

Final Evaluation of the High Growth East Midlands Programme

A report prepared for *emda*

GHK Consulting

4th May 2010

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Final Evaluation of the High Growth East Midlands Programme

emda

A report submitted by GHK

Date: 4th May 2010

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EXECUTIVE SUMMARY

This Assignment

GHK Consulting was commissioned by *emda* in December 2008 to undertake an evaluation of the High Growth East Midlands programme.

This two phased evaluation comprises:

- An interim evaluation covering the period April 2008 to May 2009; and,
- A final evaluation covering the entire programming period i.e. April 2008 to March 2010.

This is the final evaluation report of the High Growth East Midlands programme. The overall objective of the evaluation, as per the Terms of Reference, was to measure the effectiveness of the HGEM programme as a means to stimulate business growth and to assess the need for future high growth business support. This final evaluation was essentially summative in nature with a focus on assessing the overall impact of the present programme; although it also examined delivery in the second year of operation of the programme.

Following on from the interim evaluation conducted in May 2009, the empirical work for this final evaluation study (January-March 2010) included five online surveys of programme beneficiaries and stakeholder consultations. The empirical work was supplemented by an in-depth review and analysis of programme documentation and monitoring data.

The High Growth East Midlands Programme

The High Growth East Midlands programme was launched in 2008 following the successful delivery of a High Growth pilot in 2006. The programme provided an extensive package of tailored support designed to meet the unique needs of fast-growing companies including the provision of a dedicated business coach. Different levels and intensity of business support was offered to companies that had an established track record of growth (referred to as High Growth/HG programme) versus those that had the potential to grow (referred to as Growth Readiness/GR programme). The programme also incorporated an element of capability-building support (branded as Growth Enabler programme) for professional business advisors and coaches, aimed at developing their skills and expertise in working with growing businesses.

The £3.6 million programme was jointly funded by *emda* and four of the region's seven Strategic Sub-Regional Partnerships (SSPs). Overall management of the High Growth East Midlands programme rests with *emda*'s Business Support Team while responsibility for actual delivery of the programme was apportioned between three external organisations appointed through an open tendering process. These are:

- **AEA Technology plc** – responsible for recruitment of companies, regional promotion, networking events and awards programme.
- **Pera Innovation Limited** – responsible for the delivery of business support through their pool of growth coaches, the associated master-classes and training.
- **Exponential Training and Assessment Limited (aka CfeX)** – responsible for the delivery of continual professional development to business support advisors and coaches.

Performance

The programme was initially set-up with a planned expenditure of £3.8 million. However, RDA budget cuts led to a reduction in the resources available for the programme during the years 2009 and 2010. This led to a 3 per cent reduction in the overall programme budget, from £3.8 million to £3.67 million. In August 2009, it was also decided that surplus Growth Funds (the funds contributed by businesses, but not utilised by them) amounting to £62,185 would be used to support five additional businesses on the Growth Readiness Programme.

Overall programme targets for recruitment were exceeded under the Growth Readiness strand and the Growth Enabler strand. The High Growth programme did not meet its overall target (93 per cent achievement). The 2008 recruitment targets for Growth Readiness and High Growth were not achieved. However, in 2009, a concerted effort was made by *emda* and AEA to tackle the barriers to recruitment. Specifically, the following factors contributed to a successful recruitment exercise in 2009; greater partnership working and coordination between the delivery agents and regional partners, shift in business attitudes, flexibility on part of *emda* and more effective marketing by AEA.

Key outputs delivered by the programme include:

- Delivery of intensive coaching and business support to 51 High Growth companies and 118 Growth Readiness companies;
- Coaching and development of 427 senior executives in 169 companies;
- To date, 938 jobs have been created or safeguarded in participating companies;
- Delivery of two awards ceremonies and nine networking events; Post event feedback suggests that the events were well-received by participants;
- Delivery of Continuing Professional Development (CPD) to 97 business support professionals; of these, around 70 to 75 coaches are expected to achieve national accreditation standards.

Design and Delivery

The analysis of the online surveys with the businesses indicated that their involvement in the High Growth East Midlands programme has been beneficial, and has generated potentially important economic impacts. Broadly speaking, the beneficiaries are satisfied with the design and delivery of the programme, although businesses have offered suggestions for improvement.

Key findings from the beneficiary surveys are as follows:

- The vast majority (77 per cent) of the respondents applied for the programme because they recognised a need for external support to help achieve business growth;
- Over 90 per cent of the respondents cited 'revenue expansion' and 'improvement to organisational structure and systems' as 'important' or 'very important' business goals;
- Survey results suggest that HG companies place greater emphasis on 'improving innovation performance' and 'entering / diversifying into new markets' and 'reducing operating costs' as compared to GR companies. The latter group places relatively more emphasis on enhancing share in existing market(s);
- It appears that overall, GR participants were less satisfied with the programme as compared to HG participants. The differences in intensity of support offered could have played a part in this;
- Almost all participants were satisfied with their coach. Majority of the respondents were either 'satisfied' or 'very satisfied' with the design and delivery of the Growth Enabler programme;

- A vast majority of the High Growth and Growth Readiness companies have been signposted to other *emda* programmes to obtain specialist support (e.g. finance, R&D and internationalisation support) for tackling specific issues identified through the HGEM programme.

Benefits of the Programme

The programme has led to changes in skills, attitudes, behaviour and/ or competence of beneficiaries. The more tangible results arising from the programme are growth in revenue, creation of new business opportunities, increased competitiveness and improved innovation performance of beneficiaries. The Growth Enabler programme has contributed to increased capacity and competence of business support professionals/ coaches operating in the East Midlands region.

Specifically, programme beneficiaries have reported the following benefits:

- Participation in the programme has helped companies mitigate the impact of the recession. One in two respondents reported growth in top line revenue as a result of participation; while others were able to sustain growth or limit the fall in revenue as a result of participating in the programme;
- A majority of the participating companies have enhanced the quality or reliability of their goods or services; and are reporting improved productivity of employees – attributing both these benefits to the programme;
- Examples of resulting behavioural change include working with a wider range of clients and colleagues, using a greater range and variety of coaching tools and offering clients a wider range of options as well as having a clearer focus on the coaching side of the business and more clarity in defining it;
- All but one participant of the Growth Enabler programme expect the benefits to last more than a year.

Impact and Value for Money

The net additional GVA impact resulting from the programme is calculated to be £5.4 million given the datasets available. However, this figure significantly under-estimates the net economic impact of the programme. For simplicity, the reported average GVA growth per company has been extrapolated in order to obtain the order of magnitude of potential annual GVA impact of the programme. This is estimated to be £17.56 million; but does not include GVA safeguarded by companies not demonstrating growth.

It is important to note that these benefits were realised during the worse economic recession in history and that the full scale of the GVA impact of the programme is not known

As regards value for money for the tax payer, an average of £4.80 is expected to be put back into the regional economy for every £1 invested by *emda*. A significant proportion of businesses think that the programme offers poor value for money (48 per cent); although Growth Enabler beneficiaries hold a more favourable perception in this regard. However, there is an important caveat in that the low survey response rates do not provide the basis for drawing generalisations and therefore these results should be interpreted with caution especially in light of the positive views expressed by respondents as regards the benefits of the programme.

There is some evidence of SAV being generated by the project in form of increased innovation activity and investment, greater coordination and partnership working among regional stakeholders and increased profile of the region.

Lessons Learned and Considerations for the Future

The experience with the present programme highlights the importance of following factors that contribute to successful programme delivery:

- A recognition that a programme operates in a dynamic, not static context; and the need to proactively respond to changes in the programming environment;
- There are efficiencies and synergies to be realised from improved coordination, communication and partnership working;
- The delivery arrangements need to be carefully thought through in advance;
- Monitoring and evaluation systems should be designed taking into account the requirements of the RDA Impact Evaluation Framework. Specifically, *emda* should explore the possibility of using online self –evaluation questionnaires that can be completed by beneficiaries; and the use of Regional Business Support Information System (RBSIS) for collecting data on beneficiary outcomes.

Additionally, business feedback highlights the following issues for *emda* to consider in case of a successor programme:

- Offering a comprehensive package of support that strikes the right balance between tailored coaching and other activities such as taught courses and networking events;
- Better use of new technologies and online applications (such as facebook, linked-in) to create an alumni network, provide follow-up support and to collect monitoring and evaluation data;
- Re-assessing the relevance and usefulness of the Growth Fund;
- Addressing the financing needs of growing companies;
- Setting up the monitoring and evaluation requirements in a way that balances *emda*'s requirements with compliance costs to participating businesses.

1 INTRODUCTION

In December 2008, the East Midlands Development Agency (*emda*) commissioned GHK Consulting to undertake an independent evaluation of its flagship business support programme, the High Growth East Midlands (HGEM) programme.

This two phased evaluation comprises:

- An *interim* evaluation covering the period April 2008 to May 2009; and
- A *final* evaluation covering the entire programming period i.e. April 2008 to March 2010.

The interim evaluation was carried out over the period February 2009 to June 2009; the interim evaluation report was submitted to *emda* on 28th July 2009. The interim evaluation had both a summative and a formative element; and it formed part of the evidence base informing *emda's* investment in a successor programme (to be launched in April 2010).

The final evaluation – conducted in January/ February 2010 - was essentially summative in nature, focussing mainly on assessing the overall impact of the present programme; although, it also examined delivery in the second year of operation of the programme. This Report presents the findings and conclusions of the final evaluation of the HGEM programme.

1.1 Background and Context

The HGEM programme was launched in April 2008, building upon the successful delivery of a High Growth pilot in 2006¹. The overall aims of the HGEM programme were to:

- Increase the number of businesses within the East Midlands with the ambition, ability and opportunity to achieve high rates of growth, by enabling an increasing number to convert their growth potential into actual growth, thereby contributing to regional growth and making a significant contribution to increases in the region's Gross Value Added (GVA); and,
- Provide a range of best-in-class support services which enable businesses to achieve their growth potential.

The programme comprised three strands of activity or sub-programmes:

- **High Growth programme:** a twelve-month package of intensive support tailored to the needs of high growth businesses. This programme was targeted to companies with an established track record of growth (i.e. annual turnover in the range of £1 million to £20 million).
- **Growth Readiness programme:** a six-month package of support designed to accelerate the growth of companies that had the potential to grow but had not yet realised actual growth; and were in turnover band of £200,000 and £10 million per annum².

¹ The results of the pilot showed that the majority of the 20 companies that participated in the pilot benefited from a 25 per cent increase in turnover and a total of 387 jobs were created

² On 1st January 2009, *emda* launched the **Growth Readiness Enhancement programme** to provide enhanced support to all participants of the existing Growth Readiness programme. This programme is co-financed by the ERDF programme (£641,960) and will support Growth Readiness companies with the effective implementation of their Growth Plans. This programme is not included within the scope of this evaluation.

- **Growth Enabler programme (also known as High Growth Coach Professional Development programme):** this programme provided Continuing Professional Development (CPD) to business support professionals who were engaged in coaching or were working with actual or potential high growth companies. The purpose of this programme was to develop the knowledge, skills and practice of business support professionals active in the region.

Table 1.1 summarises the core offering of each of the three components of the HGEM programme.

Table 1.1 Core Offering of the Individual Components of the HGEM Programme

High Growth	Growth Readiness	Growth Enabler
<ul style="list-style-type: none"> ▪ Diagnostic session ▪ 20 days of one-to-one coaching ▪ 3 day residential master class at Nottingham University Business School ▪ 'Changing gear for growth' course ▪ Other bespoke support (accessed via Growth Fund) ▪ Networking events ▪ Awards ceremony 	<ul style="list-style-type: none"> ▪ Diagnostic session ▪ 5 days of one-to-one coaching ▪ 'Unlocking your Potential' course ▪ Other bespoke support (accessed via Growth Fund) ▪ Networking events ▪ Awards ceremony 	<ul style="list-style-type: none"> ▪ 360^o assessment and feedback reports ▪ On-line learning modules ▪ High Growth coach tools and techniques ▪ Podcasts and webinars ▪ Personal coaching and assessment ▪ 3 day residential course ▪ Follow-up support

The £3.67 million programme was jointly funded by *emda* and four of the region's seven Strategic Sub-Regional Partnerships (SSPs)³. Overall management of the HGEM programme rested with *emda*'s Business Support Team while responsibility for actual delivery of the programme was apportioned between three external organisations appointed through an open tendering process. These were:

- **AEA Technology plc** – responsible for recruitment of companies, regional promotion, networking events and awards programme.
- **Pera Innovation Limited** – responsible for the delivery of business support through their pool of growth coaches, the associated master-classes and training.
- **Exponential Training and Assessment Limited** (also known as CfeX) – responsible for the delivery of continual professional development to business support advisors and coaches.

³ These are: Alliance SSP (£140,000); Greater Nottingham Partnership (£134,400); The Derby & Derbyshire Economic Partnership (£44,800); and, Leicester Shire Economic Partnership (£300,000). LSEP and ASSP no longer exist in their current formats as of 1 April 2009 as a result of the Sub National Review (SNR) process.

1.2 Objectives and Scope of the Final Evaluation

The overall objective of the evaluation, as per the Terms of Reference, was *'to measure the effectiveness of the HGEM programme as a means to stimulate business growth and to assess the need for future high growth business support'*.

Alongside this objective, the Terms of Reference specified the following issues for the evaluation to address:

- The scheme offering;
- Delivery process;
- Value for money; and
- Future of the scheme.

Under each of these issues, a series of evaluation questions were set-out. Table 1.2 overleaf, lists the evaluation questions that were addressed within the scope of the interim and the final evaluation.

Table 1.2 Evaluation Issues and Questions

Evaluation Issue/ Question	Interim Evaluation	Final Evaluation
Evaluation Issue: The Scheme Offering		
The effectiveness and attractiveness of the programme in relation to its objectives	✓	✓
The need for a subsidised programme of this scope and content in the East Midlands region	✓	
The relevance of the scheme to different sizes, types and sectors of business	✓	
The relevance of the scheme to businesses at different stages of their development	✓	
The impact of the annual awards in raising the programmes profile		✓
The impact and effectiveness of the high growth coaching programme delivered by Exponential	✓	✓
The attractiveness to SMEs of combining the delivery of these three elements in to one programme	✓	
Evaluation Issue: Delivery Process		
The delivery model, with delivery split across three different organisations	✓	
The interface between these organisations	✓	
Design, structure, management and implementation of the scheme	✓	
Benchmarking of the scheme against best practice / similar models elsewhere	✓	
Accessibility and inclusiveness of the scheme: regional take up of the scheme / take up by hard to reach and disadvantaged groups	✓	
Evaluation Issue: Value for money		
Awareness of the scheme amongst relevant bodies, including regional SMEs, Business Link and Intermediaries	✓	
Benefits of the scheme	✓	✓
Improvements to businesses assisted attributable to project interventions (both qualitative and quantitative measures)	✓	✓
Unexpected effects and / or impacts of the scheme	✓	✓

Evaluation Issue/ Question	Interim Evaluation	Final Evaluation
Factors contributing to success / failure	✓	✓
Comparisons with businesses that have not participated in the scheme but did apply initially for support	✓	
Benefits and value added of the coaching programme delivered by Exponential	✓	✓
Net economic impacts of <i>emda's</i> intervention	✓	✓
Evaluation Issue: Future of the Scheme		
Is there an on-going demand for the scheme?	✓	
Are there any demand gaps which modification of the scheme could address?	✓	
Implications of Business Support Simplification on the future provision of scheme.	✓	

1.3 Method of Approach

The following research methods were used to address the questions applicable to the final evaluation:

- Online survey of the High Growth and Growth Readiness businesses recruited in 2008 ('2008 batch') which focused on collecting data on economic impact and additionality factors. These businesses were also surveyed as part of the interim evaluation;
- Online survey of High Growth and Growth Readiness businesses recruited in 2009 ('2009 batch'). The survey was designed to collect their views and opinions on design and delivery of the programme; achievement of goals; and short to medium term outcomes;
- Beneficiaries of the Growth Enabler Programme who did not participate in the survey carried out as part of the interim evaluation;
- Follow up interviews with delivery agents and *emda*; and,
- Desk-top review and analysis of programme documentation and data.

Table 1.3 shows the response rates achieved for each survey. For small population sizes (N <100), a response rate of almost 100 per cent is required to achieve statistically robust results. Given the low response rates, the survey results do not provide the basis for drawing generalisations and should be read as such.

Table 1.3 Survey Response Rates

	HG 2008 Batch	HG 2009 Batch	GR 2008 Batch	GR 2009 Batch	GE
Population Size	23*	27	47*	69	29**
No. of Responses	10	18	22	25	13
Response Rate	43%	67%	47%	36%	45%

**Companies which have ceased trading are not included*

***Only those who didn't participate in the 2009 survey were invited to complete this survey*

It was agreed with *emda* that there is little added value in conducting wider stakeholder interviews and follow-up beneficiary interviews as part of the final evaluation considering its scope and budget; and also taking into account that extensive fieldwork had already been carried out as part of the interim evaluation less than a year ago.

1.4 Structure of the Report

This Report continues in the following sections:

- Section 2 reviews the spend and outputs performance of the Programme;
- Section 3 assesses the design and delivery of the Programme;
- Section 4 provides a comprehensive assessment of the benefits accruing to businesses and coaches as a result of their participation in the Programme;
- Section 5 assesses the strategic added value being demonstrated by the Programme and provides estimates of net economic impact and value for money; and
- Section 6 sets out the key conclusions of the study and consolidates the lessons learned from the delivery of the current Programme.

The main document is supported by a separate Technical Annex which is structured as follows:

- Annex 1: Results of the online survey of the first batch of High Growth companies (2008 batch);
- Annex 2: Results of the online survey of the second batch of High Growth companies (2009 batch);
- Annex 3: Results of the online survey of the first batch of Growth Readiness Batch (2008 batch);
- Annex 4: Results of the online survey of the second batch of Growth Readiness Batch (2009 batch); and,
- Annex 5: Results of the online survey of the participants of the Growth Enabler programme.

2 PERFORMANCE OF THE PROGRAMME

This section sets out the programme spend and output performance and is presented as follows:

- First, the spend data for the duration of the Programme is outlined;
- Second, output targets and the achievement against these targets is presented and analysed.

2.1 Programme Expenditure

The programme was initially set-up with a planned expenditure of £3.8 million. However, RDA budget cuts led to a reduction in the resources available for the programme during the years 2009 and 2010. The following changes were made to the resource allocation:

- There was a 3 per cent reduction in the overall programme budget, from £3.8 million to £3.67 million.
- AEA's contract value was initially reduced by £35,531 in April 2009. It was later increased (in October 2009) by £12,241 to allow one further networking event and some enhancements to the awards ceremony. The budget for the two international journeys which were cancelled was re-allocated to cover the additional costs associated with the awards ceremonies in 2009 and 2010.
- The budget allocated to Exponential (Growth Enabler programme) was reduced from £622,682 to £611,508.
- The resources allocated to PERA were reduced by £135,000 in April 2009 (to a total of £2,307,033). The contract value was then increased again by *emda* in October by £37,600 to provide 78 additional coaching days. This increased the value of the contract to £2,344,633.
- In August 2009, it was decided that surplus Growth Funds (the funds contributed by businesses, but not utilised by them) amounting to £62,185 would be used to support five additional businesses on the Growth Readiness Programme.

The final expenditure profile of the programme is outlined in Table 2.1 below.

Table 2.1 Final Expenditure Profile of the HGEM Programme

	2007/08 (Actuals)	2008/09 (Actuals)	2009/10 (Forecast)	Total Spend
AEA	230,545	258,330	172,431	661,306
Pera	394,532	1,083,386	866,715	2,344,633
Exponential	92,964	320,326	198,218	611,508
<i>emda</i>	35,250		15,000	50,250
Total	753,291	1,662,042	1,252,364	3,667,697

Source: *emda*

Note: Year end is 31st March; Actual expenditure reported up to 31st March 2009

2.2 Delivery of Outputs

This section of the report looks at the outputs generated by the HGEM programme. The prime sources of data are the monthly monitoring reports submitted by the three delivery agents to *emda*. These are, 'gross' outputs - the benefits arising directly as a result of the project. They take no account of the required adjustment factors such as deadweight and displacement. Table 2.2 summarises the gross outputs reported to date.

Table 2.2 Delivery of Gross Outputs

	Outputs Target	Actual Outputs	Actual as % of Target
Pera			
Diagnostics/Strategic Reviews	220	220	100%
T4 Number of businesses assisted to improve their performance (HG)	55	51	93%
T4 Number of businesses assisted to improve their performance (GR)	110	118	107%
T6 Number of people assisted in their skills development	420	427	102%
T1 Number of jobs created or safeguarded	903	938	104%
Exponential (CfeX)			
T6 Number of people assisted in their skills development (GE)	95	97	102%
Momenta (AEA)			
Eligible P3 Businesses fed to Star Chamber	200	204	102%
Eligible P4 Businesses fed to Star Chamber	100	86	86%
Launch event	1	1	100%
Networking events	12	9	75%
International learning journeys	2	0	0%
Awards Events	2	2	100%

Source: February 2010 monitoring reports submitted by the delivery agents to *emda* plus additional information collected from *emda* and delivery agents

Note: 'Businesses fed to Star Chamber' refers to the number of applications received on Sirius online application system

P3 refers to Growth Readiness (GR); P4 refers to High Growth (HG)

GE – Growth Enabler

The key points to note from Table 2.2 are:

- The recruitment target for the High Growth programme was missed; while in the case of Growth Readiness programme, the target was exceeded by 7 per cent. As explained in section 2.1, the surplus 'growth funds' were recycled within the programme to recruit five additional companies for the Growth Readiness programme.
- The overall recruitment and training target for Growth Enabler was exceeded both in terms of time and quantity. The programme met its recruitment target in 2008 and two additional coaches joined the programme in November 2009;
- The programme has to date assisted 427 senior executives in 169 companies with skills development. On average, 2.5 executives per company are engaged in the programme;
- So far, the programme has directly created or safeguarded 938 jobs in participating companies. Additional data provided by PERA reveals that 40

companies have reported a positive employment impact attributable to their participation in the programme to date. Of these, 22 companies have created 155 new jobs; while 819 jobs have been safeguarded in 25 companies;

- As mentioned earlier in section 2.1, the international learning journeys were cancelled due to lack of clear added value;
- Two awards ceremonies were organised: the 2009 High Growth East Midlands Annual Awards Ceremony took place on 24th March 2009 at the Walkers Stadium in Leicester. The 2010 Awards Ceremony was held on 11th March 2010 at the Nottingham Belfry.
- Although not reflected in Table 2.2, the target for the number of networking events was reduced by *emda*. Overall, nine networking events were organised (Table 2.3). The networking event initially planned for February 2010 was cancelled due to low expected attendance.
- Post event feedback suggests that the events were well-received by participants. Majority of the participants reported in the feedback forms that they had met their objectives for attending the events. It should however, be noted that post event feedback forms were not completed by all participants; and that 56 businesses have not attended any networking event.

Table 2.3 Number of Businesses Attending Networking Events

May-08	Jun-08	Sep-08	Oct-08	Dec-08	Feb -09	Apr-09	Jul-09	Sep-09
27	25	20	26	12	28	25	28	25

Source: AEA

3 DESIGN AND DELIVERY OF THE PROGRAMME

This section examines the following design and delivery aspects of the HGEM programme:

- Marketing and recruitment;
- The Programme offering i.e. its structure, content and delivery.

3.1 Marketing and Recruitment

3.1.1 High Growth and Growth Readiness

The Interim Evaluation documented the challenges faced in attracting and recruiting businesses to the programme, as a result of which the 2008 recruitment target was not achieved. There were issues relating to the apportionment of delivery between PERA and AEA, lack of coordination between various parties, and the difficult economic conditions. For example, AEA's initial costings (as set out in their offer) were based on the assumption of a rolling programme of recruitment. However, PERA's offer was based on annual in-take. This difference in approach created practical challenges for programme delivery – it set deadlines for recruitment activity and meant that the awards ceremony could not be used to support recruitment.

During 2009, a concerted effort was made by *emda* and AEA to tackle the barriers to recruitment and consequently, they were successful in exceeding the overall recruitment target for the 2009 batch (Table 3.1). The following factors contributed to the success of the 2009 recruitment exercise:

Timing: the timing of the 2009 recruitment exercise was more conducive as companies had overcome the first shock of recession and were starting to look forward. The recruitment exercise for the first batch coincided with the worst period of the recession (final quarter of 2008) when businesses were in a state of panic and it was considered to be an expensive programme to get involved with (in the given economic context). In 2009, there was a noticeable shift in the attitude of businesses as they started to think about managing their way through the recession and preparing for recovery.

Flexibility and responsiveness: marketing messages were modified to reflect the prevalent economic environment and *emda* reduced the participation fees for the High Growth programme from a band of £3,000 - £5,000⁴ to a flat fee of £2,000 per business; and for the Growth Readiness programme, it was lowered from £1,000 to £750.

Targeting: *emda* provided pre-qualified company data to AEA. These were companies which had previously engaged with *emda* programmes and were positively disposed to publicly funded business support.

Role of Business Link: AEA were able to establish a more effective and symbiotic relationship with BL in 2009 (as compared to 2008). For example, there was greater coordination between AEA and BL advisors; AEA provided BL with case studies based on real-life examples (based on the first group of companies which had completed the programme). BL offered new referrals; in return BL were invited to the final mentoring session with companies 'graduating' from the programme.

⁴ The fees for 2008 batch were linked to turnover as follows: £3,000 for businesses with a turnover of £1-5 million; £5,000 for businesses with a turnover of £5-10 million; and, £7,000 for businesses with a turnover of £10-20 million

Partnership working: after some initial teething problems, partnership working between AEA and PERA improved significantly over the course of delivery. There was more information sharing between the two contractors which contributed to more effective delivery in 2009. For example, AEA received regular information from PERA on progress being made by participating businesses and their success stories; which was used by AEA to support recruitment activities.

Marketing approach: AEA adopted a ‘one-to-one selling’ approach in 2009 and offered more intensive, ‘hand-on’ support to help companies complete their applications.

Coordination: there was better coordination between *emda* programmes. For example, ‘Route to Market’ events provided a good forum to showcase HGEM to a receptive audience; and to demonstrate the business journey from one programme to another (i.e. from ‘Route to Market’ to ‘Growth Readiness’ and eventually to ‘High Growth’). Businesses were able to see the progression and this was quite attractive to them. The leads generated at the ‘Route to Market’ events were followed up with one-to-one contact by AEA.

Table 3.1 Business Recruitment to High Growth and Growth Readiness

	HG	GR	HG + GR
2008 Batch			
Recruitment Target	27	60	87
Number of Companies Recruited	24	49	73
2009 Batch			
Recruitment Target	28	50	78
Number of Companies Recruited	27	69	96

Source: *emda*

3.1.2 Growth Enabler

The overall recruitment and training target of 95 was achieved in 2008. Cflex offered places to all eligible applicants on a ‘first come first serve’ basis. Two additional coaches joined the programme in November 2009. However, fifteen participants left the programme early for various reasons such as change in career path (5), retirement (2), time pressure (2), medical (3) and other reasons (3).

3.2 The Programme Offering

3.2.1 High Growth (HG) and Growth Readiness (GR)

Two waves of beneficiary surveys were conducted in order to examine the attractiveness and effectiveness of the programme offering:

- The first survey was conducted in 2009 covering the companies recruited for the 2008 batch; and,
- The second survey was conducted in 2010 and it was addressed to the 2009 batch.

This section presents the results of the second survey. Where applicable, the results of the second survey are compared with the results of the first survey.

The beneficiary survey asked respondents to indicate their **main reasons for applying for the Programme**. The results of the survey (Table 3.2) show that the most commonly cited reasons for applying for the HGEM programme were:

- Recognition of a need that ‘the company required external support to grow’;
- An acknowledgement that ‘senior staff required coaching in order to meet the needs of the company’ (particularly so, for HG companies) and;
- The desire to ‘kick-start business growth’ (for GR companies).

The least significant reason, chosen by just six respondents (two HG and four GR companies) was ‘we could not afford what was available elsewhere’.

These results are consistent with the feedback received from the 2008 batch, which was surveyed as part of the interim evaluation.

Table 3.2 Reasons for applying for the High Growth / Growth Readiness Programme

	HG	GR	HG + GR
I recognised a need that the company required external support to grow	56%	92%	77%
We wanted to kick-start business growth and the programme offered what we needed	39%	72%	58%
The business support and coaching offered was bespoke to the business needs	56%	56%	56%
I recognised a need that senior staff required coaching in order to meet the needs of the company	72%	44%	56%
The programme offered the right amount of coaching and business support so that it would not interfere too much with day-to-day operations	39%	52%	47%
We could not get the same or similar support elsewhere	28%	16%	21%
The price of the support package offered by the programme was more competitive than others that I have been looking at	17%	16%	16%
We could not afford what was available elsewhere	11%	16%	14%
Other	6%	0%	2%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25

Businesses were then asked to rate the relative importance of different **business goals** in their decision to participate (Table 3.3).

Table 3.3 Proportion of Companies Rating Business Goal as ‘Very Important’ or ‘Important’

Business Goal	HG	GR	HG + GR
Expanding revenue	94%	92%	93%
Improving organisational structure and systems	89%	92%	91%
Entering / Diversifying into new markets	83%	68%	74%
Improving innovation performance (introduce new products, processes or technologies)	83%	60%	70%
Maintaining revenue in a tough economic environment	78%	84%	81%
Enhancing share in current market(s)	67%	84%	77%
Reducing operating costs	61%	40%	49%
Improving customer service	50%	56%	53%
Other	6%	8%	7%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25

Most of the goals were rated as either ‘important’ or ‘very important’ by a vast majority of the respondents. In particular, the following goals were rated as ‘important’ or ‘very important’ by over 90 per cent of the respondents:

- Expanding revenue; and,
- Improving organisational structure and systems.

The three respondents who stated ‘other’ cited the following as important business goals:

- Improving ability to attract funding from banks (HG);
- Growth planning (GR); and,
- Company strategy development (GR).

In the interim survey covering the 2008 batch, almost all respondents rated the following business goals as ‘important’ or ‘very important’

- Sustaining growth (98 per cent); and,
- Formulating a strategy with goals and actions to achieve the vision (97 per cent)

Table 3.3 also highlights the following differences between HG and GR companies:

- ‘Improving innovation performance’, ‘entering / diversifying into new markets’ and ‘reducing operating costs’ appear to be relatively more important goals for HG companies as compared to GR companies;
- On the other hand, GR companies place relatively more emphasis on enhancing share in existing market(s).

Respondents were also asked to rate the relative importance of various **personal goals** in their decision to participate in the Programme.

Table 3.4 Proportion of Companies Rating Personal Goal as ‘Very Important’ or ‘Important’

Personal Goals	HG	GR	HG + GR
Enhancing management skills	100%	80%	88%
To have someone to bounce ideas off	94%	80%	86%
Ability to think strategically	89%	92%	91%
Enhancing leadership skills	89%	76%	81%
Enhancing technical or functional skills (e.g. selling skills, financial skills)	72%	88%	81%
Enhancing interpersonal skills	50%	40%	44%
Other	6%	0%	6%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25

All HG participants joined the programme to enhance their management skills. GR participants, on the other hand, placed greater emphasis on the ‘ability to think strategically’. Survey results for the 2008 batch showed that the most significant personal goal for both HG and GR participants was ‘to have someone to bounce ideas off’ (91 per cent). Again, the ‘ability to think strategically’ was seen to be a significantly greater motivating factor for GR as compared to HG participants (59 per cent as compared to 33 per cent).

To assess the **effectiveness of the individual components of the programme**, respondents were asked to rate (on a four point Likert scale with an option to select ‘not applicable’) the usefulness of each component in identifying and improving their understanding of the factors inhibiting their company’s growth⁵ (Table 3.5). **Tailored one-to-one coaching was cited as ‘useful’ or ‘very useful’ by a vast majority of the respondents.** None of the HG companies rated any component (other than the networking events) as ‘not useful’. One GR company rated the one-to-one coaching as ‘not useful’ in identifying or improving understanding of factors inhibiting their company’s growth.

Networking events were cited as ‘not useful’ by six HG companies and four GR companies. Elaboration of answers revealed that these events were *‘interesting, but did not enhance understanding of factors inhibiting growth’*; another respondent suggested that there was *‘a lot of time dedicated to the presentation but less so to networking’*.

⁵ In analysing the survey results, the not applicable responses have been removed in order to avoid bias. The highest number of not applicable answers was for networking events.

Table 3.5 Usefulness of programme elements in identifying or understanding factors inhibiting growth, Proportion of Companies rating a particular element as 'Very Useful' or 'Useful'

	HG	GR	HG + GR
Initial Diagnosis	61%	75%	69%
Tailored One-to-One Coaching	94%	82%	88%
Three Day Residential Master class at Nottingham University Business School	65%	n/a	n/a
'Changing Gear for Growth' Course	79%	n/a	n/a
'Unlocking your Potential' course	n/a	64%	n/a
Networking Events	18%	27%	16%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25, n/a – not applicable

Businesses were then asked to rate **the usefulness of each element of the programme in developing solutions** to business issues (Table 3.6). 76 per cent of the respondents rated one to one coaching as 'useful' or 'very useful'. One GR company, rated one to one coaching as 'not useful'. According to this respondent, *'the coaching did not and could not really pick up or link to the results, it was isolated'*. Another respondent stated that, *'the course so far has been of little or no use, other than to have an independent person to bounce ideas off'*.

A comparison of the above results with the feedback received from the 2008 batch reveals no major differences in the opinions of the businesses.

Table 3.6 Usefulness of programme elements in developing business solutions, Proportion of Companies rating a particular element as Very Useful' or 'Useful'

	HG	GR	HG + GR
Initial Diagnosis	56%	67%	60%
Tailored One-to-One Coaching	78%	74%	76%
Three Day Residential Master class at Nottingham University Business School	71%	n/a	n/a
'Changing Gear for Growth' Course	71%	n/a	n/a
'Unlocking your Potential' course	n/a	52%	n/a
Networking Events	19%	0%	10%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25

Table 3.7 illustrates the levels of **satisfaction with various aspects of the programme**. The design and delivery of the initial diagnosis and one-to-one coaching were largely perceived to be satisfactory by all respondents. The networking events and awards ceremony were responded to by most as 'neither satisfied nor dissatisfied'.

Two in three HG companies were 'very satisfied' with the one to one coaching; while one in three were 'satisfied'. Only one HG respondent expressed dissatisfaction which related to the networking events; however, five GR respondents expressed some level of dissatisfaction with all but one aspect of the GR programme (awards ceremony).

According to one GR company:

'The initial diagnosis did not steer my company to the more relevant High Growth programme but to 'growth readiness'. It is absolutely evident through contact with peers at events that we would be more suitable to have attended this level but I believe a funding issue was the real reason we were not entered'.

Table 3.7 Proportion of Companies who were 'Very Satisfied' or 'Satisfied' with Design and Delivery of the individual Programme Component

	HG	GR	HG + GR
Initial Diagnosis	89%	84%	86%
Tailored One-to-One Coaching	83%	72%	77%
Three Day Residential Master class at Nottingham University Business School	67%	n/a	n/a
Changing Gear for Growth' Course	50%	n/a	n/a
'Unlocking your Potential' course	n/a	52%	n/a
Networking Events	28%	0%	12%
Awards ceremony	28%	8%	16%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25

Respondents were also asked about their **experiences of working with the coach**. The vast majority of respondents were positive about their experiences (Table 3.8):

- 17 out of 18 HG respondents either 'agreed' or 'strongly agreed' that the coach was available and accessible whenever they needed them, 17 out of 18 respondents either 'agreed' or 'strongly agreed' that the coach communicated with them effectively and 15 out of 17 respondents either 'agreed' or 'strongly agreed' that the coach understood the needs of their business.
- 19 out of 24 GR respondents either 'agreed' or 'strongly agreed' that the coach was available and accessible whenever they needed them, 22 out of 24 respondents either 'agreed' or 'strongly agreed' that the coach communicated with them effectively, and 22 respondents either 'agreed' or 'strongly agreed' that the coach understood the needs of their business.

Table 3.8 Working with the Coach - Proportion of Companies who were 'Very Satisfied' or 'Satisfied'

	HG	GR	HG + GR
The coach understood the needs of my business	83%	88%	86%
The coach communicated with me effectively	94%	88%	91%
The coach was available and accessible whenever I needed them	94%	76%	84%

Source: GHK survey of 2009 Batch, 2010, HG=18 GR=25

A number of respondents provided feedback on how the design and delivery of the programme could be improved; their verbatim responses are summarised in Box 3.1. The feedback highlights the following main issues for *emda* to consider in a successor programme:

- Offering a comprehensive package of support that strikes the right balance between tailored coaching and other activities such as taught courses and networking events;
- Better use of new technologies and online applications (such as facebook, linked-in) to create an alumni network, provide follow-up support and to collect monitoring and evaluation data;
- Re-assessing the relevance and usefulness of the Growth Fund;
- Addressing the financing needs of growing companies;
- Setting up the monitoring and evaluation requirements in a way that balances *emda*'s requirements with compliance costs to participating businesses.

Box 3.1 Business Feedback on how the Programme could be Improved

'Two directors on university section (allows more focus when back in business), better networking time with other entrepreneurs'

'My only suggestion would be that the programme is scheduled to finish on 31st march. A couple of days after this (possibly at 3 or 6 month intervals) with the business coach to check and review the ongoing progress of the intensive strategic planning would have been very useful.'

'Having identified the companies needs we should have set a more rigid programme to ensure the improvements were measured earlier.'

'The managers course preparing for growth should have been at the start year since our team thoroughly enjoyed the content and came back with great aspirations for the future.'

'The initial 2 day course was extremely interesting but I did not find it particularly relevant. The time and money could be better spent on further coaching.'

'The process for the growth fund seems unnecessarily cumbersome and a little condescending: forcing us to commit £2000 so that we can then invest in growth programmes. if we've been selected for high growth we'll be spending on growth anyway.'

'The university course was patchy - some excellent content, some not. The content should be partially revised. There are too many different post scheme evaluation mechanisms. Someone needs to apply some 'lean' technology thinking to this aspect as it is cumbersome and wasteful'

'A defined action plan needs to be established early in the program with expected outcomes set out.'

'Networking events were a bit hit and miss - these can be very useful and it would have been good to have more of them with expert input. Otherwise its a great programme providing genuine high quality assistance and guidance.'

'It took too long between being accepted on the programme and actually starting; particularly in allocating a coach. This meant that the coaching sessions were too frequent over the period from july - march. It would have been better to have started them sooner, they would have added more value because often they have been at weekly intervals which isn't long enough to action anything from the previous meeting.'

'More emphasis on involving outside funders; you have a marvellous opportunity to work with one or more high street banks to improve funding available to companies with high-growth potential, which is a major issue for us all at the moment.'

'A return visit to university, sharing experiences with others after the coaching term, attending a one year follow up event.'

'The courses that were away from the office took senior staff away for too long.'

'All aspects of the programme have been relevant and well delivered. The networking meetings were often difficult to attend and of limited benefit, so i wonder if the number of these could be reduced.'

'Additional sessions in shorter timescales'

'Better use of technology may help companies to put together their strategy, business plan and cascade objectives down through their business, the technology would help them track progress and show that they achieved expected results.'

'Allow experienced business coaches a little more flexibility on how to apply the programme,

as it felt a little like 'one size fits all' at times'

'Set up an easy way for people meeting on the initial workshop to stay in touch. it would have been really useful to have seen what others were getting out of it. a forum or facebook group or something. this could be opened up to everyone on the scheme and also those who have benefitted from the scheme in the past.'

'There seems to be an assumption that solutions are standard and there could be better tailoring of solutions. the selection of the coach is critical, but we are not sure how this is undertaken'

'The programme could benefit from having additional sessions after the programme has been completed to gather additional feedback on progress since the programme. (high growth re-visited)'

current format of program is very very good, very difficult for me to suggest a change to something which is very good and put together with lot of time and effort.

'Initial few days felt formulaic and not particularly tailored to our business. this may be because it is a business model that works therefore no need to make the support individual to our needs'

'It would have been helpful for myself and the other director to have spent time alone with a coach talking through business expansion models , what the risks are etc. it felt like we were allocated two blocks of support, the vision exercise (a repeat of the unlocking your potential) and it review. we thought we could pick and choose different areas where we felt we required support. having said this as a result of this programme we have put major changes in motion which will hopefully grow our business'

the programme is tried and tested and it works. the difficulty is always in the implementation, the business has to find the time the money and the will to implement the plan. we are only half way through the programme, so i am not sure how it will conclude. hopefully there will be enough forward momentum generated to ensure that the plan is fully implemented.

'I feel the initial potential workshop could be a lot stronger so more valuable usable results can be obtained so the coaching can pick up from it rather than start again, we do have some thoughts on this'

'The growth readiness program needs to take into account that many businesses have grown organically and therefore many owners may not be familiar with academic management practices nor have structured strategic thinking skills. whilst the coach can help with this i am unsure that 5 days would be enough in this instance.

if criteria such as this are evaluated before accepting companies onto the program the above is irrelevant'

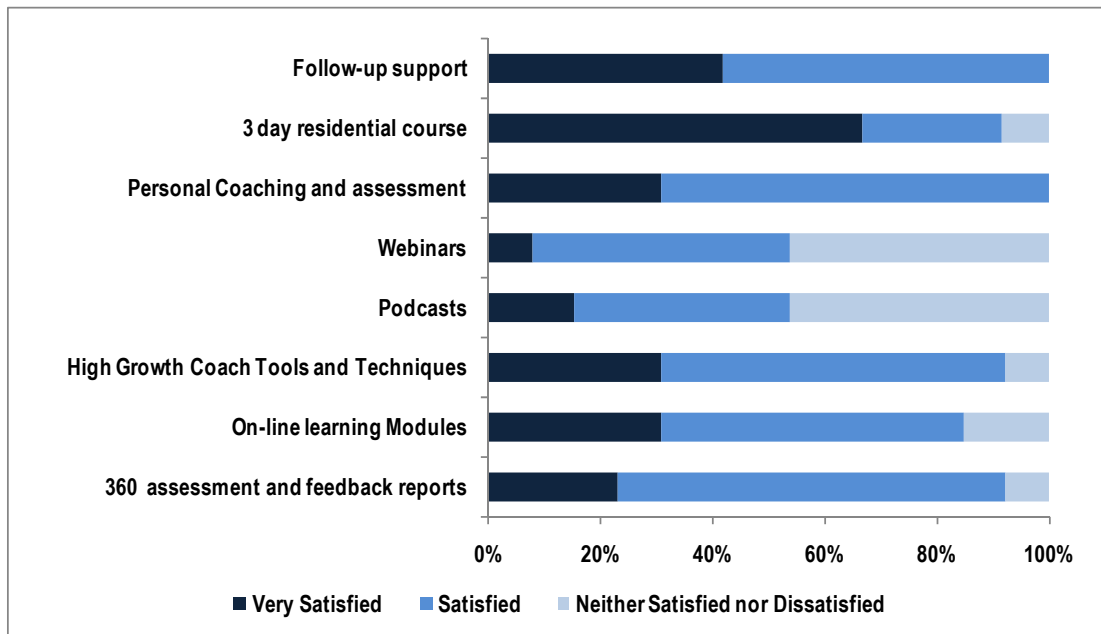
3.2.2 **Growth Enabler Programme**

Coaches participating in the Growth Enabler programme were asked how **satisfied they were with the various learning resources the programme offered**. The majority of respondents were either 'satisfied' or 'very satisfied' with each element (Figure 3.1). In particular, all respondents were either 'satisfied' or 'very satisfied' with the following:

- Personal Coaching and assessment; and
- Follow-up support

Not a single respondent expressed any dissatisfaction with the programme.

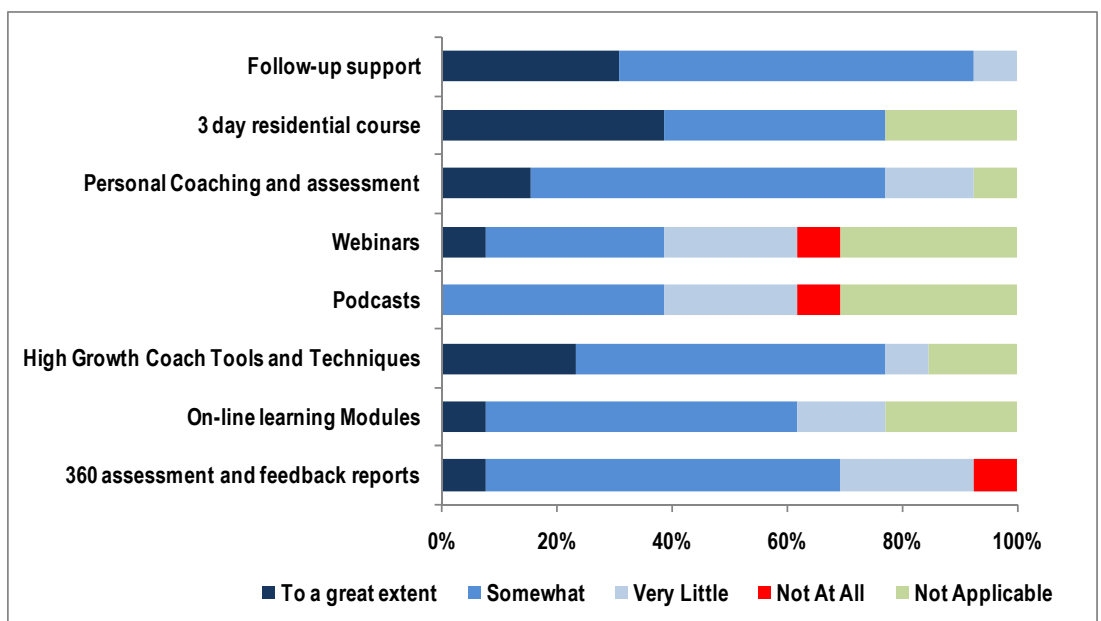
Figure 3.1 Overall Satisfaction with design and delivery of High Growth Coach Professional Development Programme



Source: GHK e-survey analysis (13 respondents)

Respondents were also asked **how far each learning resource/ tool had contributed to enhancing their professional capacity** (Figure 3.2). Follow-up support seemed to have had the most effect with 12 out of the 13 respondents stating 'Somewhat' or 'To a great extent'. Overall, Podcasts and Webinars enhanced professional capacity to a much lesser extent than other elements.

Figure 3.2 Enhancing Professional Capability/ Competence

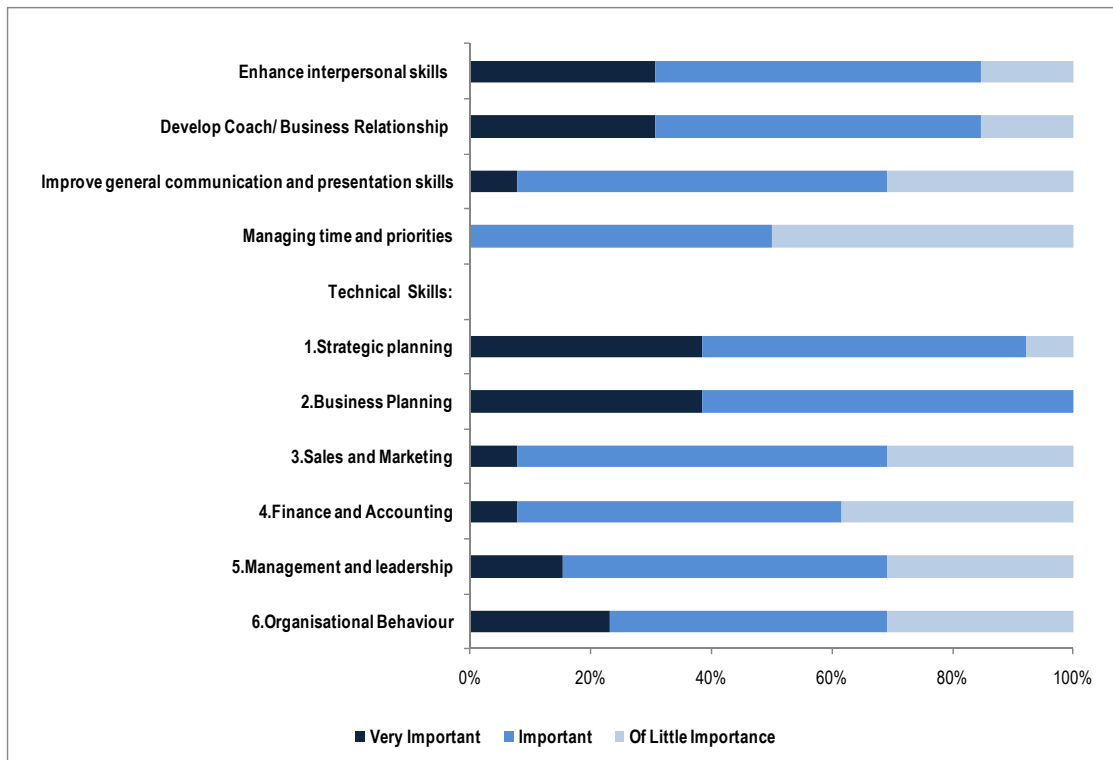


Q. To what extent have the following elements of the programme contributed to enhancing your professional capability/ competence?

Source: GHK e-survey analysis (13 respondents)

The Coaches were also asked how important different goals were in their decision to take part in the programme. All goals were considered important to a greater or lesser extent. Business Planning was rated 'Important' or 'Very Important' by all 13 respondents. Managing time and priorities was considered on balance the least important of all goals listed. Other goals cited by respondents were 'a recognised business focused qualification' and to 'generally expand on existing knowledge, from a different perspective'.

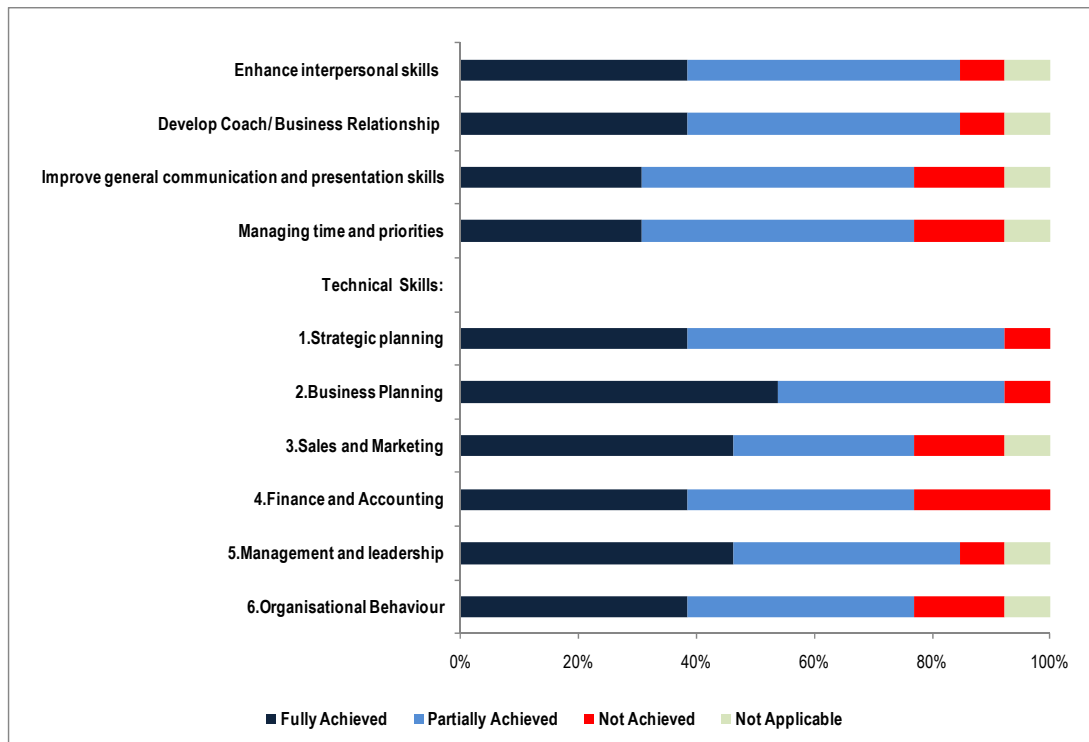
Figure 3.3 Importance of Goal



Source: GHK e-survey analysis (13 respondents)

Respondents were then asked to indicate the extent to which they had achieved these objectives. Business Planning was the element 'fully achieved' by the most respondents (7 out of 13 respondents). Strategic Planning was 'partially achieved' by the most respondents (7 out of 13 respondents). The majority of coaches had 'partially' or 'fully' achieved the goals.

Figure 3.4 Achievement of Goal



Source: GHK e-survey analysis (13 respondents)

Respondents were also asked whether there were any other ways the Programme had contributed to their professional development. 38 per cent stated 'yes' and further elaboration indicated that the programme had contributed in several ways including, extending the network of professional contacts, providing confidence in the style, methodology, information and techniques already used, recognising skills and knowledge and providing further understanding of business mentoring.

3.3 Linkages with other Programmes

The High Growth and Growth Readiness programmes demonstrate good operational linkages with Business Link. Business Link advisors are invited to participate in the 'end of programme' meetings with companies to identify and broker further public support. A review of available 'end of programme' reports highlights that 31 out of 42 GR companies (74 per cent) and 22 out of 24 HG companies (92 per cent) have expressed an interest in further public support; and in a majority of the cases, these companies have already been signposted to projects or schemes such as Growth Investment Network, Connect Invored, iNETs, Grants for R&D, Grants for Business Investment, Train to Gain support and in some instances, LSC Leaders First programme and UKTI support. While, on one hand it is a positive development that the cross-referral system is working well and that companies are showing an interest in accessing public support; on the other hand, *emda* should ensure that its activities do not encourage a dependency culture among regional companies and the crowding out or substitution of own investment for public support (fungibility).

As regards, the Growth Enhancement programme, the interim evaluation highlighted that there is a general perception among beneficiaries that *emda* 'could do more' to integrate the up-skilled professionals in the delivery of the High Growth programme and other similar mentoring schemes.

3.4 Summary of Key Findings

The key findings from this section are:

- Several factors contributed to successful recruitment for the High Growth and Growth Readiness programmes in 2009 most notably, greater partnership working and coordination between the delivery agents and regional partners, shift in business attitudes, flexibility on part of *emda* and more effective marketing by AEA;
- A vast majority (77 per cent) of the respondents applied for the programme because they recognised a need for external support to help achieve business growth ;
- Over 90 per cent of the respondents cited ‘revenue expansion’ and ‘improvement to organisational structure and systems’ as ‘important’ or ‘very important’ business goals;
- Survey results suggest that HG companies place greater emphasis on ‘improving innovation performance’ and ‘entering / diversifying into new markets’ and ‘reducing operating costs’ as compared to GR companies. The latter group places relatively more emphasis on enhancing share in existing market(s).
- All HG participants joined the Programme to enhance their management skills. The main personal goal for GR participants, on the other hand, was to enhance the ‘ability to think strategically’.
- One to one coaching and initial diagnosis helped more than the other activities to help companies identify factors inhibiting their company’s growth and to identify solutions to business issues;
- Two in three HG companies were ‘very satisfied’ with the one to one coaching; while one in three were satisfied. One HG respondent expressed dissatisfaction with the networking events;
- It appears that overall, GR participants were less satisfied with the programme as compared to HG participants. The differences in intensity of support offered could have played a part in this;
- Almost all participants were satisfied with their coach. One HG business felt that the coach did not understand their business needs; while one GR business felt that the coach was not always available and accessible when needed;
- Majority of the respondents were either ‘satisfied’ or ‘very satisfied’ with the design and delivery of the Growth Enabler programme. A minority were ‘neither satisfied nor dissatisfied’. However, nobody was dissatisfied;
- The coaches’ objectives from the programme were to improve their technical skills (particularly, business planning), communication skills, interpersonal skills;
- The majority of coaches had ‘partially’ or ‘fully’ met their objectives from the programme indicating that overall the Growth Enabler programme was effective in achieving its objectives;
- A vast majority of the High Growth and Growth Readiness companies have been signposted to other *emda* programmes to obtain specialist support (e.g. finance, R&D and internationalisation support) for tackling specific issues identified through the HGEM programme.

4 BENEFITS OF THE PROGRAMME

This section presents the evidence collected through beneficiary surveys on benefits accruing to programme participants.

4.1 Business Benefits

Following the intervention logic of the programme, the evaluation assessed the extent to which the High Growth and Growth Readiness programmes had led to behavioural change among participating businesses and generated short to medium term benefits.

4.1.1 Behavioural Change

Respondents were asked what they were doing differently that they may otherwise not have done without the coaching and advice received through the programme. Responses received from HG companies indicated that the programme allowed the companies to focus specifically on growth in new revenue areas and analyse opportunities more rigorously before making any commitment. Developing business and marketing strategies which enabled a more targeted approach to sales was cited by several respondents as something they otherwise might not have done. Respondents cited that they were now able to think and act more strategically and the programme had resulted in a much clearer vision across the team on how to improve business profitability. Developing a strong management team was also cited by several respondents and one respondent suggested that they were able to develop a management team much faster than they would have done without the assistance from the programme.

Responses from GR companies varied here but, the key themes were that the programme helped with evaluating opportunities and threats, developing more effective strategies and visions, building communication amongst staff, staff development and training, implementing tools such as software and accounts packages, better marketing and targeting of markets, and developing an enhanced company culture.

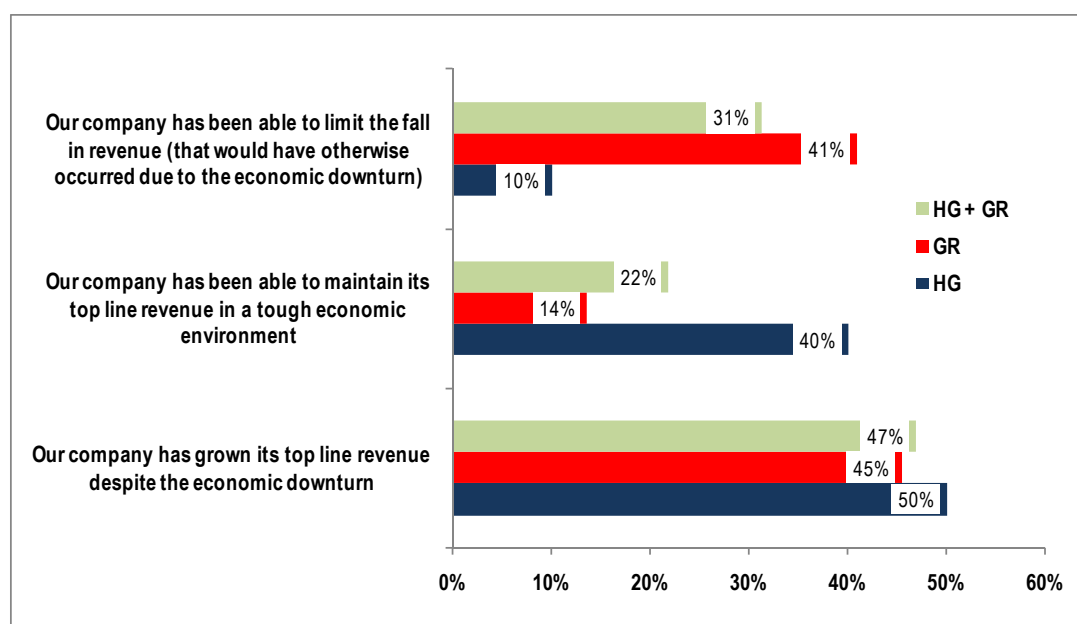
4.1.2 Growth Outcomes

Since there is a time lag between participation in a programme and accrual of benefits, the 2008 batch companies were surveyed again in order to understand the nature and scale of the more tangible benefits generated by the programme.

Respondents were asked to indicate the impact of the programme on their companies' growth trajectory. One in two respondents reported that as a result of their participation in the programme, the company has 'grown its top line revenue despite the economic downturn'. While, most of the remaining HG companies were able to 'maintain growth in a tough economic environment'; the more common response from the remaining GR companies was that they were able to limit the fall in revenue. It can be said that the programme has had a positive impact on the top line revenue of all respondents either resulting in growth, or at the very least maintaining or limiting any fall in revenue that would have occurred due to the economic downturn.

A review of the end of programme reports completed so far, validate the above survey results. As a direct result of participation in the programme, companies have either grown or maintained their revenue; while in the case of a number of companies, participation in the programme has helped them mitigate the impact of the downturn.

Figure 4.1 Growth Outcomes Reported by Participating Businesses (2008 Batch)



Source: GHK survey of 2008 Batch, 2010, HG=10 GR=22

4.1.3 Business Outcomes

Respondents were then asked to rate how far they agree with different statements relating to business outcomes. A majority of the participants have achieved the following outcomes:

- Enhanced quality or reliability of goods or services; and,
- Improved productivity of employees.

While a significant majority of HG participants have been successful in reducing operating costs as a result of participating in the programme; only a minority of GR participants reported this outcome. One in four businesses stated that the programme has contributed to reducing the environmental impact of their operations.

Table 4.1 Business Outcomes – Percentage of Respondents who ‘Agree’ or ‘Strongly Agree’ that as a Result of Participation in the Programme they have Achieved the following Outcomes

	HG	GR	HG + GR
...reduced operating costs	70%	45%	53%
...enhanced quality or reliability of its goods or services	60%	50%	53%
..reduced environmental impacts of its operations	30%	23%	25%
..improved productivity of employees	80%	68%	72%

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=22

4.1.4 Innovation Outcomes

A vast majority of the respondents reported the following innovation outcomes:

- Organisational innovation i.e. the introduction of new or significantly improved forms of organisation and / or business structures (88 per cent);
- Increased investment in R&D (72 per cent);
- Marketing innovation i.e. introduction of new or significantly improved forms of marketing practices (72 per cent); and,
- Product innovation i.e. introduction of new or significantly improved good or services (59 per cent).

A significant share of respondents also reported process innovation i.e. introduced new or significantly improved methods for the production or supply of goods and/or services.

Table 4.2 Innovation Outcomes - Percentage of Respondents who ‘Agree’ or ‘Strongly Agree’ that as a Result of Participation in the Programme they have Achieved the following Outcomes

	HG	GR	HG + GR
..started to invest more resources in Research and Development (R&D)	60%	77%	72%
...introduced new or significantly improved goods or services	50%	64%	59%
...introduced new or significantly improved methods for the production or supply of goods and/or services	40%	50%	47%
...introduced new or significantly improved forms of organisation and / or business structures	90%	86%	88%
...introduced new or significantly improved forms of marketing practices	50%	82%	72%

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=22

4.1.5 Future Benefits

Respondents were asked to predict future outcomes in order to assess the longer term benefits of the High Growth East Midlands Programme (Table 4.3). The majority felt positive about the benefits as a result of participation indicating that they expect:

- Annual turnover to increase in the next three years (85 per cent HG companies and 91 per cent GR companies);
- Employment to increase over the same period (85 per cent of HG and 78 per cent of GR companies); and
- Increase in innovation and R&D investment (74 per cent HG and 63 per cent GR companies).

Table 4.3 Expected Future Benefits

	Increase	Decrease	Stay the same
High Growth			
Annual turnover (£)	85%	4%	11%
Annual operating costs (£)	46%	23%	31%
Employment (FTE)	85%	4%	11%
Investment in innovation/ R&D (£)	74%	0%	26%
Growth Readiness			
Annual turnover (£)	91%	2%	7%
Annual operating costs (£)	33%	17%	50%
Employment (FTE)	78%	4%	17%
Investment in innovation/ R&D (£)	63%	0%	37%

Q. Looking forward to three years time, do you think that the following will, in all likelihood, increase, decrease or stay the same due to your participation in the High Growth East Midlands Programme?

Source: GHK survey of 2008 and 2009 Batch, 2010, HG=32 GR=41

Businesses were also asked how long they expect the benefits of their involvement with the High Growth East Midlands Programme to last (Table 4.4). A significant proportion of the respondents (45 per cent) stated that 'High Growth programme has placed us on a solid footing for long-term growth', indicating that benefits will be long-lasting.

Table 4.4 Longevity of Business Benefits

	HG	GR	HG + GR
Less than 12 months	10%	5%	6%
1 to 3 years	50%	38%	42%
3 to 5 years	0%	10%	6%
High Growth Programme has placed us on a solid footing for long-term growth	40%	48%	45%

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=21

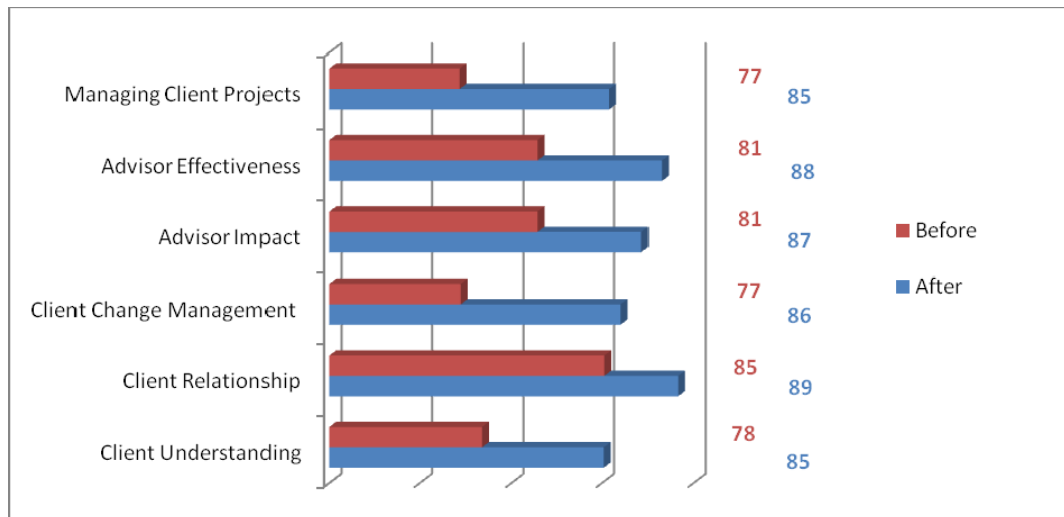
4.2 Benefits to Coaches

4.2.1 Change in Knowledge and Skills

Evidence on change in knowledge and skills is available for 30 coaches who completed a Business Support edition, Perspectives 360⁰ assessment at the start of the programme (12 to 18 months ago) and also completed another assessment at the end of the programme. This exercise was completed by the coach's clients and provides scores from a set of questions for six core skill areas. These were: managing client projects, advisor effectiveness, advisor impact, client change management, client relationship and client understanding.

Figure 4.2 shows the average scores (before & after) for the 30 coaches that completed both 'before' and 'after' assessments. An improvement was recorded in average scores for all six core skill areas.

Figure 4.2 'Before' and 'After' Comparison of Core Skills



Source: Exponential

Table 4.5 Score: Skill Percentage Variance

Core Skill	% VAR
Managing Client Project	9.4
Advisor Effectiveness	8.0
Advisor Impact	6.9
Client Change Management	10.5
Client Relationship	4.5
Client Understanding	8.2

Source: Exponential

The core skill that saw the highest percentage increase from the programme was 'Client Change Management'. The second largest increase was 'Managing Client Projects' followed by 'Client Understanding'. The lowest increase was in the core skill 'Client Relationship'. Despite the lowest increase this is still the highest scoring core skill with average score of 89 per cent.

In addition to above, around 70 to 75 coaches who participated in the Growth Enabler programme are expected to achieve national accreditation standards at the end of March 2010.

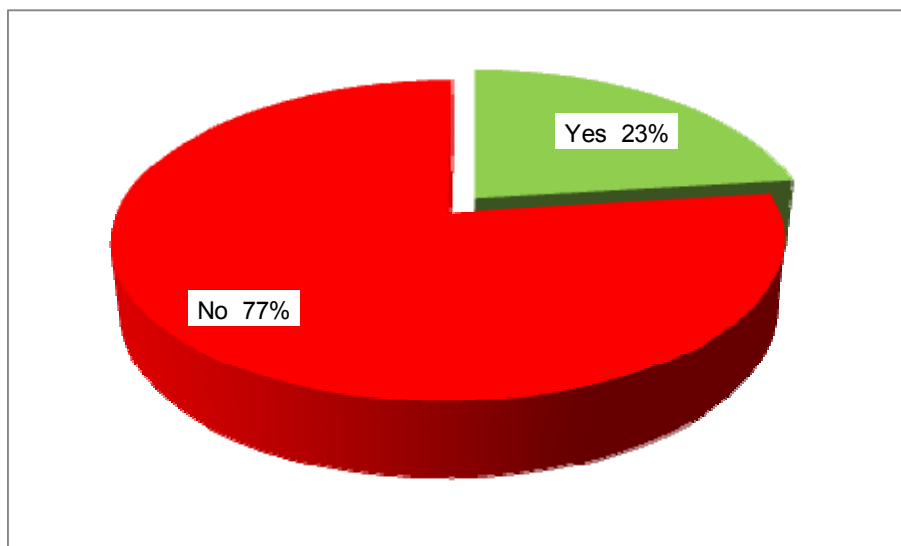
4.2.2 Behavioural Change

Coaches were asked to give examples of what they were doing differently which they otherwise might not have done without the coaching and advice received through the Programme. Responses included working with a wider range of clients and colleagues, using a greater range and variety of coaching tools and offering clients a wider range of options as well as having a clearer focus on the coaching side of the business and more clarity in defining it.

4.2.3 Professional Benefits

Coaches were asked whether they had attracted any new clients as a direct result of the skills and knowledge gained through the Programme. Almost one in five stated 'Yes', indicating that a good proportion had benefited (Figure 4.3). Of the respondents that stated they had gained new clients, all clients were located in the East Midlands highlighting a regional effect.

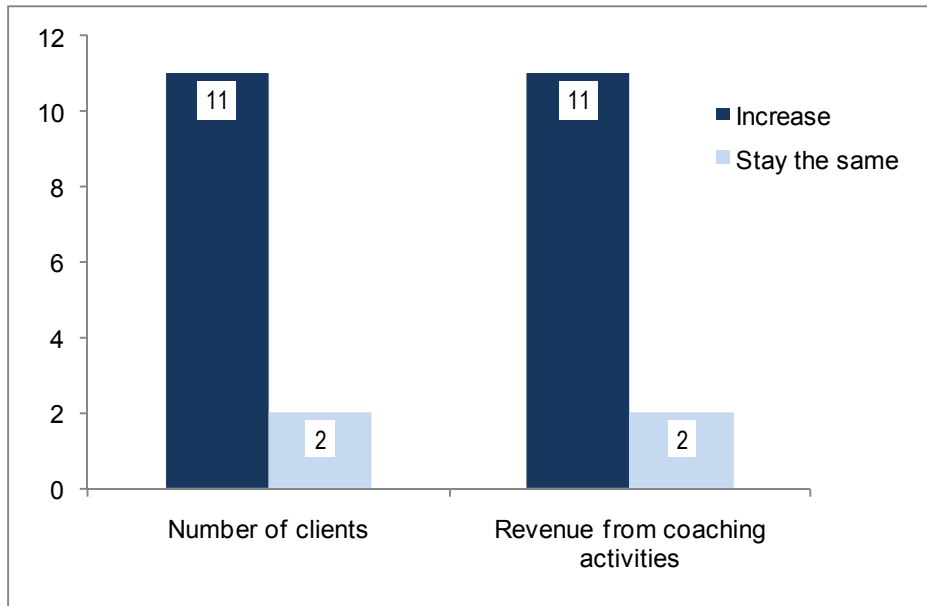
Figure 4.3 Attracting New Clients



Source: GKH e-survey analysis (13 respondents)

Respondents were also asked to predict future benefits expected from the programme. Results indicate a positive longer term impact with 11 out of 13 respondents suggesting that they expect revenue from coaching activities as well as their client base to increase.

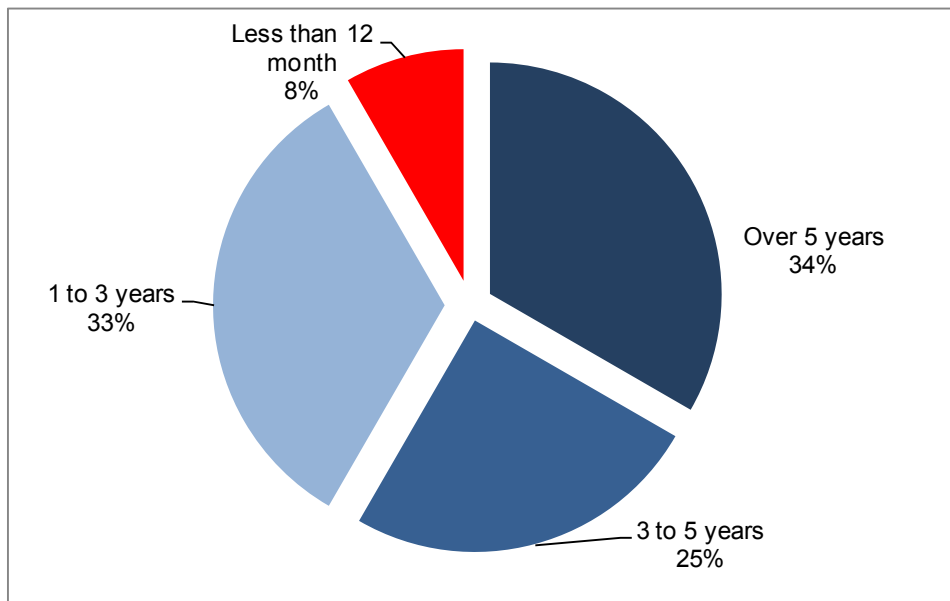
Figure 4.4 Expected Future Benefits



Source: GKH e-survey analysis (13 respondents)

When the Coaches were asked to comment on the expected longevity of benefits, 4 out of 12 respondents stated 'over 5 years', indicating that for a third, the programme is expected to deliver long-term benefits; while for a majority (58 percent) the benefits are expected to last for 1 to 5 years. Only one respondent expects the benefits to be of a short-term nature i.e. less than 12 months.

Figure 4.5 Expected Longevity of Benefits



Source: GKH e-survey analysis (12 respondents)

4.3 Summary of Main Findings

The main findings of this section are:

- All businesses could give examples of change in behaviour and skills as a direct result to their participation in the programme; improved ability to analyse opportunities, developing more effective strategies and improved management teams and development of staff ;
- Participation in the programme has helped companies tackle the recession. One in two respondents reported growth in top line revenue as a result of participation; while others were able to sustain growth or limit the fall in revenue as a result of participating in the programme;
- A majority of the participating companies have enhanced the quality or reliability of their goods or services; and are reporting improved productivity of employees – attributing both these benefits to the programme;
- The programme has improved the innovation performance of all participating businesses. The majority of businesses are attributing increase in organisational innovation, marketing innovation and product innovation. The programme has also influenced businesses to invest more in R&D;
- The Growth Enabler programme has contributed to increased capacity and competence of business support professionals/ coaches operating in the East Midlands region. Around 70 - 75 are expected to achieve national accreditation standards;
- Examples of resulting behavioural change include working with a wider range of clients and colleagues, using a greater range and variety of coaching tools and offering clients a wider range of options as well as having a clearer focus on the coaching side of the business and more clarity in defining it;
- One in four coaches reckon they have used their skills to obtain new clients located in the East Midlands.
- All but one participant of the Growth Enabler programme expect the benefits to last more than a year.

5 IMPACT AND VALUE FOR MONEY

This section provides an assessment of:

- The economic impact of the High Growth/ Growth Readiness elements of the programme;
- Strategic Added Value of the Programme i.e. strategic attitudinal effects on businesses, leverage effects or greater co-ordination across the business support system; and,
- Value for Money.

5.1 Economic Impact of the Programme

5.1.1 Gross Economic Impact

The 'end of programme' reports have been designed *inter alia* to collect data on gross turnover and gross GVA impact of the programme. Completed 'end of programme' reports are available for 22 out of 24 high growth companies which joined the programme in 2008; one company has ceased trading and another one is presently going through a restructuring process. An analysis of this data shows that:

- 18 out of 22 (82 per cent) HG companies recorded a positive growth in GVA over the programming period. The incremental GVA generated by these companies amounted to £7.24 million⁶. The average GVA growth reported across this group was circa £400,000 per company. The change in GVA ranged from £17,000 at the lower end of the scale to a maximum of £2.5 million.
- Only four companies (18 per cent) reported a fall in GVA over the same period; although, three out of the four companies recorded an increase in profit margin or Profit Before Interest and Tax (PBIT). The aggregate fall in GVA reported by these companies was circa £1.2 million. These companies were badly hit by the downturn and have attributed their recovery and increase in profit margins to a large extent to the programme.

As regards the Growth Readiness programme, 'end of programme' reports are available for 42 companies only. Of these, only 37 companies have reported their GVA figures. According to PERA, it has been extremely difficult to collect GVA figures from Growth Readiness companies due to their unwillingness to share this data. Moreover, a number of Growth Readiness companies had progressed to the Growth Readiness enhancement programme at the time of completing the 'end of programme' reports; and the format of these reports does not allow the evaluators to isolate the impact of the two streams separately on Growth Readiness companies.

⁶ Estimated as the difference between baseline GVA (i.e. GVA recorded at the start of the programme) and GVA reported at the end of the programme. This period ranges from 12 to 18 months for most companies.

Keeping in mind the above caveats, the main findings that emerge from an analysis of this data are:

- 25 out of 37 (68 per cent) companies reported a positive growth in GVA over the programming period. These companies collectively generated an incremental GVA of £6.55 million, with the average increase being £262,000 per company. The change in GVA ranged from £7,000 to £1 million.
- 12 out of 37 companies (32 per cent) companies reported a fall in GVA over the same period. The aggregate loss in GVA reported by these companies was circa £1.55 million. According to the 'end of programme' reports, the programme has helped these companies to survive, manage the contraction in revenue and to prepare for recovery.

What is also clear from the 'end of programme' reports is that the full benefits of the programme are yet to be realised. The coaching advice and corresponding business changes have not yet fully bedded-in in the case of a majority of the companies.

Given the markedly different economic circumstances facing the 2008 and 2009 batches, it would also be too simplistic to extrapolate the above results (which pertain largely to the 2008 batch) to the 2009 batch.

5.1.2 **Net Economic Impact**

The IEF and the brief emphasise the importance of assessing additionality in order to examine the net impact of interventions at a regional level. A number of factors influence the impact of investments on the regional economy. Gross output data needs to be adjusted to take account of these factors.

Deadweight: Deadweight refers to the extent to which the impacts would have accrued even in the absence of *emda* funding or intervention. In this case, it is crucial to assess the extent to which the businesses would have achieved the reported turnover (and GVA, employment) impact, in the absence of the support from HGEM programme. In order to assess deadweight, the online business survey asked respondents to indicate how different their gross annual turnover/ employment would have been without the support received through the HGEM programme. The limited number of survey responses, do not provide the basis for drawing generalisations across the programme. However, on the basis of limited survey responses received, the deadweight factor is estimated to be 0.77 for HG and 0.76 for GR (Table 5.1). The estimated deadweight factors for HG and GR are considerably high when compared an average of 47 per cent⁷ for similar programmes.

⁷ Average deadweight factor estimated for business support based on beneficiary survey. Source: Cambridge Economic Associates (2009), *Research to Improve the Assessment of Additionality*

Table 5.1 Estimated Deadweight

Survey Response	Proxy Deadweight Value	High Growth		Growth Readiness	
		No. of Responses	Weighted Value	No. of Responses	Weighted Value
1 to 10%	0.9	4	3.60	6	5.40
11 to 20%	0.8	3	2.40	5	4.00
21 to 30%	0.7	2	1.40	5	3.50
31 to 40%	0.6	0	0.00	2	1.20
41 to 50%	0.5	0	0.00	2	1.00
50% or more (please state exact %)	0.25	1	0.25	0	0.00
			0.77		0.76

Q. What percentage of the turnover impact, if any, would you attribute to the coaching/business support received as part of the High Growth East Midlands Programme and your subsequent actions?

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=20

To triangulate the above results, respondents were asked to indicate the extent to which the growth, business and innovations outcomes (sections 4.1.2 to 4.1.4) would have accrued in the absence of support received from the programme. The responses are summarised in Table 5.2 and yield a lower deadweight factor of 0.62 for HG and 0.65 for GR.

Table 5.2 Outcomes in Absence of High Growth East Midlands

Survey Response	Proxy Deadweight Value	High Growth		Growth Readiness	
		No. of Responses	Weighted Value	No. of Responses	Weighted Value
Would definitely have achieved similar results in similar time	1	1	1.00	1	1.00
Would probably have achieved similar results in the same time	0.9	1	0.90	1	0.90
Would have achieved similar results but not so quickly	0.75	4	3.00	10	7.50
Would have achieved some but not all of the results	0.5	1	0.50	10	5.00
Would not have achieved similar results	0.25	3	0.75	0	0.00
			0.62		0.65

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=22

The 'end of programme' reports provide further evidence, albeit qualitative in nature, of the impact attributable by companies to the programme. A vast majority of the companies report that the changes in turnover and GVA are attributable to the programme to some extent at least (although to varying degrees). A couple of participants, however, consider that the programme has had a negligible impact on the company's performance. Considering the subjectivity involved in estimation of deadweight, the limited survey responses triangulated against the business feedback contained in the 'end of programme' reports, it would be reasonable to use the deadweight factors set out in Table 5.2 for estimating the net impact of the programme.

Substitution: Substitution refers to the extent to which firms use public support to substitute for their own investment, again reducing the net impact of the intervention relative to the gross impact. To assess the substitution effect, the beneficiary survey contained questions to ask if firms considered market based alternatives to the HGEM programme (Table 5.3) and the likelihood of using the services provided by the market (Table 5.4). The responses to these two questions combined yielded a substitution factor of 0.15 for HG and 0.16 for GR firms.

Table 5.3 Consideration of Alternatives – Number of Responses

Survey Response	High Growth		Growth Readiness	
	2008 Batch	2009 Batch	2008 Batch	2009 Batch
Yes	3	5	8	5
No	7	10	14	19
	10	15	22	24

Q. Did your company ever consider engaging management consultants or private coaches as an alternative to joining the programme?

Source: GHK survey

Table 5.4 Likelihood of using Market based Alternatives and Estimated Substitution Effect

Survey Response	Proxy Substitution Value	High Growth			Growth Readiness		
		2008 Batch	2009 Batch	Weighted Value	2008 Batch	2009 Batch	Weighted Value
Definitely not	0	0	0	0.00	0	0	0.00
Unlikely	0.25	1	5	1.50	2	1	0.75
Neither likely nor unlikely	0.5	0	0	0.00	3	1	2.00
Likely	0.75	2	1	2.25	3	3	4.50
Definitely	1	0	1	1.00	0	0	0.00
				0.15	5		0.16

Source: GHK survey 2010

Leakage: Leakage refers to the extent to which the intervention has benefited companies outside the region or target group. An example would be where part of the recorded activities and outputs were accounted for firms based outside the region. The evaluation found that all companies engaged in the programme were SMEs based in the East Midlands and generating turnover/Gross Value Added in the region. Leakage was therefore assumed to be zero.

Displacement: Displacement refers to the extent to which the impact of the programme has been offset by reductions in activity elsewhere in the economy. For example, business support to a firm to improve performance may result in the firm taking business from other, non-assisted, local companies. As a result, the gross new jobs generated in the assisted company will be partly or wholly offset by job losses in non-assisted local companies. The result of displacement is to reduce the scale of net additional economic impacts. Displacement was assessed through asking companies the extent to which any gain in turnover had been at the expense of other regional companies.

Responses were assigned a 'proxy' displacement value in accordance with the information laid out in Tables 5.5.

Table 5.5 Displacement Values for High Growth East Midlands

Survey Response	Proxy Displacement Value	High Growth		Growth Readiness	
		No. of Responses	Weighted Value	No. of Responses	Weighted Value
All new sales have been at the expense of other East Midlands companies	1	0	0	1	1
Other East Midlands companies have been significantly affected	0.75	0	0	0	0
Other East Midlands companies have been somewhat affected	0.5	1	0.5	2	1
Other East Midlands companies have been marginally affected	0.25	1	0.25	5	1.25
Don't know	0	3	0	3	0
Totals		5	0.75	11	3.3
As Percentage of overall survey responses		50%		50%	
Estimated Displacement Factor			0.08		0.15

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=22

Economic multiplier effects: Multiplier effect refers to the extent to which the economic benefits of funded activities have additional benefits through money being re-spent in the region by firms and their employees. The two types of multipliers are supplier linkages (the impact of the purchases of local goods and services by assisted firms which is attributable to the project); and income multipliers (the impact of the expenditures of those receiving a wage as a result of the project).

The research has taken a simplistic approach to calculating multipliers based on company relationships with suppliers. Respondents were asked to indicate the proportion of their supplies obtained from suppliers in the East Midlands. Multipliers were then ascribed according to the values laid out in Table 5.6.

Table 5.6 Multiplier effect

	Proxy Multiplier Value	No. of Responses	Response Weighted Value
All our supplies come from East Midlands suppliers	1.9	1	1.9
The majority of our supplies, in terms of value, come from East Midlands suppliers	1.75	8	14
Around half of our supplies, in terms of value, come from East Midlands suppliers	1.5	12	18
A minority of our supplies, in terms of value, come from East Midlands suppliers	1.25	21	26.25
None of our supplies, in terms of value, come from East Midlands suppliers	1	0	0
Total/ Weighted Average		42	1.43

Q. Thinking about the main supplies for your business, which of the following statements best describes your business?

Source: survey of HGEM participants, 2009, GHK calculations

5.2 Net Economic Impact

It is extremely difficult to estimate the overall impact of the programme considering that:

- GVA data is only available for 22 out of 51 HG companies (43 per cent) and 32 out of 118 GR companies (27 per cent);
- Full benefits of the programme are yet to be realised considering that the advice of coaches has resulted in changes of a strategic nature which are expected to materialise over the medium to long term.

The net economic impact of the programme to date has therefore been calculated using available information:

- GVA outcomes reported by businesses;
- Average turnover per employee using information on turnover and employment provided by companies at the time of application; and,
- Additionality factors as set out in section 5.1.

Table 5.7 Net Economic Impact to date

	HG	GR	HG + GR
Number of Firms reporting GVA Impact	18	25	
Gross GVA (£)	7,237,322	6,554,527	13,791,849
Less Deadweight Factor	0.62	0.65	
Gross Additional GVA	2,786,369	2,264,291	5,050,660
Less Substitution	0.15	0.16	
Gross Additional GVA less substitution	2,362,841	1,907,419	4,270,260
Less Displacement	0.08	0.15	
Gross Additional GVA less substitution and displacement	2,185,628	1,625,641	3,811,269
Add Multiplier	1.43	1.43	
Net Additional GVA	3,125,448	2,324,667	5,450,115
Net Additional GVA per Company	173,636	92,987	
Number of Companies on the Programme	51	118	
Estimated number of companies not demonstrating growth	4	12	
Estimated number of Foreclosures	1	3	
Estimated overall impact	7,987,255	9,577,629	17,564,884

Source: GHK calculations

According to the calculations shown in Table 5.7, the net additional GVA impact resulting from the programme is £5.4 million. However, this figure significantly underestimates the net economic impact of the programme. It does not include the following areas of impact which cannot be quantified at this stage due to non-availability of data:

- GVA safeguarded by companies as a result of their participation in the programme; and,
- GVA impact accruing to majority of the companies for which data is not available.

For simplicity, the reported average GVA growth per company has been extrapolated in order to obtain the order of magnitude of potential annual GVA impact of the programme. This is estimated to be £17.56 million; but does not include GVA safeguarded by companies not demonstrating growth.

5.3 Value for Money

There are two aspects to value for money assessment:

- Value for money perceived by beneficiaries on the basis of their time and financial inputs into the programme; and,
- Value for money secured by *emda* for the taxpayer.

These are considered below.

5.3.1 *Beneficiary Perspectives*

Just over half of the respondents (52 per cent) believe that the value of the programme was greater than, or at least equal to the money and time invested by the business into it (Table 5.8). A significant proportion of respondents hold the opposite view. This contrasts sharply with the results of the interim survey, where more than 85 per cent (of the same cohort) indicated that the value of the programme was greater than, or at least equal to the money and time invested by the business into it.

It is also a concern to note that 40 per cent of HG companies believe that the benefits of participating in the High Growth East Midlands Programme ‘substantially less’ in relation to the costs of participation in the programme. This is a significant result considering the intensity of the support offered through the programme. However, it must be emphasised that the survey responses are inadequate to provide the basis for drawing generalisations and therefore should be interpreted with caution especially in light of the earlier positive views expressed by respondents.

Table 5.8 Balance of costs and benefits of programme to company

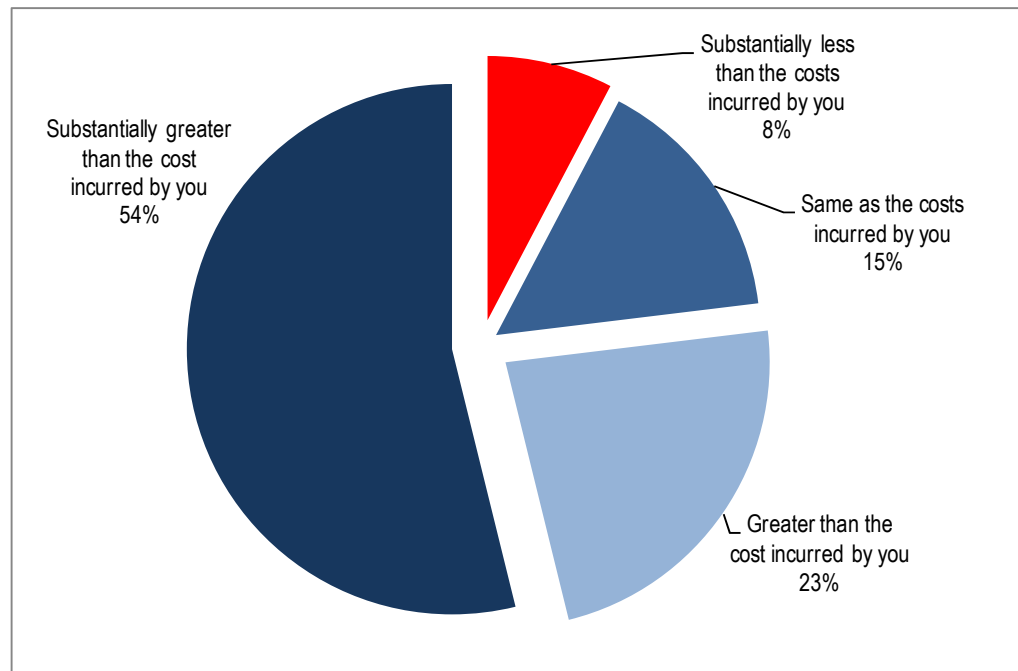
	HG	GR	HG + GR
Substantially less than the cost to your company	40%	24%	29%
Less than the cost to your company	10%	24%	19%
Same as the costs to your company	10%	10%	10%
Greater than the cost to your company	40%	14%	23%
Substantially greater than the cost to your company	0%	29%	19%

Q. Considering the cost (including financial, time and other costs) incurred by your company, would you say the benefits of participating in the High Growth East Midlands Programme were...

Source: GHK survey of 2008 Batch, 2010, HG=10 GR=21

As regards the Growth Enabler programme, 7 out of 13 respondents stated that the benefits were ‘substantially greater than the cost incurred’, and a further 3 respondents stated that benefits were ‘greater than the cost incurred’ indicating that the majority of participants perceived the programme to deliver value for money.

Figure 5.1 Balance of costs and benefits of programme to coaches



Source: GHK e-survey analysis (13 respondents)

5.3.2 Value for Money for the Tax Payer

In order to assess the value for money for the tax payer, the monetised benefits delivered by the programme (i.e. the estimated net GVA impact of £17.56 million) is divided by *emda's* investment in the programme (£3.67 million). Accordingly, for every pound of *emda's* investment, the programme is estimated to have added £4.80 to the regional GVA. The Impact of RDA Spending study, carried out by PricewaterhouseCoopers in 2008, revealed that an average of £4.50 was put back into regional economies for every £1 invested by the RDAs⁸. Although, it appears that the programme has delivered marginally better value for money as compared to the average value for money delivered by RDA investments, it is important to recognise that these benefits were realised during the worse economic recession in history and that the full scale of the GVA impact of the programme is not known.

5.4 Strategic Added Value

Strategic added value (SAV) is defined as the strategic impact that RDAs have on a region through its activities, whether those activities are project based or non-project based. The basic proposition is that, because these activities have been undertaken within a strategic framework, they are more effective and efficient than might have been expected had partners (or businesses) undertaken an individual set of actions - i.e. the sum of the whole is greater than the sum of the parts (synergy effect). SAV is usually recognised as:

⁸ Impact of RDA spending – National report – Volume 1 and Volume 2

- A change in behaviour or performance of partners, stakeholders and beneficiaries achieved either through traditional project activity (e.g. leveraging extra resources) or non-project activity (e.g. research, strategy-making, lobbying etc); and/or
- An indication of the likely impact of an individual project or programme long before traditional outputs can be evaluated, providing an early indication of the effectiveness of ongoing RDA and partner initiatives (e.g. partnership or dialogue leads to joint action, then coordinated activity, future pooling of resources, more coordinated delivery and (we expect) better outcomes for businesses, local communities, etc).

On the basis of documentary review, survey and interview evidence, three broad types of SAV have been identified for the HGEM programme:

- **Strategic influence and catalytic effect:** this involves considering how *emda* has influenced the spend and behaviour of both external and internal players to contribute to the regional agenda as set out in RES i.e. whether as a result of *emda*'s intervention, the spend and behaviour of stakeholders is more or less aligned with regional priorities.
- **Coordination and partnership working:** involving improved co-ordination, networking and working relationships between partners. This involves considering how *emda* has brought people and organisations together in terms of designing and aligning interventions, and funding and delivering projects. Key measures of SAV here include whether partnerships have formed and whether activities are aligned more across the region now than they were before *emda*'s intervention.
- **Awareness raising, intelligence gathering and best practice:** This involves considering how *emda* is raising awareness and profile of the region; sharing best practice across the region and nationally; and providing intelligence and developing innovative solutions to address issues for the region .

The evidence relating to above SAV themes is summarised in table 5.9.

Table 5.9 SAV demonstrated by HGEM Programme

SAV Theme	Evidence of SAV
<p>Strategic influence and catalytic effect</p>	<p>There is evidence of attitudinal and behavioural change among beneficiaries e.g. more strategic orientation of senior management team, improved people management skills, better organisational systems and practices etc.</p> <p>The majority of businesses are reporting an increase in innovation activity as a direct result of engagement with the programme. The programme has also influenced businesses to invest more in R&D.</p> <p>The Growth Enabler programme has contributed to increased capacity and competence of business support professionals/ coaches operating in the East Midlands region. This has not only contributed to growth of their professional practice; but is also expected to benefit their clients.</p>

SAV Theme	Evidence of SAV
	A large number of companies are investing resources in implementing growth plans and solutions addressing factors constraining growth.
Coordination and partnership working	The evaluation found strong linkages between HGEM and complementary business support programmes. The recruitment activity for HGEM has benefitted from linkages with BL and RTM. HGEM on the other hand has generated a number of referrals for programmes such as GINEM, Connect Invored, Business Grants for R&D etc.
Awareness raising, intelligence gathering and best practice	<p>The programme and the awards ceremony in particular have raised the profile of <i>emda</i> and the region. The stakeholders interviewed as part of the interim evaluation offered positive comments on the role of the annual awards ceremony in raising the profile of the programme. According to the stakeholders, the awards ceremony provides an opportunity to recognise success and increase visibility and awareness of HGEM programme</p> <p>95 per cent of the companies would recommend the programme to other businesses.</p>

6 CONCLUSIONS AND RECOMMENDATIONS

This final section of the report draws together the evidence presented in the preceding sections to offer a series of conclusions in relation to the main evaluation issues. It also consolidates the lessons learned from the delivery of the current Programme.

6.1 Key Conclusions

Performance of the programme - Majority of the outputs targets set for the programme have been fully achieved or exceeded. The notable exceptions were: the recruitment target for the High Growth programme was marginally missed although, in the case of Growth Readiness programme, the target was exceeded by 8; the international learning journeys were cancelled due to lack of clear added value; and the number of networking events was reduced in agreement with *emda* due to RDA budget cuts.

Design and Delivery - Broadly speaking, the beneficiaries are satisfied with the design and delivery of the programme, although businesses have offered suggestions for improvement.

Benefits of the Programme - The programme has led to changes in skills, attitudes, behaviour and/ or competence of beneficiaries. The more tangible results arising from the programme are growth in revenue, creation of new business opportunities, increased competitiveness and improved innovation performance of beneficiaries. The Growth Enabler programme has contributed to increased capacity and competence of business support professionals/ coaches operating in the East Midlands region. Around 70 - 75 coaches are expected to achieve national accreditation standards.

Impact of the Programme - Although it is still too early to estimate the net economic impact of the programme, rough estimates indicate the order of magnitude of potential annual GVA impact of the programme which is expected to be in the range of £17.56 million. The actual impact of programme is likely to be much higher as it does not include the following areas of impact which cannot be quantified at this stage due to non-availability of data: GVA safeguarded by companies as a result of their participation in the programme; and, GVA impact accruing to majority of the companies for which data is not available.

It is important to note that these benefits were realised during the worse economic recession in history and that the full scale of the GVA impact of the programme is not known.

Value for money – A significant proportion of businesses think that the programme offers poor value for money (48 per cent) ; although Growth Enabler beneficiaries hold a more favourable perception in this regard. However, there is an important caveat in that the low survey response rates do not provide the basis for drawing generalisations and therefore should be interpreted with caution especially in light of the positive views expressed by respondents as regards the benefits of the programme.

As regards value for money for the tax payer, an average of £4.80 is expected to be put back into the regional economy for every £1 invested by *emda*.

Strategic Added Value - There is some evidence of SAV being generated by the project in form of increased innovation activity and investment, greater coordination and partnership working among regional stakeholders and increased profile of the region.

6.2 Lessons Learned and Considerations for Future

The experience with the present programme highlights the importance of following factors that contribute to successful programme delivery:

- A recognition that a programme operates in a dynamic, not static context; and the need to proactively respond to changes in the programming environment;
- There are efficiencies and synergies to be realised from improved coordination, communication and partnership working;
- The delivery arrangements need to be carefully thought through in advance;
- Monitoring and evaluation systems should be designed taking into account the requirements of the RDA Impact Evaluation Framework. Specifically, *emda* should explore the possibility of using online self –evaluation questionnaires that can be completed by beneficiaries; and the use of RBSIS for collecting data on beneficiary outcomes.

Additionally, business feedback highlights the following issues for *emda* to consider in case of a successor programme:

- Offering a comprehensive package of support that strikes the right balance between tailored coaching and other activities such as taught courses and networking events;
- Better use of new technologies and online applications (such as facebook, linked-in) to create an alumni network, provide follow-up support and to collect monitoring and evaluation data;
- Re-assessing the relevance and usefulness of the Growth Fund;
- Addressing the financing needs of growing companies;
- Setting up the monitoring and evaluation requirements in a way that balances *emda*'s requirements with compliance costs to participating businesses.