were able to reframe their models and structures in use. Cycle 5 Independent evaluation of the Leading Growth programme (Graham 2015; Graham and MacLeod 2016) highlighted that the participants did develop their leadership capabilities and identified with being leaders (as opposed to managers or someone 'running' a business). Furthermore, this study strengthens the efficacy of formal development activities for SMEs (James and Burgoyne 2001; Schindler and Burkholder 2016) and that leadership development also better prepares leaders to meet future challenges. This study provides compelling evidence that the NEAI leadership development of owner-managers has a direct positive impact on company performance and growth, contributes to success and helps with sustainability (Tamkin et al. 2008; Dalakoura 2010; Gold, Thorpe and Mumford 2010; Goddard, Kempton and Vallance 2012; Culkin 2016b). With regards to creating value for companies, in Cycle 2: Potential value; this study supports views provided by Heimeriks and Boschma (2014) and Teirlinck and Spithoven (2019) whereby universities are defined as institution anchors due to the way they can act as value creation conduits to provide information to SMEs to take forward for value creation. We provide compelling evidence that the case study NEAI plays a vital role in knowledge transfer to owner-managers to create tangible and intangible value for their companies (Culkin 2016b). In creating regional value, economic impact was also reported about GVA, an important measure of an economy's wealth. The total gross turnover created equates to approximately £1.82 million gross GVA created by early 2016 (Graham 2015; Graham and MacLeod 2016).This is a significant role that illustrates the strategic importance for any business operating within a competitive environment to ally with universities for HE return on investment (BIS, 2011; Thatcher et al. 2016). Cycle 4 provides the most compelling evidence of the role of the NEAI in creating value. Here we support Huseby and Chou's (2003) view that it is paramount for businesses to maximise profits through utilising resources available as an effective managerial approach. To facilitate this, universities have the best environment to facilitate planning collaborative projects between universities and businesses. However, it be done based on a premise of knowing what required by SME owner-managers coupled with being plausible and relatable to their businesses.

Powell (2012) draws attention to universities working with SMEs is a Cinderella area in higher education research. This study goes some way to moderating this 'Cinderella' factor by recounting how a NEAI supported small firms in the North East region and the consequences of that support in terms of impact and value creation for SMEs (Salomaa 2019). We conclude that the role of the NEAI in this study is two-fold: firstly, it has a significant role to play in developing leadership and management to positively impact business performance (Goddard 2018) coupled with being context relevant, plausible and delivered in a safe environment for SME owner-managers (Hughes and Kitson 2013; Culkin 2016a; Sharifi, Lui and Ismail 2014; Thatcher et al. 2016). Secondly, it acts as a knowledge transfer and acquisition broker by facilitating ways to improve, sustain and future proof businesses (Smallbone, Kitching and Blackburn 2015; Smallbone and Kitching 2019). These SME safety, brokerage and future proofing factors are key components to be considered by universities undertaking an anchor institution role (Smith and Peters 2006; McCauley-Smith et al. 2014). We acknowledge that our study is limited to the North East region however, it is our view that the findings develop knowledge and understanding about the role(s) of a university as an anchor institution and that education plays a significant role in a university-community connecting process (Harris and Holley 2016; Rao 2016; Goddard 2018).

## Future research

This research has provided important insights into the role of universities as anchored institutions and provides opportunities for further research that should focus on composite measurement rather than metrics in isolation (Duke, Osbourne and Wilson 2013; Aranguren et al. 2016; Harris and Holley 2016; Sanchez-Barrioluengo and Benneworth 2019). By focussing on a composite methodology that brings together wide ranges of data, a richer and more complex picture of how impact and value is created by anchored institutions for their local business community, and region within which they sit, can be created as called for by Sanchez-Barrioluengo, Uyarra and Kitagawa (2019). We also encourage others to pursue further clarity in defining the role of a university as an engaged, anchored institution (Goddard, 2018), particular in terms of how they relate to, support and impact small and micro businesses (Smallbone, Kitching and Blackburn 2015; Smallbone and Kitching 2019), endeavours about which we have made some inroads here.

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**Table 1** Leading Growth SMEs main business activity

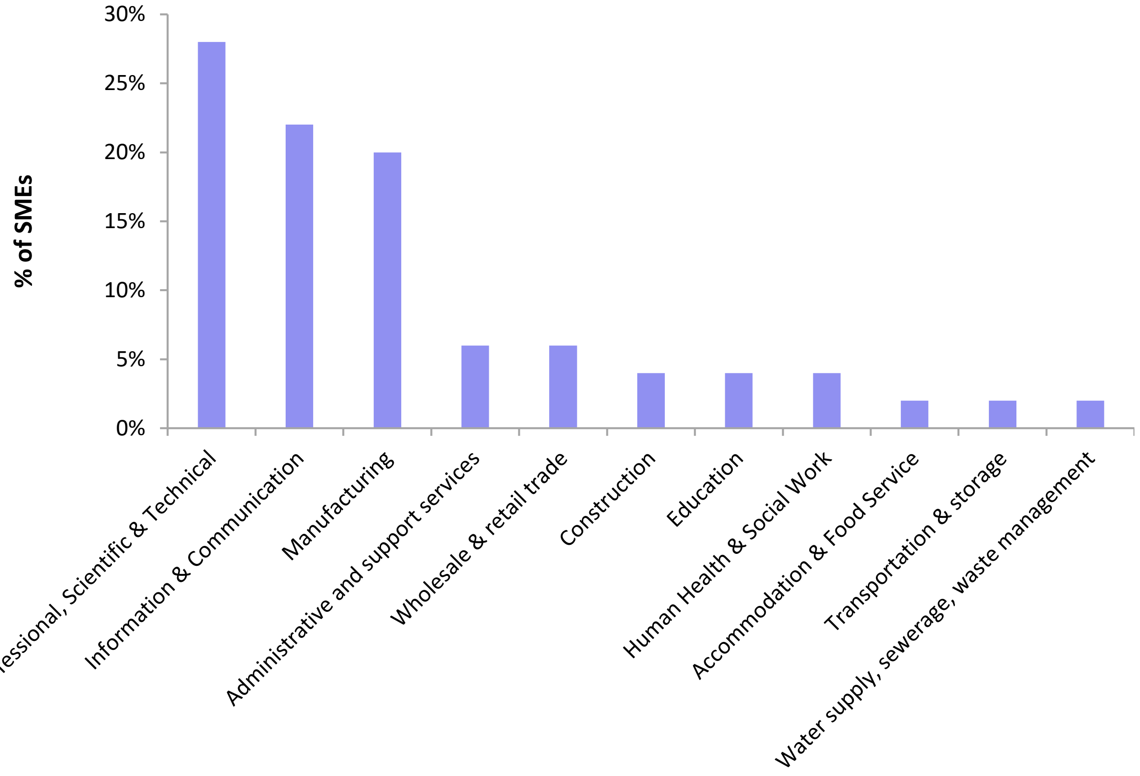


**Table 2.** Participant Coding. Gender and Sector Information

| **Code** | **M/F** | **Business sector** |
|---|---|---|
| C | Male | Digital information and communications |
| R | Male | Education information and communications |
| S | Male | Head hunter administration and support |
| M | Male | Construction |
| J1 | Female | Energy efficiency |
| J2 | Female | Scientific and technical activites |