Evaluation of Mentoring Activity in the East Midlands

A report prepared for *emda*

Ekosgen Consulting (UK) Ltd.

November 2008

east midlands
development agency

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EKOS Consulting (UK) Ltd
St James House
Vicar Lane
Sheffield. S1 2EX

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EXECUTIVE SUMMARY

Introduction and Context

The Mentoring Escalator (ME) programme was established in January 2006 following a successful pre-pilot. It was delivered as a regional programme and was co-funded by *emda* and four of the region's seven Strategic Sub-Regional Partnerships (SSPs). Following the final evaluation of the programme in April 2007 the decision was taken to extend the programme and the Mentoring for All (MFA) programme was rolled out. This programme was funded by all seven SSPs and the delivery contract awarded to NBV. **MFA has been formally operating since November 2007 but due to a degree of overlap with ME has been delivering outputs since April 2007.**

Both programmes have worked with the owners or senior managers of regional small and medium sized enterprises (SMEs) to improve business performance. This is achieved through mentors working with mentees over a series of 10 mentoring sessions within a 12 month period. NBV play a management and co-ordination role in the process, engaging mentees on to the programme and matching appropriately skilled mentors from the pool. **EKOS was commissioned to undertake a final evaluation of the ME programme and an interim evaluation of the MFA programme.**

Methodology

Over the last 18 months or so, greater emphasis has been placed upon all Regional Development Agencies to ensure that the evaluations they commission are in line with the Impact Evaluation Framework (IEF), produced by the DTI in 2006. The research methods adopted for this evaluation are consistent with the IEF. Specifically, this includes the following:

- **On-line surveys** - of both ME mentees and mentors and MFA mentees and mentors;
- **In-depth business consultations** - undertaken with 17 companies which had participated in the Mentoring Escalator programme and disengaged 12 months ago;
- **Workshop with business mentors currently working through the Mentoring for All programme**;
- **Stakeholder consultations** - with the contractor Nottinghamshire Business Ventures (NBV), five of the seven Sub-Regional Strategic Partnerships (SSPs), Business Link managers and operational staff, and representatives of East Midlands local authority economic development departments; and

- **A desk review of policy** and **data analysis of monitoring information**.

Programme Overview and Performance

Mentoring Escalator has been subject to a previous evaluation which found that it was popular with mentees, although they were not always clear about the matching process and their expectations. **The current Mentoring for All programme represents a considerable increase in the scale of activity when compared to the Mentoring Escalator, and a further increase in activity is profiled for MFA in 2008/9 over 2007/8.**

The profiling of targets over the life of the MFA programme appears to have been ambitious. Despite a promising start, the T6 target of recruiting and training 300 mentors will not be achieved and as such no further funds are available for this activity. The programme is also behind target on the T4 assistance of 600 businesses. MFA must ensure that the quality of business is not compromised in seeking to achieve this target.

Analysis of the management information found that the typical mentor profile is male, White British and aged 51-60. Although female mentors are more likely to come from ethnic minorities, the overall representation of ethnic minorities within the mentor pool is low. Businesses supported by the MFA programme have typically been small, with almost 8 in 10 employing between 1 and 10 persons.

The Mentee Experience

The evaluation recorded high levels of satisfaction with the mentoring support among both ME and MFA participants. On the whole, mentees valued the mentor as an independent 'sounding board' to 'bounce ideas off' and as someone who would challenge ideas and conventional thinking. Mentors also play a significant role in enabling mentees to gain a greater sense of direction and in enhancing the confidence and motivation of mentees to drive their businesses forward.

It would appear that satisfaction is slightly higher amongst those involved in the current MFA programme than the ME programme. Improvement to the processes of matching mentors and mentees between the two programmes is likely to be a contributing factor. **High levels of satisfaction are reflected in the high number of respondents who stated that they would recommend involvement in the programme to other businesses.**

The evaluation also found that the emda subsidy was a significant motivating factor for involvement in both ME and MFA, with 76% and 61% respectively indicated that they would not have participated in the absence of the subsidy. In spite of high levels of satisfaction with the support, 20% of MFA and 40% of ME participants indicated that they would not pay the full market rate for the support of a mentor in future, largely related to perceived ability to pay rather than willingness to do so.

The Impact of Mentoring

The evaluation found clear differences in the impacts observable between the two programmes, with the pilot Mentoring Escalator outperforming the more recent Mentoring for All on every impact measure. The main explanation for this is that many of the MFA impacts are still to be fully realised. For ME, there are positive results in terms of net impact, based on our adopted approach. **Greater impacts have been drawn more from the larger SMEs supported rather than the micro-businesses.**

The main messages can be summarised as follows:

- The net GVA impact of mentoring activity in the East Midlands is £8.4m to date;
- The net turnover impact has been estimated at £18.1m;
- The net employment impact was calculated to be 183 net additional FTE jobs; and
- Mentoring activity can be considered to be delivering good value for money with:
    - Every £1 spent generating £6.72 of net additional GVA;
    - Every £1 spent generating £14.49 of net turnover impact; and
    - The cost of creating 1 new FTE job estimated at £6,831.

The Mentor Experience

The majority of mentors are already employed in some form of business development capacity and tend to have a relatively high levels of experience in mentoring. The recruitment of mentors has been most effective through word of mouth communication and existing business networks;

Mentors motivations for joining the programme, and also the benefits mentors derived from being on the programme, appear primarily non-financial, when based on the feedback from mentors themselves. At the same, they regard mentor payments correctly pitched.

Overall, mentors felt they had a high level of input in the matching process and the application, induction and training offered on the programme were rated very highly by mentors. Some mentors are seeking even greater input at the matching stage. The main area in which mentors felt they could add value was as a ‘sounding board’ for mentees.

NBV's management of the programme was rated highly as was the level of support they gave to mentors and more than 7 in 10 mentors would continue working for the NBV as a mentor for as long as the programme continues.

The Stakeholder Perspective

On the whole, the SSPs were satisfied with the performance of the MFA programme although there was some concern that engagements were behind profile at this stage. There was a desire for clarity around the cost model that NBV are working to amongst the SSPs. In particular whether the model is time or output driven.

The evaluation also found some concern amongst the SSPs that the expansion of the programme from ME to MFA has led to a decrease in the quality of mentors being recruited. However, NBV's overall delivery of the programme was considered to be efficient by the SSPs.

The lower than expected referrals from Business Link were due to: the poor fit of mentoring for some businesses; competition from other business support interventions; and previous bad experiences of the mentoring programme amongst some BL advisers.

There was a call for greater use to be made of the BL advisers knowledge of referred companies in the sign-up and mentor matching process. The BL advisers feel that Mentoring for All fills a gap in the market and collectively they are keen to see it continue in some form in the future, particularly for smaller businesses.

The awareness of Mentoring for All amongst the region's local authority economic development departments is very low and there may be little merit in promoting the programme widely amongst local authority partners.

Recommendations

Based on the conclusions above findings, a number of recommendations are made. These are:

Recommendation One

A subsidised mentoring programme in the East Midlands should continue.

Recommendation Two

There should be a clear demarcation between MFA and any future follow-on mentoring programme, with the MFA programme ending before the commencement of a new programme.

This may involve the MFA programme ceasing to recruit new mentees within a sufficient timeframe to allow it to 'clear' before the commencement of the new programme.

Recommendation Three

Any follow-on programme should seek a lower level of new engagements per month.

The T4 and T6 targets for the MFA programme have been challenging. The risk of ambitious targets are that they pull businesses into mentoring which are unsuited to this type of support. The point has been made that mentoring is not suitable for all businesses and as such any new programme should have a clear emphasis on quality of business engaged (in terms of motivations, willingness, capacity to develop) as opposed to quantity.

Recommendation Four

The business benefits of completing at least six to ten mentoring sessions should be explicitly communicated to new mentees at sign-up.

This evaluation has recognised the difficulties in retaining mentees on the programme for the full 10 sessions. However, it has also highlighted the disproportionate business and economic benefits associated with completing the full programme. The survey found that the majority of mentees themselves considered six sessions to be a minimum level before they could derive benefit.

Recommendation Five

The facility should be there to extend the programme beyond 10 sessions.

Length of involvement has been shown to be directly related to impact levels. Additional sessions could still be subsidised but at a lower rate e.g. clients could pay half the market rate of each session. The additional sessions could be spread out with longer spells between support and this may also help wean clients gradually off the expectation of subsidy.

Recommendation Six

Steps should be taken to involve Business Link more fully in the engagement, mentor matching and aftercare process.

The knowledge BL have of their client base is not being fully utillised under the current arrangements. BL have a greater role to play in the continued success of this programme and thought should be given to how this can be achieved.

Recommendation Seven

There is clear evidence that the programme can deliver benefits to the larger SMEs and consideration should be given to introducing minimum criteria for businesses participating in the scheme.

The survey found a number of sole traders engaged on the programme. Although it is valuable to these companies, the impact generated by these companies was found to be limited. Smaller businesses nonetheless experience a range of softer benefits and may not be sufficiently developed to benefit from more intensive support. This recommendation should therefore be considered in the light of the forthcoming evaluations of Route to Market and High Growth schemes, since Mentoring for All is currently viewed as more appropriate for businesses closer to entry level.

Recommendation Eight

NBV should continue to seek to widen and diversify the mentor pool.

Feedback from stakeholders suggests that more mentors are required to enable the MFA programme to meet targets for increased activity. Chapter 2 of the report also suggests that the profile of the mentors remains skewed towards White males over 50 years of age.

1 INTRODUCTION

1.1 In September 2008 *emda* commissioned EKOS to undertake an evaluation of its funded mentoring activity in the region. The evaluation has covered the pilot Mentoring Escalator project which operated from January 2006 to October 2007 and the subsequent Mentoring for All East Midlands programme.

Background and Context

1.2 The Mentoring Escalator (ME) programme was established in January 2006 following a successful pre-pilot. It was delivered as a regional programme and was co-funded by *emda* and four of the region's seven Strategic Sub-Regional Partnerships (SSPs). The then Business Link Nottingham was contracted to deliver the programme on behalf of *emda*, with support from Nottinghamshire Business Ventures (NBV) which provided access to an established pool of mentors.

1.3 ME operated in the region for 14 months during which time it trained 133 mentors and engaged 247 businesses. Following the final evaluation of the programme in April 2007[1] the decision was taken to extend the programme and the Mentoring for All (MFA) programme was rolled out. This programme was funded by all seven SSPs and the delivery contract awarded to NBV. MFA has been formally operating since November 2007 but due to a degree of overlap with ME has been delivering outputs since April 2007.

1.4 The differences between the two programmes are in name only. Both have worked with the owners or senior managers of regional small and medium sized enterprises (SMEs) to improve business performance. This is achieved through mentors working with mentees over a series of 10 mentoring sessions within a 12 month period. NBV play a management and co-ordination role in the process, engaging mentees on to the programme and matching appropriately skilled mentors from the pool.

1.5 The current Mentoring for All programme is intended to assist 600 companies by March 2010. Each supported business will count towards *emda's* T4 business assistance target. The programme is also expected to train 300 mentors, which will count towards *emda's* T6 target of assisting individuals to develop their skills.

Study Objectives

1.6 The study brief outlined a number of key objectives which the evaluation has addressed. These can be summarised into three broad areas which are:

[1] Strategem (2007) – Evaluation of Mentoring Escalator Pilot Programme

- Measure the effectiveness of mentoring as a means to stimulate business growth through:
    - Comparing GVA data for companies pre- and post-mentoring to assess the extent of change; and
    - Reporting on the 'softer' and more intangible benefits of the scheme.
- Assess the need for a subsidised business mentoring service in the East Midlands region through:
    - Testing the extent to which supported companies would be prepared to pay full cost for the mentoring they have received; and
    - Determining the extent to which the project fills a gap in the business support market in the East Midlands.
- Determine the best model for future delivery of the programme through:
    - Assessing the strengths and weaknesses of the current model from a mentor, mentee and stakeholder perspective; and
    - Assessing future need and demand for the programme.

Methodology

1.7 Over the last 18 months or so, greater emphasis has been placed upon all Regional Development Agencies to ensure that the evaluations they commission are in line with the Impact Evaluation Framework (IEF), produced by the DTI in 2006.[2] The research methods adopted for this evaluation are consistent with the IEF. Specifically, this includes the following:

- **On-line surveys** targeted at four distinct groups of programme participants. These were:
    - Companies which had participated on the Mentoring Escalator programme and had taken a minimum of two sessions;
    - Companies which had participated on the Mentoring for All programme and had taken a minimum of two sessions;
    - Business mentors who had provided support to companies through the Mentoring Escalator programme; and

[2] DTI (2006) *Evaluating the Impact of England's Regional Development Agencies: Developing a Methodology and Evaluation Framework. DTI Occasional Paper No 2.*

  - Business mentors who had provided support to companies through the Mentoring for All programme.

- **In-depth business consultations** were undertaken with 17 companies which had participated in the Mentoring Escalator programme and disengaged 12 months ago. This added value to the survey data as it allowed issues to be probed in more detail and enabled a fuller picture of the beneficiary experience. It also allowed for a comparison of the pre-, post- and current GVA levels of disengaged companies.

- **Workshop with business mentors currently working through the Mentoring for All programme.** This followed one of the regular Continuing Professional Development (CPD) sessions held by NBV at the end of September. This fed back some of the emerging messages from the online survey and allowed these to be discussed in an interactive environment.

- **Stakeholder consultations** with the contractor Nottinghamshire Business Ventures (NBV), five of the seven Sub-Regional Strategic Partnerships (SSPs), Business Link managers and operational staff, and representatives of East Midlands local authority economic development departments. These gathered views on programme performance, general awareness and ways it could be developed in the future.

- **A desk review of policy** and **data analysis of monitoring information** to ascertain how the Programme has performed in relation to its contractual targets and outputs.

Structure of the Report

1.8 The report is structured in the following way:

- **Chapter 2** presents an overview of the programmes and their performance to date;

- **Chapter 3** presents the findings from the online surveys and in-depth consultations with mentored companies;

- **Chapter 4** sets out the estimated economic impacts of the mentoring programmes;

- **Chapter 5** is the views of mentors gathered online and through the workshop;

- **Chapter 6** summarises the views of the key stakeholders consulted through the evaluation; and

- **Chapter 7** draws together the earlier evidence to present a series of conclusions and recommendations.

2 PROGRAMME OVERVIEW AND PERFORMANCE

2.1 This chapter presents an overview of the programmes and reported performance to date. It firstly presents a summary of the Mentoring Escalator programme before going on to consider the current Mentoring for All scheme. Given that the pilot Mentoring Escalator programme has undergone an interim and final evaluation previously, the main focus in this chapter is on Mentoring for All.

2.2 The chapter is structured in the following way:

- Background to mentoring in the East Midlands;
- The Mentoring Escalator programme;
- The Mentoring for All programme;
    - Funding and Expenditure
    - Activity
    - Outputs
- Referrals;
- Mentee Characteristics;
- Mentor Characteristics; and
- Summary and Conclusions.

Background to Mentoring in the East Midlands

2.3 Mentoring as a means of business support has risen in popularity across the UK and it is now widely viewed as an effective model for encouraging business growth. It exists in a number of forms across the country, ranging from those focused on companies designated as ‘high growth’ to targeted programmes which concentrate on specific sectors such as tourism or technology.

2.4 In the East Midlands, the Mentoring Escalator pilot project was established in January 2006, following a successful pre-pilot the previous year. Mentoring for All East Midlands followed on from this officially commencing in November 2007.

2.5 An interim evaluation of the Mentoring Escalator project was undertaken by Strategem during the period October 2006 and February 2007, with a final report published in April 2007.

The Mentoring Escalator Programme

2.6 The approach to the evaluation undertaken by Strategem consisted of six elements, including the inception meeting with *emda*, a document review, review of financial and monitoring data, stakeholder consultations, interviews with mentors and a survey of mentees.

2.7 Both workshops with mentors and the mentee survey found that there should be greater clarity with regard to setting expectations. Only 59% of mentees had felt that the mentoring process was clearly explained to them in advance.

2.8 The final evaluation concluded that the project provided good value to customers and funders. This conclusion was based in part on the two phase survey of existing mentees, which found that over 90% were satisfied or very satisfied with the scheme. Over 85% rated the scheme as providing 'good' or 'excellent' value for money.

2.9 However, the final evaluation also found that understanding of the scheme was not always clear among Business Link advisers, which resulted in referrals to the mentoring project of businesses which were not in the original target market, notably start-ups. As Business Link was the main route to market for the Mentoring Escalator, this was concluded to be problematic and needed to be addressed by making greater use of other business networks.

Expenditure and Handover

2.10 Expenditure on the Mentoring Escalator programme is set in Table 2.1. This shows that commitments were running ahead of total budget as of March 2007. This was however due, in part, to accruals for engaged mentees and the situation was considered manageable.

Table 2.1 – Profiled Expenditure on the Mentoring Escalator Programme

Programme Breakdown	Expenditure at October 2006	Expenditure at March 2007
Total Costs Paid Out To Date	£ 261,081	£371,441
Accruals for Mentees Engaged	£ 286,803	£269,244
Mgmt Fees Still Contracted	£ 27,500	£19,000
Evaluation Costs	£ 21,000	£3,000
Total Committed	£ 596,384	£662,685
Project Value	**£ 630,000**	**£630,000**

Source: Strategem, Final Report, April 2007

2.11 *emda's* internal accounting system shows that a total of £599,409 was spent on the Mentoring Escalator project. Comparison of the actual spend against the committed spend (Table 2.1) shows that the project came in around £63,000 less than anticipated. This can be explained, in part, with reference to the complex handover arrangements between the ME and MFA programmes.

2.12 ME was considered to be a successful project in recruiting and retaining mentees. In early 2007, the previous *emda* project manager reviewed the outstanding commitments on the project and concluded that if all the scheduled activity actually took place (i.e. each company completed all ten scheduled mentoring sessions) there would not be enough money in the ME budget to cover these costs. As it turned out, the anticipated commitments did not materialise resulting in the discrepancy between the forecast and actual spend.

2.13 Furthermore, the decision had already been taken to extend funded mentoring activity beyond the ME programme with the MFA programme. To maintain the momentum of the programme it was decided to continually recruit between April and the official start date of the new MFA programme in November 2007, with all outputs being counted towards the new programme. This led to an element of confusion with both programmes running simultaneously. It was anticipated that ME would ‘clear’ around May 2007, but in practice it continued beyond this. This resulted in a long and protracted handover period, compounded by the programme management responsibilities transferring from in-house at *emda* to NBV at that time.

2.14 In summary, there is a limited understanding of how the mentoring programmes interface with one another, both internally and externally. The evaluation has found that the reasons for managing the handover were eminently logical but in practice have served to blur the boundaries between the two programmes.

Outputs

2.15 Outputs for T4 and T6 by SSP area, to March 2007, are shown in Table 2.2 below. The allocation of targets across the SSPs related closely to the regional business distribution across the areas.

2.16 The Leicestershire Economic Partnership area had the highest level of outputs, which was appropriate given their 21% share of Regional Business Distribution[3] across the seven SSPs. The Alliance SSP area surpassed its 14% share of businesses with 18% of T4 outputs overall and 17% of T6 outputs. Overall, outputs across the seven SSPs were broadly in line with their regional share of businesses.

[3] Strategem Final Report, April 2007, p 24

Table 2.2 – Mentoring Escalator T4 and T6 Outputs

SSP	Outputs Aug 2006 – March 2007				
	T4		T6		% Regional Businesses
	Achieved	% of Total	Achieved	% of Total	
ASSP	56	18%	49	17%	14%
DDEP	51	17%	47	17%	16%
GNP	45	15%	43	15%	13%
LSEP	62	20%	58	20%	21%
Lincs SSP	40	13%	37	13%	14%
NEL	33	11%	30	11%	16%
Welland SSP	20	7%	19	7%	6%
Total	**307**	**100%**	**283**	**100%**	**100%**

Source: Mentoring Escalator Management Information, emda

The Mentoring for All Programme

2.17 Mentoring for All followed on from the Mentoring Escalator programme. Mentoring for All is intended to assist 600 companies and train 300 mentors by March 2010. In total, it is expected to assist a total of 900 mentees and mentors in their business performance and skills development.

Funding and Expenditure

2.18 Table 2.3 shows funding contributions broken down by contributor and year. Leicestershire and Alliance are the top two SSP contributors. *emda* is the largest funder, contributing 23% of the overall programme budget (85% of the programme is publicly funded).

Table 2.3 – MFA Funding Contributions

SSP	2007/08	2008/09	2009/10	Total	% Total Funding
Alliance SSP	£40,000	£120,000	£95,000	£255,000	13%
Derby & Derbyshire Economic Partnership	£25,000	£120,000	£95,000	£240,000	12%
Greater Nottingham Partnership	£25,000	£ 54,000	£42,750	£121,750	6%
Leicestershire Economic Partnership	£50,000	£120,000	£95,000	£265,000	13%
Lincolnshire Enterprise	£ 5,000	£ 43,000	£34,000	£ 82,000	4%
Northamptonshire Enterprise Ltd	£25,000	£ 97,200	£76,950	£199,150	10%
Welland SSP	£ -	£ 54,200	£28,060	£ 82,260	4%
Total SSP Contribution	**£170,000**	**£608,400**	**£466,760**	**£1,245,160**	**62%**
emda	£150,000	£231,600	£ 68,400	£450,000	23%
Total emda/SSP Contribution	**£320,000**	**£840,000**	**£535,160**	**£1,695,160**	**85%**
SMEs				£304,840	15%
Totals	**£320,000**	**£840,000**	**£535,160**	**£2,000,000**	**100%**

Source: Mentoring For All Management Information, emda

2.19 A range of activities are supported by the programme, the most significant being individual meetings between mentors and mentees. Delivery of marketing events stands out as markedly above profile (Table 2.4) for Financial Year 2007/08. This was due to a marketing campaign being agreed in March 2008 with NBV, which saw a substantial increase to spend in this area. However, other activity, notably individual mentor/mentee meetings have been under budget.

2.20 Table 2.4, provides the most recent profile for spend against these same areas for financial year 2008/09, as at August 2008. It shows substantial increases in spend against customer disengagement[4] meetings and individual mentor/mentee meetings.

Table 2.4 – NBV Activity Spend

Activity	Budget 07/08	Spend 07/08	% of Budget	*Profile 08/09*
Customer engagement meetings	21,780	16,830	77%	75,075
Mentor engagement packs	4,470	3,570	80%	13,650
Individual mentor/mentee meetings	159,390	101,805	64%	524,700
Customer disengagement meetings	10,830	10,725	99%	70,455
Delivery of training events	35,000	35,000	100%	63,000
Delivery of marketing events	6,000	41,370	690%	30,000
Project management	23,750	23,750	100%	63,000
Project establishment	18,700	18,700	100%	0
Other	40,080	40,080	100%	0
Total	320,000	291,830	91%	839,880

Source: MFA Expenditure, emda

2.21 Financial information provided by *emda's* internal accounting system shows that a total of £650,640 had been spent on the MFA programme up to the end of October 2008. This spend figure features in the Value for Money calculation in Chapter 4.

Activity

2.22 Table 2.5 provides total activity data for financial year 2007/08 and the first part of 2008/09. While this only covers four months of the current year it is clear that T4 business engagements are on target, however the number of sessions delivered is of some concern. Disengagements have yet to follow through but are expected in the second half of the year.

Table 2.5 – Overall Progress Against T4 Activity Targets

Activity	2007/08			2008/09 (to July 08)		
	Target	Achieved	% target	Target	Achieved	% target
Engagements	132	101	77%	425	169	40%
Disengagements	70	65	93%	427	40	9%
Sessions	966	617	64%	3216	517	16%

Source: MFA Activity, emda

[4] *Disengagement* occurs when mentees have completed all 10 mentoring sessions as well as a debrief meeting with NBV. At the debrief meeting mentees discuss the impact of the mentoring and provide updated GVA data.

2.23 Table 2.6 shows that engagements are up by 67% across all SSP areas between the period November 2007 to March 2008 and the period April to July 2008. The largest increase was from the LSEP area, which saw a rise of 240% in engagements between these periods. Only one SSP area (Alliance) has seen a decline, albeit modest.

Table 2.6 – MFA Engagements by SSP Area

	Engagements		
SSP	**Apr 07 – Oct 07**	**Nov 07 – Mar 08**	**Apr 08 – Jul 08**
Alliance SSP	10	19	18
DDEP	16	18	25
GNP	24	18	37
LSEP	23	15	51
Lincs SSP	12	9	17
NEL	6	18	17
Welland	1	4	4
Total	**92**	**101**	**169**

Source: MFA Activity, emda

Outputs

2.24 Table 2.7 below shows that MFA outputs were well ahead of target for FY 2007/08. For T4 outputs (business focused), only two SSPs did not achieve at least 100% of their targets and for T6 (people and skills focused outputs), every SSP achieved at least 100% of target. In most areas output targets were significantly exceeded, with up to 800% over performance being recorded. The Greater Nottingham Partnership area has been especially productive, delivering 571% of its T4 target and 800% of its T6 target.

Table 2.7 – SSP Progress Against T4 and T6 Targets

	Outputs FY 2007/08					
	T4			T6		
SSP	**Target**	**Achieved**	**% Target**	**Target**	**Achieved**	**% Target**
ASSP	8	8	100%	4	10	250%
DDEP	8	18	225%	4	12	300%
GNP	7	40	571%	4	32	800%
LSEP	11	14	127%	6	14	233%
Lincs SSP	7	22	314%	4	15	375%
NEL	9	4	44%	4	10	250%
Welland SSP	3	0	0%	1	1	100%
Total	**53**	**106**	**200%**	**27**	**94**	**348%**

Source: MFA Outputs, emda

2.25 Performance in the first four months of 2008/09 is in contrast to the performance in 2007/08. With the exception of the GNP area (which is ahead of profile on T4 outputs) all SSP areas are behind target on T4 and T6 outputs. Consultation with *emda* confirmed that NBV are unlikely to achieve the T6 target and as such no further funds are available for this activity.

Table 2.8 – SSP Performance Against 2008/09 T4 and T6 Targets

SSP	Outputs Apr 08 – Aug 08					
	T4			T6		
	Target	Achieved	% Target	Target	Achieved	% Target
ASSP	25	2	8%	30	4	13%
DDEP	28	4	14%	33	10	30%
GNP	24	29	121%	28	19	68%
LSEP	38	24	63%	44	4	9%
Lincs SSP	25	12	48%	29	8	28%
NEL	29	5	17%	34	2	6%
Welland SSP	10	0	0%	12	0	0%
Total	**179**	**76**	**42%**	**210**	**47**	**22%**

Source: MFA Outputs, emda

Business Link Referrals

2.26 There have been 272 engagements under the new contract, and 81 of these have come via Business Link:

- Nottinghamshire -16
- Derbyshire - 15
- Lincolnshire - 12
- Leicestershire - 27
- Northamptonshire - 11

2.27 This equates to 30% of official referrals originating from Business Link. This is a relatively low figure given its pivotal role in Mentoring for All, although this is likely to reflect the wider network of referrals developed over time from other sources. The findings of primary research (Chapter 3) suggest that up to 70% of respondents had heard about MFA through Business Link, indicating that it is playing a significant, if more informal, role in the referral process.

The Mentee Characteristics

2.28 Management information provided for Mentoring for All provides a breakdown of the characteristics of participants. As table 2.9 shows there is roughly two thirds to one third male to female split.

Table 2.9 – MFA Mentee Characteristics

Gender	Number of Respondents	Percentage of Respondents
Male	255	70%
Female	109	30%
Total	**364**	**100%**

Source: MFA Activity, emda

2.29 The top five sectors in which mentees operate equate to 88% of the total, with the top two sectors representing 64% of that total. The largest proportion of mentees/businesses (39%) are drawn from financial and business services. This does not appear to mean that the mentees' companies are not distributed widely across the range of business activity, however, because the 91 companies in the Community/Social/Other group include 15 (16% of the subgroup) in education, training or development; 12 (13%) medical; and 7 (8%) in property.

Table 2.10 – MFA Mentee Business Sectors

Sector	Number of respondents	Percentage of respondents
Financial & Business Service	143	39%
Community/Social/Other Services	91	25%
Wholesale & Retail	36	10%
Manufacture	31	8%
Construction	23	6%
Total	**324**	**100%**

Source: MFA Activity, emda

2.30 From primary research it is also apparent that they majority of MFA mentees are from relatively small organisations, with almost 8 out of 10 companies (79%) having between one and ten employees.

The Mentor Characteristics

2.31 As shown in Table 2.11 below a substantial proportion of the mentors are male, although the proportions do closely reflect those of the mentees themselves.

Table 2.11 – MFA Mentor Characteristics

Gender	Number of respondents	Percentage of respondents
Male	119	73%
Female	44	27%
Total	**163**	**100%**

Source: MFA Activity, emda

2.32 As shown in Table 2.11 the majority of the mentors are male (119, 73%) and from Table 2.12 below, White British (108, 90%). A higher proportion of the 44 (27%) female mentors are from ethnic minorities (10, 23%) than their male counterparts (5, 4%). The key message is that there is a low representation of Black and Minority Ethnic (BME) mentors in the MFA mentor pool.

Table 2.12 – MFA Mentor Ethnicity

Ethnicity	Male		Female		Total	
	No.	%	No.	%	No.	%
White British	108	90%	31	71%	139	85%
White (unspecified)	6	5%	3	7%	9	5%
Indian	1	1%	3	7%	4	2%
Black	0	0%	1	2%	1	1%
Black African	1	1%	0	0%	1	1%
Pakistani	0	0%	1	2%	1	1%
Asian Other	0	0%	1	2%	1	1%
Mixed Ethnicity	0	0%	1	2%	1	1%
White/Black Caribbean	0	0%	1	2%	1	1%
Prefer not to say	3	3%	2	5%	5	3%
Total	**119**	**100%**	**44**	**100%**	**163**	**100%**

2.33 Age varies by gender, where the largest group of male mentors is 55 (46%) in the 51-60 group; for females, the largest group is 19 (43%) in the 41-50 group. Also, with 8 (18%) the female mentors aged 31-40 outnumber their male counterparts (4, 3%) significantly. In summary, the majority of mentors fall into the 50+ age bracket.

Table 2.13 – MFA Mentor Age Profile

Age	Male		Female		Total	
	No.	%	No.	%	No.	%
31-40	4	3%	8	18%	12	7%
41-50	20	17%	19	43%	39	24%
51-60	55	46%	13	29%	68	42%
61-70	24	20%	2	5%	26	16%
71-80	5	4%	0	0%	5	3%
Prefer not say	11	9%	2	5%	13	8%
Total	**119**	**100%**	**44**	**100%**	**163**	**100%**

Source: MFA Activity, emda

Summary and Conclusions

2.34 This chapter summarises the previous evaluations undertaken by Strategem as well as considering *emda's* project management information relating to the Mentoring Escalator and Mentoring for All programmes. The key messages to take from this are:

- The previous evaluation found that Mentoring Escalator was popular with mentees although they were not always clear about the matching process and their expectations;

- Mentoring for All has represented a considerable increase in the scale of activity when compared to the Mentoring Escalator, and a further increase in activity is profiled for MFA in 2008/9 over 2007/8;

- Mentoring for All has over-performed against business (T4) and people and skills

(T6) outputs to date at the programme level and in most SSP areas. The exceptions are NEL and Welland SSPs (T4);

- However, the profiling of targets over the life of the MFA programme appears to have been ambitious. 600 mentees will be recruited onto the scheme against targets of gaining 900 T4 and 900 T6 outputs, providing 600 T4 and 600 T6 outputs. Whilst some of the ‘additional’ 300 T4 and T6 outputs will come from the companies who engaged prior to the scheme’s commencement, in practice c.200 of each are required from November 2007 onwards and this is a challenging target.
- The typical mentor profile is male, White British and aged 51-60;
- Although female mentors are more likely to come from ethnic minorities, the overall representation of ethnic minorities within the mentor pool is low; and
- Businesses supported have typically been small, with almost 8 in 10 employing between 1 and 10 persons.

3 THE MENTEE EXPERIENCE

Introduction

3.1 The following chapter presents the views of mentees involved in both the Mentoring for All and Mentoring Escalator programmes. Results were gathered through a combination of quantitative online surveys, qualitative telephone and face-to-face interviews. Owing to the similarity of the MFA and ME surveys, the results are presented simultaneously in order to highlight any differences in responses and draw conclusions as to why this may be the case.

3.2 The remainder of this chapter discusses:

- the profile of respondents and company characteristics;
- previous experience and awareness of mentoring;
- motivations and expectations;
- programme delivery;
- the benefits of mentoring; and
- potential improvements and costs.

Profile of Respondents

3.3 Table 3.1 summarises the response rate to the online survey on ME and MFA participants. Response rates were 24% and 36% respectively and sufficient to draw robust conclusions from the data.

3.4 In addition, there were a further 44 companies involved in the Mentoring Escalator which disengaged from the programme at least 12 months ago. In order to examine the time-lag effects of mentoring activity more fully these companies were targeted for qualitative face-to-face and telephone interviews. Seventeen companies participated in this survey. Their responses are included in the following analysis of ME respondents.

Table 3.1 – Survey Sample and Response Rates

The Sample Survey and Response Rate					
Survey Gp.	**Total Beneficiaries**	**Valid Contact**	**No of Respondents**	**% Response Rate**	**% of All Respondents**
Mentoring Escalator *2+ sessions and disengaged 12mths – in-depth survey*	44	44	17	39%	10%
Mentoring Escalator *2+ sessions – online survey*	379	307	73	24%	43%
Mentoring for All *2+ sessions – online survey*	267	226	81	36%	47%
Total	**690**	**577**	**171**	**30%**	**100%**

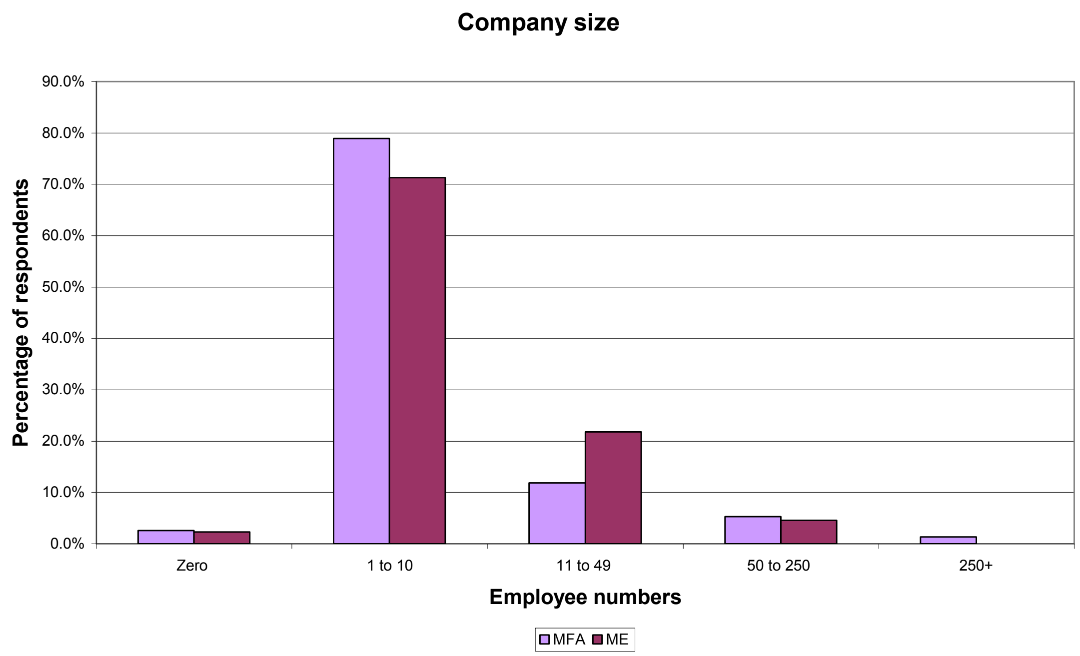
Source: EKOS survey of MFA and ME participants, 2008

Company Characteristics

3.5 The sectoral composition of the survey respondents broadly reflected the overall population of supported businesses, with Financial and Business Services the largest proportion of survey respondents. Further detail is provided at Annex A.

3.6 Figure 3.1 shows company size in terms of the number of employees for participants in ME and MFA. It shows that, in both cases, the vast majority of business participants were from relatively small organisations, with between one and ten employees.

Figure 3.1 – Company Size



Source: EKOS survey of MFA and ME participants, 2008

MFA n= 76 ME n= 87

3.7 Table 3.2 below shows the age of companies involved in the Mentoring for All and Mentoring Escalator programmes. Whilst the largest proportion in each programme is established business, of eight years or more, the current programme (Mentoring for All) has a slightly younger profile than its predecessor.

Table 3.2 – Company Age

Length of time trading	Percentage of respondents	
	MFA	ME
Less than one year	2.5%	N/A
1 to 2 years	12.5%	6.8%
2 to 3 years	17.5%	8.0%
3 to 4 years	10.0%	12.5%
4 to 5 years	8.8%	9.1%
5 to 8 years	11.3%	19.3%
More than 8 years	37.5%	44.3%
Response	**80**	**88**

Source: EKOS survey of MFA and ME participants, 2008

3.8 While the response rate varied, a broadly similar pattern was observed in the make up of Senior Managers and Business Owners between the two programmes. Table 3.3 presents the total responses to the diversity questions and the proportion of respondents which answered in that way. The key message is that senior management and business ownership was predominantly white male with:

- 23% of the MFA companies' senior management and ownership made up by females (20% for the ME supported companies);
- No registered disabled representation in the management team of any surveyed company; and
- Representation from Black Minority Ethnic (BME) and under 30 groups below 7% on both programmes.

Table 3.3 – Minority Group Representation

	Senior Managers				Business Owners			
	MFA	**Resp.**	ME	**Resp.**	MFA	**Resp.**	ME	**Resp.**
Female	23%	**48**	21%	**60**	23%	**46**	20%	**54**
Registered disabled	0%	**32**	0%	**48**	0%	**32**	0%	**41**
From BME group	2%	**33**	3%	**46**	2%	**31**	2%	**42**
Aged 30 or under	4%	**35**	6%	**48**	2%	**29**	3%	**42**

Source: EKOS survey of MFA and ME participants, 2008

Previous Experience and Awareness

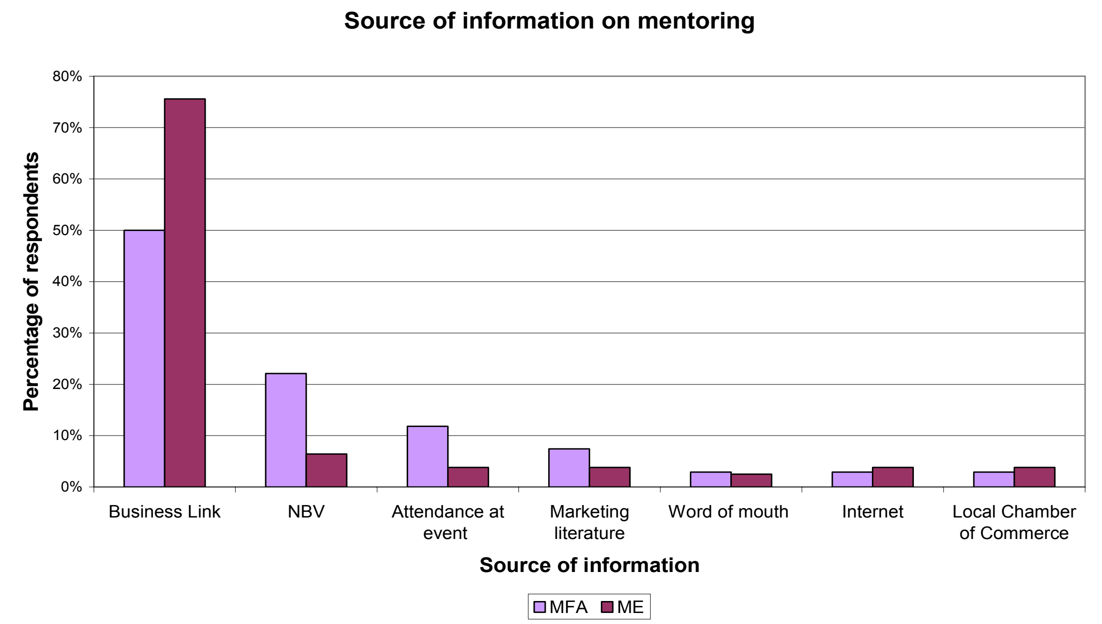
3.9 More than 9 in 10 (92%) of Mentoring for All participants indicated that they were not receiving mentoring support from any other source prior to their involvement in the current programme. Among the 8% who were previously receiving mentoring support, half had received this through Business Link. One respondent stated that they had received mentoring support through Derby Council while another had support from a private business consultancy organisation.

3.10 Similar findings emerged in relation to Mentoring Escalator participants, 8% of whom had received mentoring support prior to involvement in the programme. Three respondents stated that they had received this support from Business Link, while a further two had received mentoring support through NBV. One of these respondents referred to NBV post start-up mentoring support while the other had received support for a period of around nine months at a cost of £200. Other sources of mentoring support included Independent Advisors, Lloyds Bank Manager Support Service (£1,000 per annum) and personal contacts on an ad hoc basis.

3.11 Analysis of these responses found that this support had been in the past and not in competition with the mentoring programme. There was therefore no evidence of direct substitution on either programme.

3.12 Figure 3.2 below illustrates the ways in which respondents first became aware of the Mentoring for All and Mentoring Escalator programmes. In both instances Business Link was the primary source of information on mentoring support suggesting a volume of informal referrals, followed by NBV. However, it would also appear as if MFA has been slightly more successful in disseminating information through alternative channels, for example at events and through marketing literature.

Figure 3.2 – First Awareness of the Mentoring Programmes



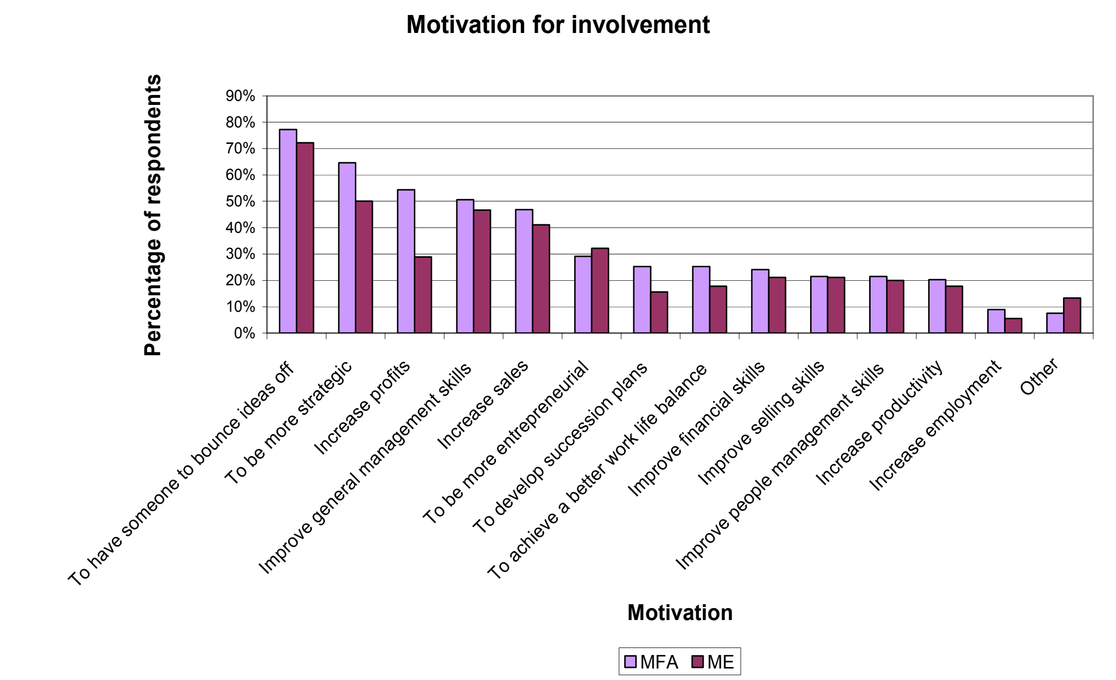
Source: EKOS survey of MFA and ME participants, 2008 MFA n= 68 ME n= 78

Motivations and Expectations

3.13 Figure 3.3 bellow illustrates the motivations of respondents for involvement in the mentoring programmes. For both MFA and ME participants the most significant motivation for involvement was in having someone to "bounce ideas off" (77% for MFA and 72% for ME). This was followed by the development of a more strategic way of thinking (65% for MFA and 50% for ME).

3.14 Increasing profit margins appeared to have been a significantly greater motivating factor for MFA as opposed to ME participants (54% as compared to 29%). The increased focus on increasing profits between ME and MFA may reflect the changing expectations of businesses and a move to see more tangible impacts as a result of business mentoring. Other strong motivating factors in both schemes were management skills development and to become more entrepreneurial. Job creation was not a strong motivator in either programme.

Figure 3.3 – Motivations



Source: EKOS survey of MFA and ME participants, 2008

MFA n= 79, ME n= 90

3.15 Table 3.4 provides an analysis of the number of mentoring sessions undertaken by Mentoring for All and Mentoring Escalator participants. It shows that among ME participants over half (54%) completed the full course of 10 sessions, of which almost one in five completed more than 10 sessions. Whilst nearly half of the respondents (46%) did not complete 10 sessions, 80% of ME respondents indicated that they had completed all the mentoring sessions they anticipated at the outset.

Table 3.4 – Number of Mentoring Sessions Taken

Number of mentoring sessions	Percentage of respondents	
	MFA	ME
1	0.0%	5.6%
2	6.4%	1.1%
3	14.1%	3.4%
4	12.8%	2.2%
5	21.8%	5.6%
6	10.3%	12.4%
7	5.1%	2.2%
8	7.7%	9.0%
9	5.1%	4.5%
10	11.5%	36.0%
11+	5.1%	18.0%
Total	**100%**	**100%%**

Source: EKOS survey of MFA and ME participants, 2008

MFA n = 78, ME n = 89

3.16 For those who had not completed the anticipated number of sessions, the primary reason was lack of time (35%). Thirty percent of companies highlight a lack of perceived value to the business and 15% lacked confidence in their allocated mentor. Although there is always likely to be some mismatch between businesses and mentors, and some businesses are always likely to drop out, this feedback suggests there is still some room for improvement. Other reasons included:

- Differing ethos/ personality of the respondent and their mentor;
- Long gaps between sessions and lack of communication; and
- Change in mentor.

3.17 Among MFA respondents this picture is complicated by the fact that the programme is still ongoing, with only 33% of respondents having completed all their sessions. Among those who highlighted difficulties in completing mentoring sessions (40 respondents), reasons included:

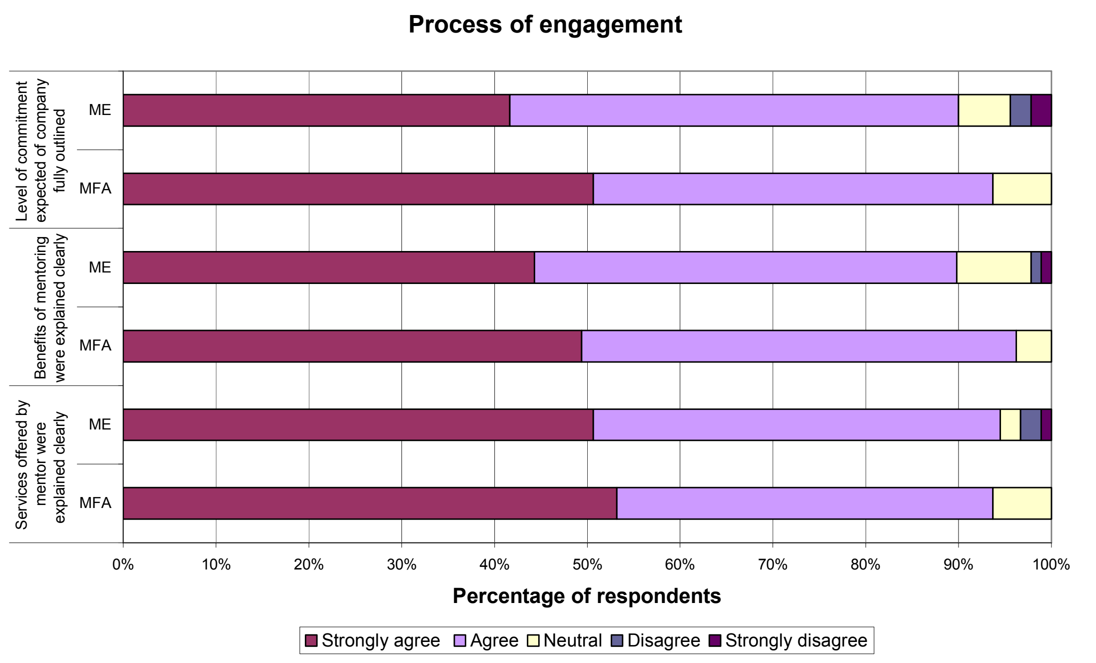
- Lack of time (15%);
- Lack of perceived value to the business (8%);
- Changes in business priorities (5%); and
- Lack of confidence in the mentor (5%).

Programme Delivery

3.18 Respondents were asked to comment on the extent to which the services of the mentor and commitment required by the company were fully explained at the outset of the programme. The survey recorded high levels of satisfaction with the process of engagement, among both ME and MFA participants, with at least 90% of respondents reporting that they 'strongly agreed' or 'agreed' with each of the statements (Figure 3.4).

3.19 Data suggests an improvement in these processes over time as none of the MFA participants indicated that they 'disagreed' or 'strongly disagreed' with any of the statements.

Figure 3.4 – Satisfaction with Engagement



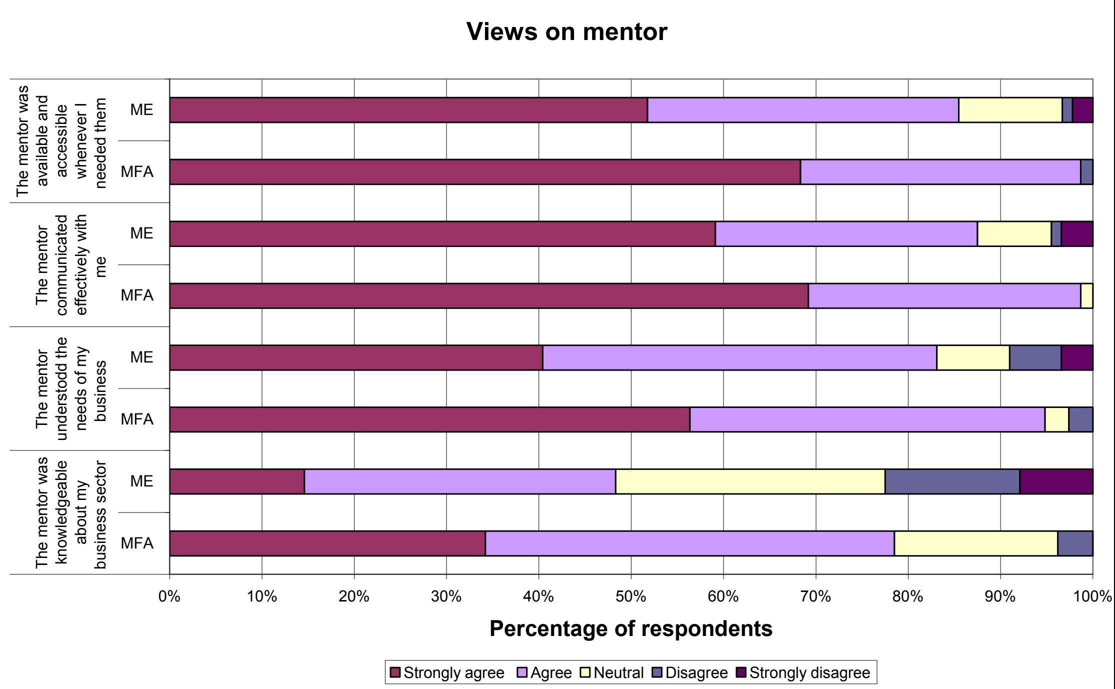
Source: EKOS survey of MFA and ME participants, 2008

MFA n= 79 ME n= 89

3.20 When asked to rate satisfaction with their mentor against a number of criteria, high levels of satisfaction were recorded for both ME and MFA participants. Again satisfaction ratings were generally higher among participants on the MFA programme.

3.21 One noticeable difference between the two programmes was in the perceptions of clients that their mentor was 'knowledgeable in their business sector'. Almost half (49%) of ME participants 'agreed' or 'strongly agreed' with the statement as compared to 78% of MFA participants, which suggests an improvement in the matching of mentees to mentors over time. Qualitative evidence from ME participants would not however suggest that this has been a major issue for mentees with most satisfied that the mentor is experienced in the areas where their business required assistance.

Figure 3.5 – Views on Quality of Mentors



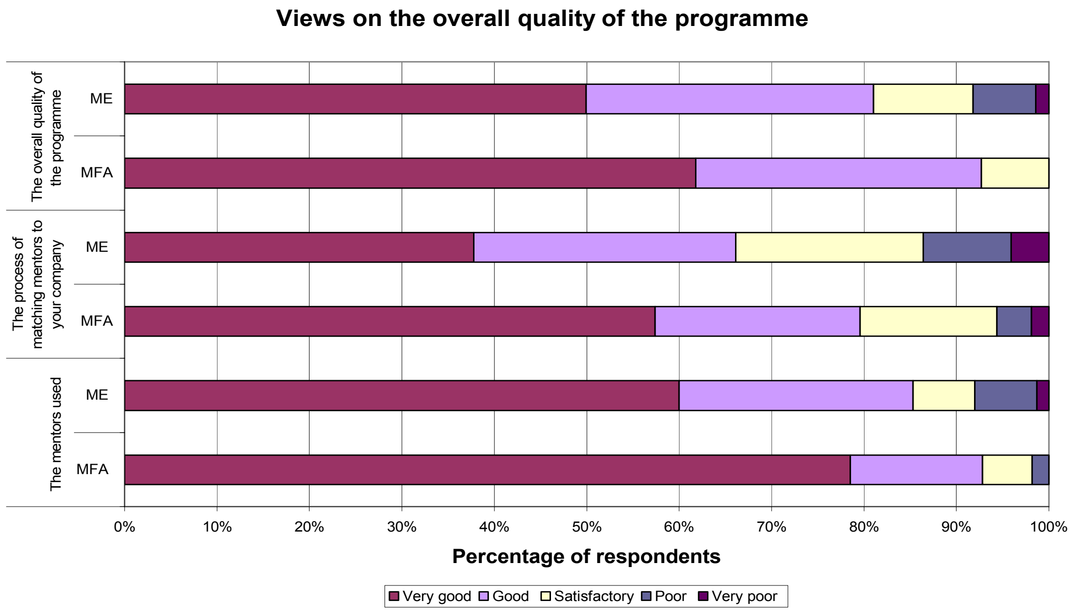
Source: EKOS survey of MFA and ME participants, 2008

MFA n= 79 ME n= 89

3.22 Figure 3.6 shows satisfaction with the overall quality of the ME and MFA programmes. In relation to the quality of the mentors used, high satisfaction ratings were recorded for both ME and MFA, with 85% and 93% respectively rating mentors as 'good' or 'very good'.

3.23 Reinforcing the point made in 3.16, client perceptions of the process of matching mentors to businesses were found to be lower among ME participants with 66% rating this process as 'good' or 'very good' in comparison to 80% of MFA participants. This suggests improvements in the matching process over time. While overall satisfaction ratings were lower among ME respondents, issues around 'matching' do not appear to have had a strongly adverse effect on the quality of the programme with 81% of ME respondents rating the programme as 'good' or 'very good'. This percentage increases to 93% among MFA participants.

Figure 3.6 – Views on the Overall Quality of the Programme



Source: EKOS survey of MFA and ME participants, 2008

MFA n= 56 ME n= 75

Benefits of Mentoring

3.24 Figure 3.7 illustrates the key benefits accruing to businesses as a result of involvement in the mentoring programmes. Among participants on both programmes, the largest percentage of respondents felt that simply having someone external to share ideas with was a major benefit of mentoring support (71% MFA and 69% ME). In both cases this was followed by the ability to think and work in a more strategic manner (66% MFA and 51% ME). These responses closely match the mentees motivation for participation and suggests the programmes have been meeting mentee needs.

3.25 When asked about the **most** significant benefit of involvement in the mentoring programme, it was found that:

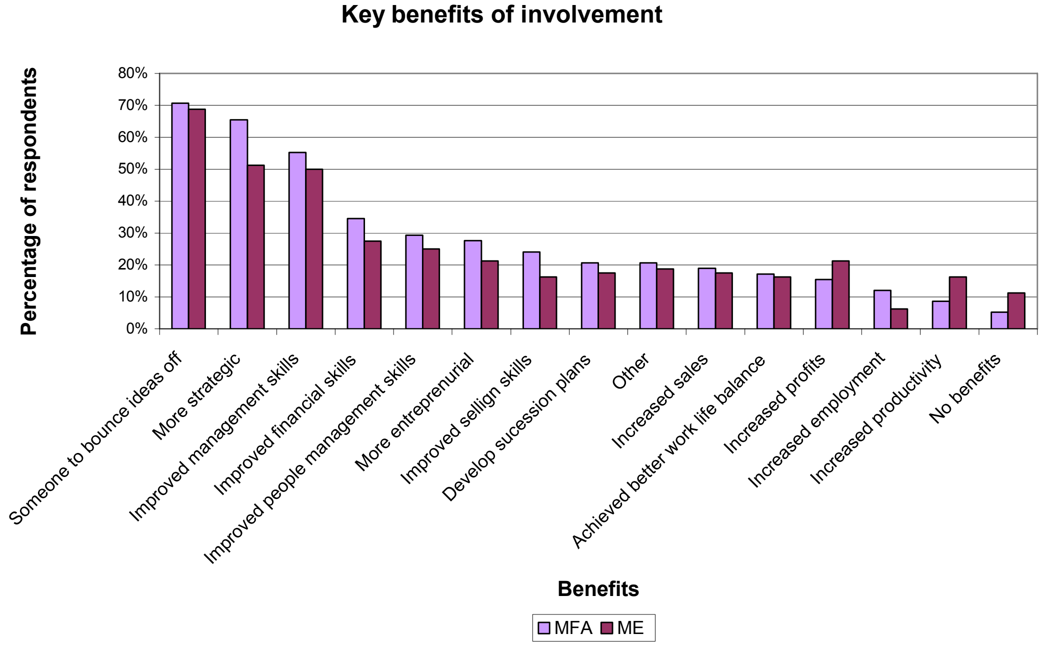
- The largest numbers (33% MFA and 21% ME) felt that most significant benefit was in having someone to 'bounce ideas off';
- 16% of MFA respondents felt that they had become more 'strategic' and 'improved their general management' skills as a result of participation;
- 13% of ME participants felt that the most significant benefits of the programme were in becoming more 'strategic' in their thinking and in developing a more

'entrepreneurial' way of working;

- 8% of ME participants stated that they had derived no benefits as a result of participation. This is compared to 2% of MFA participants; and

- Few mentees specifically identified sales, profits or productivity improvements as key benefits of the support for either MFA or ME.

Figure 3.7 - Benefits



Source: EKOS survey of MFA and ME participants, 2008

MFA n= 58 ME n= 80

3.26 Qualitative information regarding the **best things** about involvement in the mentoring programme was also gathered from participants. This was an open question with respondents free to answer as desired. Analysis is presented in Table 3.5 below. Comments around the value of the mentor as an 'independent', 'impartial' 'sounding board', someone that directors can talk to in confidence and someone who will challenge ideas and established thinking emerged as a key benefit of involvement, cited by 72% of both ME and MFA respondents. A number of respondents also commented on the ability of the mentor to make them take 'time out' and a 'step back' from the business to help them focus their ideas, gain a better 'sense of direction' and think in a more strategic manner. Other common responses focused on:

- Technical skills and practical business experience of the mentor; and

- The 'encouragement' of the mentor and the 'confidence' and 'motivation' that they had gained as a result.

Table 3.5 – Best Things About the Mentoring Programmes (Open Question)

	Percentage of respondents	
Best things about the programme	**MFA**	**ME**
Independent 'sounding board'/ someone to talk to and challenge ideas	72%	72%
Sense of direction/ ability to focus and think strategically	39%	29%
Experience of the mentor	30%	31%
Encouragement/ motivation	22%	11%
Development of skills	19%	10%
Relationships established	13%	10%
Flexible/ tailored nature of support	7%	8%
Other	7%	11%
Commitment of mentor	6%	4%
Access to further support/ contacts	6%	4%
Cost	4%	4%
Development of the business	2%	7%

Source: EKOS survey of MFA and ME participants, 2008

MFA n = 54, ME n = 72 – Note: Percentages do not equal 100 due to multiple responses.

Improvements and Costs

Programme Improvements

3.27 Table 3.6 below details respondents' views on potential improvements that could be made to the programmes of mentoring support. Among Mentoring for All participants the largest percentage of respondents made reference to the duration of the programme. Comments focused around increasing the number of sessions and the timescale over which sessions should be completed.

3.28 For ME participants the most frequently citied improvements focused around the process of matching mentors to businesses, specifically providing mentors with knowledge and experience of the mentees particular sector.

3.29 A number of ME and MFA participants commented on the need for more structure within the programme. This includes more structure and consistency in the timing and duration of mentoring sessions as well as a need for more structured processes for setting, meeting and recording goals.

Table 3.6 – Suggested Improvements

Suggested Improvements	Percentage of respondents	
	MFA	ME
Longer programme/ more sessions	17%	26%
More structured programme (goals/ time period etc)	14%	20%
Matching/ mentors with specific industry experience	11%	36%
Other	11%	10%
More initial information on mentors/ mentoring etc	8%	8%
General experience of mentors	6%	6%
More events/ networking opportunities	6%	8%
Exit strategy	3%	0%
Application process	3%	0%
More funding	3%	4%
More flexible	0%	2%

Source: EKOS survey of MFA and ME participants, 2008

MFA n = 36, ME n = 50 – Note: Percentages do not equal 100 due to multiple responses.

3.30 High levels of satisfaction with the mentoring support were reflected when respondents were asked about the likelihood that they would recommend involvement in the programme to other businesses. Ninety seven percent of MFA and 90% of ME respondents indicated that they would, with many adding that they had already recommended the programmes to others.

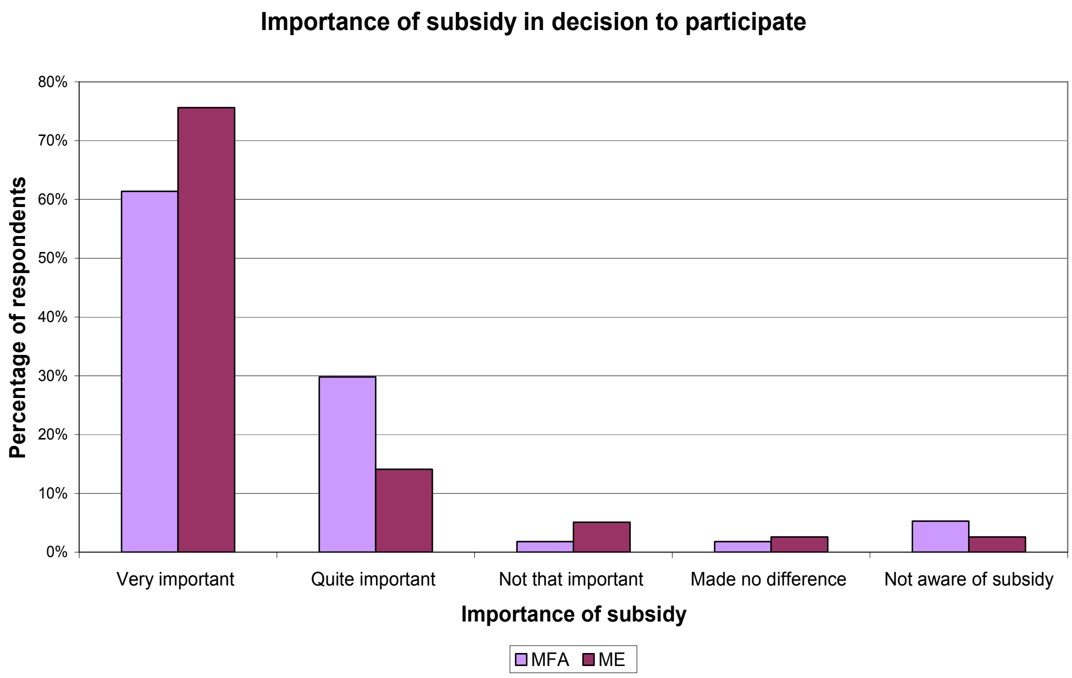
3.31 The largest number of MFA participants (17%) felt that 10 sessions of mentoring support was the minimum that would be required before a company could derive benefit from the programme. Among ME participants the largest group of respondents (26%) felt that tangible benefits could be seen following a minimum of six mentoring sessions.

Costs and Subsidy

3.32 As shown in figure 3.7, the subsidy from *emda* was the significant factor in the decision of the majority of companies to participate in the mentoring programmes, with 76% and 61% of ME and MFA respondents respectively indicating that they would not have participated if the subsidy had not been available. Only 8% of ME and 4% of MFA participants felt that the subsidy was 'not that important' or was not a factor in their decision to participate.

3.33 A far larger proportion of mentees under MFA regarded the subsidy as 'quite important' (30%) than was the case under ME (13%), where relatively more respondents regarded the subsidy as very important. This suggests that whilst still important, the subsidy for MFA mentees is not quite as critical as previously the case, and there may be some scope to reduce the levels of subsidy for some businesses. As discussed in Chapter 7, any differentiated subsidy to mentees needs to be balanced against the increased costs of managing this approach.

Figure 3.7 – Importance of Subsidy



Source: EKOS survey of MFA and ME participants, 2008

MFA n= 57 ME n= 78

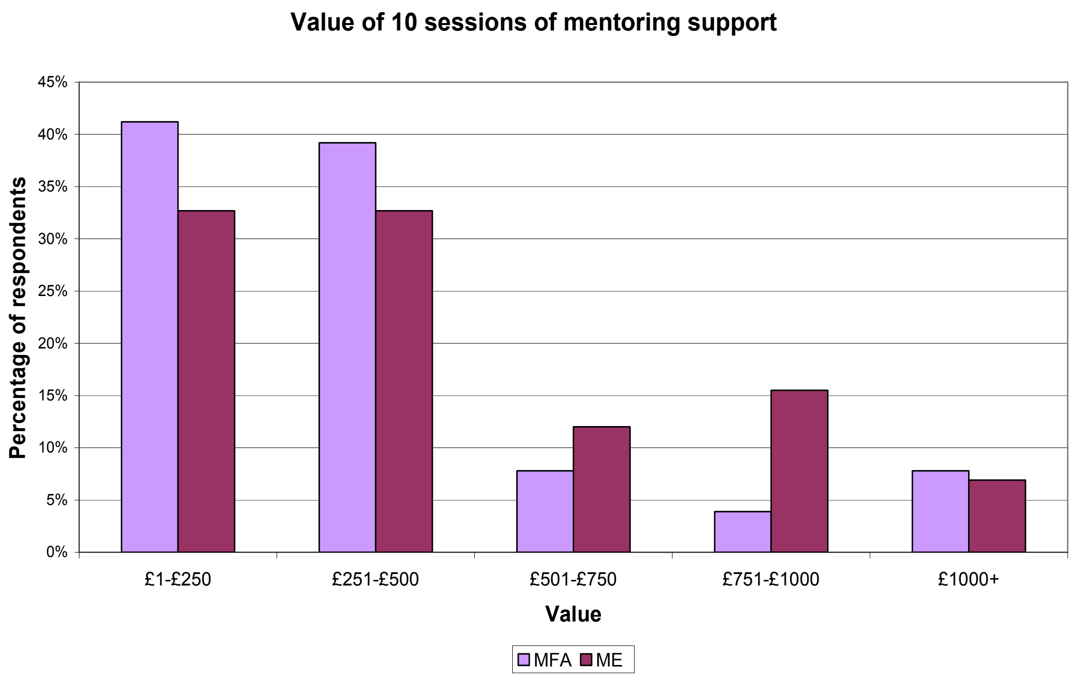
3.34 Having had experience of a mentoring programme and the potential benefits that can accrue as a result of such support, respondents were also asked to comment on the likelihood that they would pay the full market rate for the services of a mentor in future. In this case results differed between the two programmes with a considerably higher proportion of MFA participants being 'unsure' if they would consider this in future, 64% as compared to 37%. This is perhaps unsurprising given that many of these respondents are still engaged with the mentoring programme and in spite of high levels of satisfaction, may not yet have accrued tangible benefits as a result of their involvement. The survey also found that:

- 20% of MFA and 40% of ME participants were confident that they would **not** pay the full market rate for the services of a mentor in future. Findings from qualitative interviews would suggest that in many cases this is a result of limited resources as opposed to a perceived lack of value in mentoring; and
- 16% of MFA and 23% of ME respondents indicated that they would be willing to pay the market rate for mentoring support in the future.

3.35 Respondents were also asked to comment on the sum that they would be prepared to pay to receive 10 sessions of mentoring support. Among MFA respondents, the largest number, 41% said that they would pay up to £250 for this support, while a further 39% would be prepared to pay up to £500.

3.36 Among ME participants a third of respondents said that they would pay up to £250, while another third would pay up to £500. Sixteen percent of ME respondents stated that they would be willing to pay up to £1,000 for 10 sessions of mentoring support (Figure 3.8).

Figure 3.8 – Willingness to Pay



Source: EKOS survey of MFA and ME participants, 2008

MFA n= 55 ME n= 58

Summary

3.37 In conclusion the survey recorded high levels of satisfaction with the mentoring support among both ME and MFA participants. Mentees valued the mentor as an independent 'sounding board' to 'bounce ideas off' and as someone who would challenge ideas and conventional thinking. Mentors also play a significant role in enabling mentees to gain a greater sense of direction and in enhancing the confidence and motivation of mentees to drive their businesses forward.

3.38 It would appear that satisfaction is slightly higher amongst those involved in the current MFA programme. Improvements to the processes of matching mentors and mentees between the two programmes is likely to be a contributing factor.

3.39 High levels of satisfaction are reflected in the high number of respondents who stated that they would recommend involvement in the programme to other businesses.

3.40 The survey also found that the *emda* subsidy was a significant motivating factor for involvement in both ME and MFA, with 76% and 61% respectively indicated that they would not have participated in the absence of the subsidy. In spite of high levels of satisfaction with the support, 20% of MFA and 40% of ME participants indicated that they would not pay the full market rate for the support of a mentor in future, largely related to perceived ability to pay rather than willingness to do so.

4 THE IMPACT OF MENTORING

Introduction

4.1 This chapter sets out the economic impacts of the Mentoring Escalator and Mentoring for All programmes. It is structured around the following themes:

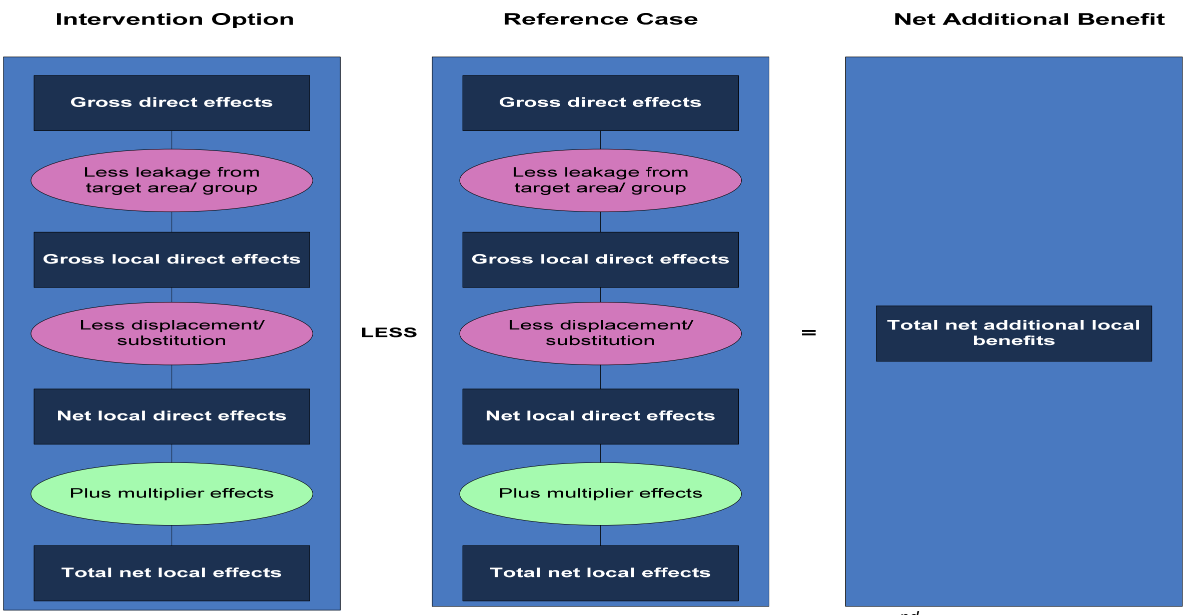
- Additionality Concepts;
- Gross Value Added Impact;
- Turnover Impact; and
- Employment Impact.

4.2 The impacts of the Mentoring Escalator and Mentoring for All are presented separately as well as a combined figure for the impact of the *emda* funded mentoring activity in the East Midlands.

Additionality Concepts and Methodology

4.3 Before proceeding to the presentation of the economic impacts, it is useful to provide a brief overview of the key terms used in the process and their application in moving from gross to net impacts. The standard approach adopted when assessing project level additionality is shown in Figure 4.1.

Figure 4.1 – Approach to Assessing Project Level Additionality – Key Components



Source: Adapted from English Partnerships (2004), Additionality Guidance 2nd Edition, p.5

4.4 The key terms are defined below along with a brief description on how they have been applied in this evaluation.

Intervention Option

4.5 This refers to the benefits which happened as a result of the *emda* funded mentoring programmes in the East Midlands. In short, the 'what did happen' scenario.

Reference Case

4.6 This refers to the benefits that would have happened without the introduction of the mentoring programmes. The benefits which would have accrued of their own accord or the 'what would have happened anyway' scenario.

Additionality and Deadweight

4.7 Additionality and deadweight are different sides of the same coin and are applied to the reference case. Additionality refers to the added value of the mentoring programmes, the effects that would have not have otherwise occurred without the intervention. Conversely, deadweight refers to the benefits which would have happened anyway or without the mentoring programmes.

4.8 In this evaluation, deadweight was assessed through the survey of mentees in two main ways. First, respondents were asked how different their gross annual turnover would have been without the support received through the mentoring programmes. It is therefore important to note that the benefits presented refer to the impact of the mentoring programmes in the last complete financial year rather than on the change between years. This approach was adopted as it allows impact to be measured in companies where turnover change has remained static or indeed declined.

4.9 Additionality was calculated separately for each company and then translated into an individual net impact for that company. Taking an average of these values, it was found that:

- Average additionality on last year's gross annual turnover[5] was 6% for the Mentoring Escalator programme
- Average additionality on gross annual turnover for the Mentoring for All programme was marginally higher at 8%.

[5] Respondents answered in relation to the last complete financial year. Given the differences in when companies start and end the financial year, some reported for 2006/07 and some 2007/08.

4.10 Second, respondents were asked how different gross employment would have been without mentoring support. In this instance, individuals were asked to indicate how different employment was a result of involvement in the programme. Answers were provided in full-time equivalents (FTE) terms (defined as a job of more than 30 hours per week).

Leakage

4.11 Leakage relates to the proportion of benefits that accrue to those businesses that are outside a programme's target area. In this case, any benefits experienced by companies which are not small and medium sized enterprises (SMEs) and/or which are not located in the East Midlands. 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

4.12 Defined as the extent to which the benefits gained by companies through the mentoring programme were at the expense of other companies that had not received mentoring support. Displacement was assessed through asking companies the extent to which their main competition was based in the East Midlands region. Responses were assigned a 'proxy' displacement value in accordance with the information laid out in Table 4.1

Table 4.1 – Displacement Values

Thinking about competition in your main area of business, which of the following statements best describes your business?.....	Proxy Displacement Value
All the businesses I compete with are based in the East Midlands	90%
The majority of businesses I compete with are based in the East Midlands	75%
Around half of the businesses I compete with are based in the East Midlands	50%
A minority of businesses I compete with are based in the East Midlands	25%
None of the businesses I compete with are based in the East Midlands	0%

4.13 Displacement was applied on a company-by-company basis. The average across the samples found to be:

- 42% displacement for the Mentoring Escalator programme
- 53% displacement for the Mentoring for All programme.

Substitution

4.14 This effect arises where a firm substitutes one activity for a similar one to take advantage of public sector assistance. The survey asked businesses whether they were receiving mentoring support form any other sources prior to their involvement with the mentoring programmes. Analysis of the responses found no evidence of direct substitution and as such it has been assumed to be zero.

Multipliers

4.15 Multipliers refer to spin-off (or positive downstream) effects generated by a programme. In the case of mentoring, this can be through income multipliers which relate to spend in the economy which has occurred through employment created and supplier multipliers which refers to the spend made to suppliers through new or increased orders.

4.16 The research has taken a straightforward 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 4.2.

Table 4.2 – Multipliers

Thinking about the main supplies for your business, which of the following statements best describes your business?.....	Multiplier Value
All our supplies come from East Midlands suppliers	1.9
The majority of our supplies, in terms of value, come from East Midlands suppliers	1.75
Around half of our supplies, in terms of value, come from East Midlands suppliers	1.5
A minority of our supplies, in terms of value, come from East Midlands suppliers	1.25
None of our supplies, in terms of value, come from East Midlands suppliers	1

Note: Multipliers are a proxy based on mentee perceptions of the supply chain and have been developed based on EKOS's experience of carrying out similar evaluations.

4.17 As with the other components in the additionality logic chain, this step was undertaken and applied individually for each company. The average multiplier was 1.5 across the sample. By way of a benchmark, our recent evaluation of *emda's* Business Growth through Skills Development and Knowledge Transfer Programme applied a multiplier of 1.3.

Putting the Figures Together

4.18 This evaluation has used what can be described as a 'bottom-up' approach to calculating net impacts. In summary, this means that the net GVA, turnover and employment impacts have been calculated for each company and then added together to derive a net impact total from the survey sample.

4.19 The sample totals have then been 'grossed-up' to represent the impact which can be expected to have occurred in the wider populations of Mentoring Escalator and Mentoring for All companies. To explain this in greater detail, with regards to GVA :

- There was sufficient data to assess GVA impact in 54 of the companies in the Mentoring Escalator survey sample. Programme records show that 362 companies were engaged on the ME programme, the gross-up factor was therefore 6.7. Based on this, the margin of error was +/- 12.32% at the 95% confidence level

- There was sufficient data to assess GVA impact in 41 of the Mentoring For All survey sample. There have been 247 companies engaged on the programme to date, in this case the gross-up factor was 6.0. The margin of error was +/- 14.01% at the 95% confidence level.

Gross Value Added (GVA)

4.20 GVA is a standard measure of wealth creation widely used in economic impact assessments. It is calculated using the following formula:

GVA = Profit + Employee Wage Costs + Depreciation

4.21 Participating companies provided the above components of GVA when first engaged on to the mentoring programmes by NBV. The same information was collected through the online survey and face-to-face interviews with supported companies. In the case of the face-to-face interviews, current profit, employee wage costs and depreciation data was asked for directly with a high degree of success.

4.22 The restrictions of the online survey required a more creative approach to obtaining GVA information. Respondents were asked to stipulate their turnover figure for the last complete financial year and then required to indicate what proportion of this figure was made up of pre-tax profit and employee wage costs. Answer choices were banded (0-5%, 6-10%, etc) in order to maximise response rates, with the mid-point of each band taken to represent the respective profit and employee wage cost levels.

4.23 To illustrate, if a company stated that its gross annual turnover was £100,000 in the last financial year and that pre-tax profit made up 6-10% of this figure, profit was taken to be 8% of turnover and estimated to be £8,000. The same process was applied to employee wage costs.

4.24 This approach means the current GVA estimates are subject to large margins of error. However, the trade-off is a complete data set which allows estimates of current GVA levels to be derived. EKOS' previous experience of undertaking online surveys has found a high degree of attrition on questions where specific financial data is requested. With companies opting to 'skip' the question rather than provide it. Indeed, the collection of depreciation data from companies is perhaps the most challenging with a high degree of non-response to depreciation questions. For this reason, it was not included in the online survey questionnaire and the pre- and post-GVA figures presented here are shown exclusive of depreciation. This means that they are an under-estimation of the actual level of GVA, but the approach has ensured that measurement has remained consistent.

4.25 Table 4.3 presents the gross GVA figures of the survey sample at engagement and at the time of the online survey. The engagement GVA figures are derived from aggregating all those companies which provided GVA data to NBV at the start of the mentoring programme. The current GVA figures are estimates, based on the online survey responses. These numbers are intended to be indicative only and do not follow a panel approach (i.e. where individual company GVA is tracked across the years). They provide some perspective on the general growth of the survey sample as whole, rather than the growth of individual companies.

4.26 The key messages from the table are:

- The Mentoring Escalator survey sample increased their gross GVA by 54% between the time of engagement and the time of the survey
- The gross GVA of the Mentoring for All participants surveyed has remained relatively constant, increasing by less than 1% between engagement and survey.

4.27 The differences in the GVA growth between the two sets of companies are clear but not unexpected. ME commenced in January 2006, so companies are reporting growth over a longer period than their counterparts on MFA, the majority of which are still engaged in the programme.

Table 4.3 – Pre- and Current- Gross GVA data

Programme	Gross GVA on Engagement	Gross GVA at Time of Survey	Variance
Mentoring Escalator	£21,301,457	£32,853,728	£11,552,271 (+54%)
Mentoring For All	£10,246,115	£10,285,819	£39,704 (+0.4%)

Source: EKOS survey of MFA and ME participants, 2008

Net GVA Impacts

4.28 The net GVA of the Mentoring Escalator programme is presented in Table 4.4. In considering these figures a number of points should again be emphasised:

- Turnover additionality (as calculated in Paragraph 4.8) has been used as a measure of overall additionality and applied to the gross GVA figures; and, importantly
- The net figures presented refer to the net GVA impact of the ME programme in their last financial year, rather than on the change in gross GVA[6] (Paragraph 4.8).

4.29 The key points to take from the table are:

- Additionality on gross GVA was 6% in the last financial year; and
- The net additional GVA impact in the sample was found to be £681,092 (£3,948,732 including outlier)
- When the figures are extrapolated to represent the 362 companies engaged on the Mentoring Escalator programme the net additional benefit to the East Midlands economy was estimated to be just over £7.8m of GVA.

4.30 The extrapolated GVA figure includes one outlier company which reported a net GVA additional impact of £3.2m. This was included following the extrapolation to avoid skewing of the grossed-up figures.

[6] It should be emphasised that the net GVA impact based on the change in gross GVA would reduce the levels of net impacts derived.

Table 4.4 – Net GVA Impact of the Mentoring Escalator Programme

Additionality Factors (Intervention option)	Additionality on last financial year's gross GVA	6%
	Substitution	0%
	Leakage	0%
	Displacement	42%
	Multiplier Effects	1.5
GVA Benefits	Gross GVA of Sample	£32,853,728
	Net GVA Impact from Sample (excluding outlier)	£681,092
	Net GVA Impact from Sample (including outlier)	£3,948,732
	Net Impact - Grossed Up to ME Level (including outlier)	**£7,833,482**

Source: EKOS survey of MFA and ME participants, 2008

4.31 The following Tables present this in a linear format where the net impact is the intervention option less the reference case.

Table 4.4 (i) – Mentoring Escalator Programme Intervention Option

	£m Sales (with outlier)	**£m sales (without outlier)**
Gross GVA of sample	£32,853,728	£22,895,205
Less Leakage	@ 0% = £32,853,728	@ 0% = £22,895,205
Less displacement	@ 33% = £21,870,301	@ 37% = £14,401,409
Less substitution	@ 0% = £21,870,301	@ 0% = £14,401,409
Plus multipliers effects	@ 1.43 = £31,300,594	@ 1.27 = £18,230,033
Intervention Option	**£31,300,594**	**£18,230,033**

Table 4.4 (ii) - Mentoring Escalator Programme Reference Case

	£m Sales (with outlier)	**£m sales (without outlier)**
Gross GVA of Sample	£32,853,728	£22,895,205
Adjusted for Additionality on last year's gross GVA	@ 10.5 % £29,392,896	@ 4.2% = £21,924,004
Less Leakage	@ 0% = £29,392,896	@ 0% = £21,924,004
Less displacement	@ 33.9% **=** £19,420,155	@ 36.9% = £13,814,486
Less substitution	@ 0% = £19,420,155	@ 0% = £13,814,486
Plus multipliers effects	@ 1.41 = £27,351,861	@ 1.27 = £17,548,940
Reference Case	**£27,351,861**	**£17,548,940**

Table 4.4 (iii) – Net Impact (Intervention Option less Reference Case)

	£m Sales (with outlier)	**£m sales (without outlier)**
Net Additional Benefit of Sample	£3,948,733	£681,092
Net Additional Benefit Grossed Up	**£7,833,482**	

4.32 Table 4.5 presents the estimated net GVA impacts of the Mentoring for All programme in the last financial year. As can be seen, the additionality on gross GVA is marginally higher than that observed in the Mentoring Escalator programme at 8% as opposed to 6%. However, the net additional GVA benefit from the survey sample is lower at £93,904. There are two main explanations for this:

- Less companies reported net additional GVA benefit in the MFA programme with 16 compared to 24 in the ME programme; and

- The companies reporting net additional benefit were on average smaller (in terms of pre-tax profits and wage costs) in the MFA programme than the ME programme.

4.33 When the figures are extrapolated to represent the 247 companies which have engaged with the MFA programme to date, it can be estimated that the programme has delivered £565,716 of GVA benefit to the East Midlands economy in the last financial year.

Table 4.5 – Net GVA Impact of the Mentoring for All Programme

Additionality Factors (Intervention option)	Additionality on last financial year's gross GVA	8%
	Substitution	0%
	Leakage	0%
	Displacement	53%
	Multiplier Effects	1.5
GVA Benefits	Gross GVA of Sample	£10,285,819
	Net GVA Impact from Sample	£93,904
	Net Impact - Grossed Up to Population Level	**£565,716**

Source: EKOS survey of MFA and ME participants, 2008

4.34 The following Tables present this in a linear format where the net impact is the intervention option less the reference case.

Table 4.5 (i) – Mentoring for All Programme Intervention Option

	£m Sales
Gross GVA of sample	**£10,285,819**
Less Leakage	@ 0% = £10,285,819
Less displacement	@ 55% = £4,615,998
Less substitution	@ 0% = £4,615,998
Plus multipliers effects	@ 1.609 = £7,425,115
Intervention Option	**£7,425,115**

Table 4.5 (ii) - Mentoring for All Programme Reference Case

	£m Sales
Gross GVA of Sample	**£10,285,819**
Adjusted for Additionality on last year's gross GVA	@ 1.5% = £10,129,539
Less Leakage	@ 0% = £10,129,539
Less displacement	@ 55% = £4,554,330
Less substitution	@ 0% = £4,554,330
Plus multipliers effects	@1.61 = £7,331,210
Reference Case	**£7,331,210**

Table 4.5 (iii) – Net Impact (Intervention Option less Reference Case)

	£m Sales
Net Additional Benefit of Sample	93,904
Net Additional Benefit Grossed Up	**£565,716**

4.35 Therefore combining the GVA ouputs of both programmes it can be estimated that *emda* funded mentoring activity has delivered **£8,399,198 of net additional GVA benefit** to the East Midlands economy over the period January 2006 to October 2008.

GVA of ME Companies Disengaged for 12 Months

4.36 One of the key objectives of the evaluation was to undertake a comparison of pre-mentoring, post-mentoring and current GVA levels for a selection of mentees who disengaged from the scheme a minimum of 12 months ago. In-depth interviews were carried out with a total of 17 Mentoring Escalator participants who fell into this category. Given that GVA could be tracked across these companies at three separate points in time, analysis of this sub-sample provides a useful insight into the time-lag benefits associated with mentoring support.

4.37 Table 4.6 presents an overview of the GVA data. The overriding message is that gross sales, pre-tax profits, employment and employee wage costs all increased across the three measurement points. More specifically:

- The gross GVA of the sub-sample increased steadily between engagement and the survey point (October 2008), with an overall growth of 14% between engagement and disengagement and a growth of 11% between disengagement and October 2008;
- Gross sales of the sample increased from £8,370,321 at engagement to £11, 814,749 in October 2008, an increase of 41% across the period; and
- Gross employment increased from 160 to 180 employees, an increase of 13%.

Table 4.6 – GVA Metrics of ME Companies Disengaged 12mths+

	GVA Collection Point		
Metric	**Engagement**	**Disengagement**	**October 2008**
Pre-Tax Profit	£1,629,021	£1,709,943	£1,993,445
Depreciation	£205,477	£184,259	£120,645
Employment Costs	£2,299,452	£2,811,978	£3,115,747
Gross GVA	**£4,133,950**	**£4,706,180**	**£5,229,837**
GVA Variance	**-**	**+14%**	**+11%**
Sales	£8,370,321	£10,923,478	£11,814,749
Number of Employees	160	175	180

Source: EKOS survey of MFA and ME participants, 2008

4.38 The net GVA impacts of the 17 twelve months plus disengaged companies is presented in Table 4.7. The most interesting finding is that the additionality on the last financial year's gross GVA was 16%, this is nearly three times as great as the 6% additionality found for the ME survey sample as a whole.

4.39 The net additional GVA benefit found in the sample was £555,107. When this is extrapolated to represent the 43 companies which disengaged from the programme 12 months ago it can be estimated that the programme contributed just over £1.8m of net additional GVA to the East Midlands economy.

Table 4.7 – Net GVA Impact of ME Participants Disengaged 12mths+

Additionality Factors (Intervention option)	Additionality on last financial year's gross GVA	16%
	Substitution	0%
	Leakage	0%
	Displacement	42%
	Multiplier Effects	1.5
GVA Benefits	Gross GVA of Sample	
	Net GVA Impact from Sample	£555,107
	Net Impact - Grossed Up to ME Level	**£1,836,123**

Source: EKOS survey of MFA and ME participants, 2008

Table 4.7 (i) – ME Disengaged 12 months+ Programme Intervention Option

	£m Sales
Gross GVA of sample	**£5,229,837**
Less Leakage	@ 0% = £5,229,837
Less displacement	@ 50% = £2,618,593
Less substitution	@ 0% = £2,618,593
Plus multipliers effects	@ 1.6 = £4,119,334
Intervention Option	**£4,119,334**

Table 4.4 (ii) - ME Disengaged 12 months+ Reference Case

	£m Sales
Gross GVA of Sample	**£5,229,837**
Adjusted for Additionality on last year's gross GVA	@ 14.1% = £4,494,265
Less Leakage	@ 0% = £4,494,265
Less displacement	@ 51.5% = £2,180,941
Less substitution	@ 0% = £2,180,941
Plus multipliers effects	@ 1.57 = £3,433,766.24
Reference Case	**£3,433,766.24**

Table 4.4 (iii) – Net Impact (Intervention Option less Reference Case)

	£m Sales
Net Additional Benefit of Sample	£555,107
Net Additional Benefit Grossed Up	**£1,836,123**

4.40 It is worthwhile comparing the contribution of the sub-sample of ME participants disengaged 12 months plus with the overall impact of the ME survey sample as a whole. The net GVA impact of the disengaged 12 months plus sample was £555,107, which represents 81% of the total net GVA impact of the entire survey sample (with the outlier excluded). In addition, 52% of the disengaged companies surveyed reported some level of net positive GVA impact attributable to the Mentoring Escalator programme. This is compared to 21% of companies reporting a positive impact in the online survey.

4.41 It is also worth highlighting that the net impacts achieved were, on the whole, higher for the larger businesses supported. Both ME and MFA programmes have supported a large number of micro-businesses and, whilst this brings a range of benefits to the supported businesses, these add proportionately fewer economic benefits.

4.42 Although the survey methods used were different, this observation points to two potentially crucial factors when attempting to explain GVA impacts. These are:

- The importance of completing the full block of ten mentoring sessions, as all those disengaged were known to have completed the full ten; and

- The time lag effects of mentoring, with those disengaged for more than 12 months more likely to report benefits than those either still engaged or more recently finished.

Net Turnover Impacts

4.43 The net turnover benefits of the mentoring programmes were also calculated using the survey data collected. Table 4.8 presents this information for the Mentoring Escalator programme. This shows that the gross annual turnover of the combined survey sample in the last financial year was just over £110m. This was boosted by the inclusion of two companies with turnovers of £22m and £39m.

4.44 The net turnover impact from the Mentoring Escalator sample was found to be £1,887,832. This excludes an outlier where net additional turnover benefit was reported to be £7.3m. Extrapolating these figures out to represent the 362 companies which benefited from support through the programme we can estimate that ME delivered just over £17m of net additional turnover benefit in the last financial year (including the outlier).

Table 4.8 – Net Turnover Impact of the Mentoring Escalator Programme

Additionality Factors (Intervention option)	Additionality on last financial year's gross GVA	6%
	Substitution	0%
	Leakage	0%
	Displacement	42%
	Multiplier Effects	1.5
GVA Benefits	Gross Turnover of Sample	£110,109,178
	Net T/O Impact from Sample (excluding outlier)	£1,887,832
	Net T/O Impact from Sample (including outlier of £7,261,423)	£8,716,115
	Net T/O Impact - Grossed Up to Population Level (including 1 outlier)	**£17,024,214**

Source: EKOS survey of MFA and ME participants, 2008

Table 4.8 (i) – Net Turnover Impact of ME Intervention Option

	£m Sales
Gross Turnover of sample	**£110,109,178**
Less Leakage	@ 0% = £110,109,178
Less displacement	@ 28.48% = £78,745,090
Less substitution	@ 0% = £78,745,090
Plus multipliers effects	@ 1.404 = £110,542,319
Intervention Option	**£110,542,319**

Table 4.8 (ii) – Net Turnover Impact of ME Reference Case

	£m Sales
Gross Turnover of Sample	**£110,109,178**
Adjusted for Additionality on last year's gross GVA	@ 7.12% = £102,266,042
Less Leakage	@ 0% £102,266,042
Less displacement	@ 28.62% = £72,995,625
Less substitution	@ 0% = £72,995,625
Plus multipliers effects	@ 1.389 = £101,393,063
Reference Case	**£101,393,063**

Table 4.8 (iii) – Net Impact (Intervention Option less Reference Case)

	£m Sales
Net Additional Benefit of Sample	**£8,716,555**
Net Additional Benefit Grossed Up	**£17,024,214**

4.45 The net turnover impacts of the Mentoring for All programme are outlined in Table 4.9. This shows that the combined gross annual turnover of the sample was marginally above £28m. This included two companies with annual turnovers of £7m.

4.46 As with GVA impact, the net additional benefit was lower for the MFA programme than the ME programme. The net impact found in the survey sample £211,820, when grossed up to represent the 247 companies currently engaged on the MFA programme the net additional turnover benefit to the East Midlands economy was estimated to be £1,089,990.

Table 4.9 - Net Turnover Impact of the Mentoring For All Programme

Additionality Factors	Additionality on last financial year's gross GVA	8%
(Intervention option)	Substitution	0%
	Leakage	0%
	Displacement	53%
	Multiplier Effects	1.5
GVA Benefits	Gross Turnover of Sample	£28,059,985
	Net T/O Impact from Sample	£211,820
	Net T/O Impact - Grossed Up to Population Level	**£1,089,990**

Source: EKOS survey of MFA and ME participants, 2008

Table 4.9 (i) – Net Turnover Impact MFA Programme Intervention Option

	£m Sales
Gross Turnover of sample	**£28,059,985**
Less Leakage	@ 0% = £28,095,985
Less displacement	@ 45.7% = £15,231,268
Less substitution	@ 0% = £15,231,268
Plus multipliers effects	@ 1.439 = £21,910,788
Intervention Option	**£21,910,788**

Table 4.9 (ii) – Net Turnover Impact MFA Programme Reference Case

	£m Sales
Gross Turnover of Sample	**£28,059,985**
Adjusted for Additionality on last year's gross GVA	@ 1. 23%= 27714953
Less Leakage	@ 0% = £27,714,953
Less displacement	@ 45.6% = £15,086,673
Less substitution	@ 0% = £15,086,673
Plus multipliers effects	@ 1.438 = 21,698,986
Reference Case	**£21,698,968**

Table 4.4 (iii) – Net Impact (Intervention Option less Reference Case)

	£m Sales
Net Additional Benefit of Sample	£211,820
Net Additional Benefit Grossed Up	**£1,089,990**

4.47 Adding together the outputs of the ME and MFA programme it can be estimated that *emda* funded mentoring activity has delivered an estimated **£18,114,204 of net additional turnover benefit** to the East Midlands economy during the period January 2006 to October 2008.

Net Employment Impacts

4.48 Surveyed companies were also asked to indicate the impact that mentoring support had made on the employment levels in their respective companies. Table 4.10 presents the net additional employment benefits for the Mentoring Escalator programme. This adopted a different approach to the measurement of additionality used in assessing GVA and turnover impact in that respondents were asked to highlight the number of net additional full-time jobs that had been brought about as a direct result of participation in the respective mentoring programmes.

4.49 The survey found 19 net additional FTE jobs directly attributable to the ME programme. Extrapolated out to represent the entire population of ME companies it can be estimated that the programme created an additional 98 FTE jobs in the East Midlands economy.

Table 4.10 – Net Employment Impact of the Mentoring Escalator Programme

Additionality Factors (Intervention Option)	Substitution	0%
	Leakage	0%
	Displacement	38%
	Multiplier Effects	1.62
Employment Benefits	Gross Employment in Sample	988
	Net Additional Full-Time Equivalent (FTE) jobs in sample	19
	Net Employment Impact - Grossed-Up to Population Level	98

Source: EKOS survey of MFA and ME participants, 2008

Table 4.10 (i) – Net Employment ME Programme – Summary Table

	FTE
Gross employment in sample	988
Gross change in Employment	19
Less Leakage	@ 0% = 19
Less displacement	@ 38% = 11.75
Less substitution	@ 0% = 11.75
Plus multipliers effects	@ 1.62 = 19
Net Additional Employment in sample	**19**

4.50 Table 4.11 presents the net additional employment impacts of the Mentoring for All scheme. This shows that the net additional FTE employment benefit found in the sample was 18 jobs. Grossed-up to represent the population as a whole it can estimated that MFA has contributed 85 jobs to the East Midlands economy to date.

Table 4.11 - Net Employment Impact of the Mentoring For All Programme

Additionality Factors (Intervention Option)	Substitution	0%
	Leakage	0%
	Displacement	44%
	Multiplier Effects	1.5
GVA Benefits	Gross Employment in Sample	819
	Net Additional Full-Time Equivalent (FTE) jobs in sample	18
	Net Employment Impact - Grossed-Up to Population Level	85

Source: EKOS survey of MFA and ME participants, 2008

Table 4.11 (i) – Net Employment ME Programme Summary Table

	FTE
Gross employment in sample	819
Gross change in Employment	21
Less Leakage	@ 0% = 21
Less displacement	@ 44% = 11.75
Less substitution	@ 0% = 11.75
Plus multipliers effects	@ 1.52 = 18
Net Additional Employment in sample	**18**

4.51 Taking both employment impacts of the programme together it can be estimated that *emda* subsidised mentoring activity has contributed a total of **183 net additional FTE jobs** to the regional economy during the period January 2006 to October 2008.

Value for Money

4.52 The value for money of the programme can be assessed in a number of ways. Taking the Mentoring Escalator programme firstly, the total funding committed to the programme was £599,409 over its lifetime. Which means that:

- Every £1 of public expenditure on the Mentoring Escalator programme can be estimated to have generated £13.07 of net additional GVA benefit for the East Midlands economy;

- Every £1 of public expenditure has generated an estimated £28.40 of net turnover impact; and
- The cost of creating 1 new net additional FTE job through the programme can be estimated at £6,116.

4.53 Expenditure on the Mentoring for All was in the region of £650,640 from November 2007 to the period ending October 2008. In terms of value for money the ratios are:

- Every £1 of public expenditure on the Mentoring for All programme can be estimated to have generated £0.87 of net additional GVA benefit for the East Midlands economy to date;
- Every £1 of public expenditure has generated an estimated £1.68 of net turnover impact to date; and
- The cost of creating 1 new additional FTE job through the programme can be estimated at £7,655.

4.54 The differences in return on investment between the two programmes are apparent. The similarity of spend on both programmes and the differences in returns generated reinforce the importance of time in the full accrual of benefits.

4.55 The total spend on mentoring activity in the East Midlands has been £1,250,049 to October 2008, therefore the overall value for money is as follows:

- Every £1 of public expenditure can be estimated to have generated £6.72 of net additional GVA to date;
- Every £1 of public expenditure has generated an estimated £14.49 of net turnover impact; and
- The cost of creating 1 new additional FTE job through mentoring was £6,831.

Summary

4.56 At the time of the evaluation, there were clear differences in impacts observable between the two programmes, with the pilot Mentoring Escalator outperforming the more recent Mentoring for All on every impact measure, due to the fact that many of the MFA impacts are still to be fully realised. For ME, there are positive results in terms of net impact, based on our adopted approach, although other methodologies would reduce overall net impacts. Greater impacts have been drawn more from the larger SMEs supported rather than the micro-businesses.

4.57 The main messages can be summarised as follows:

- The net GVA impact of mentoring activity in the East Midlands is £8.4m to date;
- The net turnover impact has been estimated at £18.1m;
- The net employment impact was calculated to be 183 net additional FTE jobs; and
- Mentoring activity can be considered to be delivering good value for money with:
    - Every £1 spent generating £6.72 of net additional GVA;
    - Every £1 spent generating £14.49 of net turnover impact; and
    - The cost of creating 1 new FTE job estimated at £6,831.

5 SURVEY OF MENTORS

Introduction

5.1 Mentor responses were taken from two surveys; Mentoring Escalator and Mentoring For All. Due to the similarity of the surveys the responses have again been combined for the purpose of analysis[7]. For the Mentoring Escalator, of the 121 valid addresses contacted there were 89 were completed responses; giving a response rate of 74%. For Mentoring For All of the 31 valid addresses contacted, 18 surveys were completed; a response rate of 58%. These are relatively strong response rates for an online survey method.

Mentors Professional Background

5.2 Most of the mentors surveyed were either self employed (56%) or employed by a company (26%). This meant they worked as part of a company which provided professional business advice or mentoring services. Seventeen percent indicated that they were semi-retired or retired (17%).

5.3 Approximately 73% of mentors were employed in some form of business development capacity. Common examples included business advisors, business support services and management consultants. The remaining 27% came from other business backgrounds such as legal services, property rental and marketing.

5.4 Respondents were asked to provide information on the length of time they have spent as a mentor. It was found that 59% of mentors had more than 2 years experience. This shows that a significant proportion of the mentors have a relatively large amount of experience. Thirty percent of mentors had between 6 months and 2 years experience and only 10% had less than 6 months experience.

5.5 Forty three percent of mentors have supported more than 6 companies. Again, this seems to imply that the mentors surveyed were relatively experienced in their role. Nineteen percent of mentors have supported between 4 and 5 companies whilst 38% have supported between 1 and 3.

5.6 Of the 105 mentors surveyed 72% felt they had ‘no specialist sector’ in which they mentored. The largest specialist sectors for mentors were engineering and metals (14%) and construction (8%). A further 24% felt their skills belonged in some ‘other’ category. This

[7] There was a slightly different response rate between the surveys but their answers did not vary significantly. This provided a legitimate reason for the surveys to be combined and the results to be analysed as a single survey.

indicates that the skills of mentors can be transferable and may not be confined to a specialist industrial sector.

Table 5.1 – Mentor Backgrounds

Specialism of mentor	Number of respondents	Percentage of respondents
No Specialist Sectors	76	72%
Other	25	24%
Engineering and Metals	15	14%
Construction	8	8%
Food and Drink	8	8%
Print and Packaging	8	8%
Automotive	7	7%
Electronics and Digital	7	7%
Aerospace	6	6%
Chemicals and Rubber	4	4%
Building Products	3	3%
Medical and Bioscience	3	3%
Textiles	3	3%
Furniture and Timber	2	2%
Plastic and Glass	2	2%

Source: EKOS survey of MFA and ME Mentors, 2008 n=105; Note: Percentages do not equal 100 due to multiple responses

5.7 Almost two thirds (63%) of the mentors surveyed also had experience of providing mentoring support to businesses prior to working with the NBV. Previous roles included:

- Business coach;
- Princes Trust business advisor; and
- Professional business mentor.

Engagement with the Programmes

5.8 The main way mentors found out about the ME and MFA programmes was through other business mentors (27%). A further 22% were approached by NBV to provide their services and 20% were approached by Business Link. Only 10% of respondents found out about the mentoring programme through marketing literature, implying that mentors are most effectively recruited through word of mouth communication and strong existing business networks.

Table 5.2 – First Awareness of the Mentoring Programmes

Source of information on programme	Number of respondents	Percentage of respondents
Other business mentors	27	27%
Was approached by NBV	22	22%
Through business link	20	20%
Through *emda*	13	13%
Through contact with other businesses	10	10%
Marketing Literature	10	10%
Event	9	9%
Internet	3	3%
Previously a client on programme	2	2%

Source: EKOS survey of MFA and ME Mentors, 2008 n=105

Note: Percentages do not equal 100 due to multiple responses

Motivations for Becoming Mentor

5.9 Among the primary motivations for becoming a mentor were a desire to:

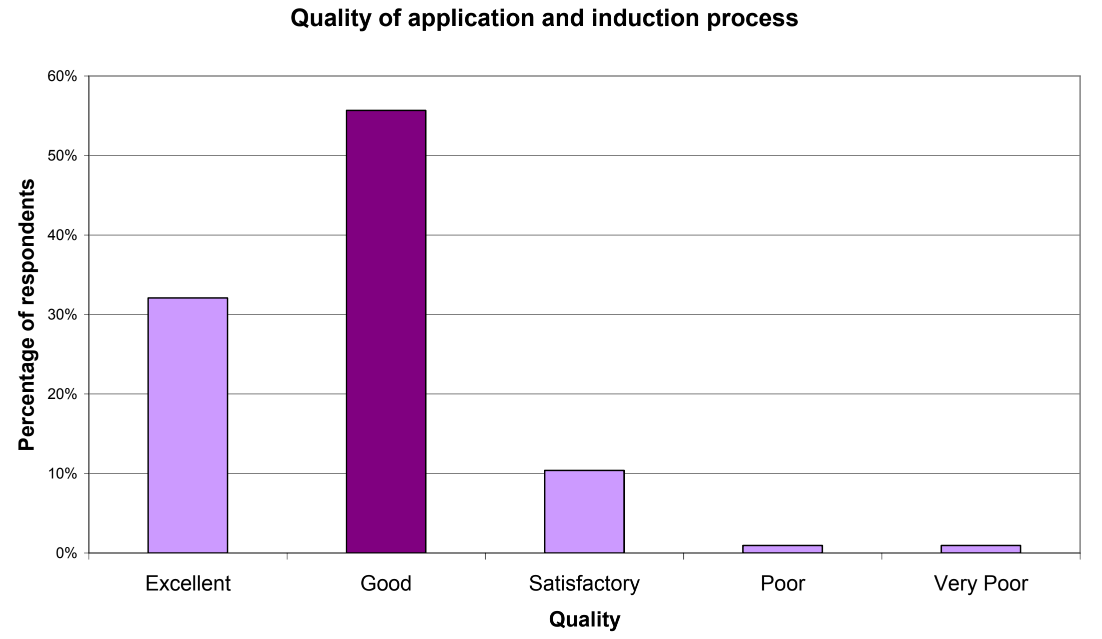
- Give something back to the business community (42%);
- Enhance personal skills (23%); and
- Enhance personal business experience (23%).

5.10 Taken alongside the profile of mentors, it is clear that there is a degree of philanthropy amongst mentors. Only 7% of mentors cited money as a motivation for becoming a mentor, although this is likely to understate the significance of payment as a motivating factor.

Quality of Introductory Training

5.11 Overall, the mentoring application and induction process for 'Mentoring for All' was rated positively by mentors. Only 2% of mentors rated the application and induction process as being 'poor' or 'very poor' whereas 88% of mentors reported it as being 'good' or 'excellent'. The highlighted column represents the majority answer in the following charts.

Figure 5.1 – Views on Application and Induction Process



Source: EKOS survey of MFA and ME Mentors, 2008
n= 72

5.12 Mentors were also asked about the quality of the introductory training they had received. The introductory training was highly rated by mentors with 92% reporting that it was 'good' or 'excellent' and no-one reporting it was 'poor' or 'very poor'.

Figure 5.2 – Views on Introductory Training

Source: EKOS survey of MFA and ME Mentors, 2008
n= 104

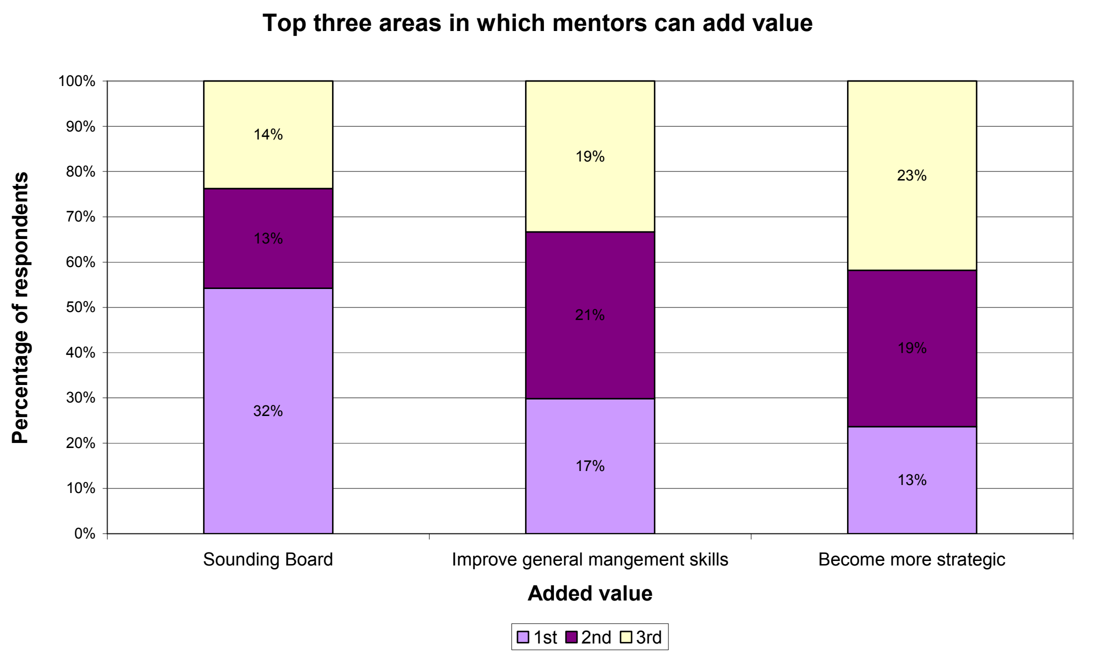
Mentor Skills

5.13 In line with the findings of the mentee survey. The top three areas that mentors felt they could add value to supported businesses were:

- As someone to bounce ideas off/sounding board (59%);
- To improve general management skills (58%); and
- To help businesses become more strategic (55%).

5.14 The areas least frequently reported as areas where mentors could add value were increasing employment; developing succession plans; and achieving a better work life balance. In some of these areas, the mentors did not see this as their role, for example to increase in employment, but professional development in areas such as succession planning may be appropriate.

Figure 5.3 – Mentor Value Add Areas



Source: EKOS survey of MFA and ME Mentors, 2008

n= 104

Mentors were asked to rank their top three areas in which they add value – with 1 being the most important

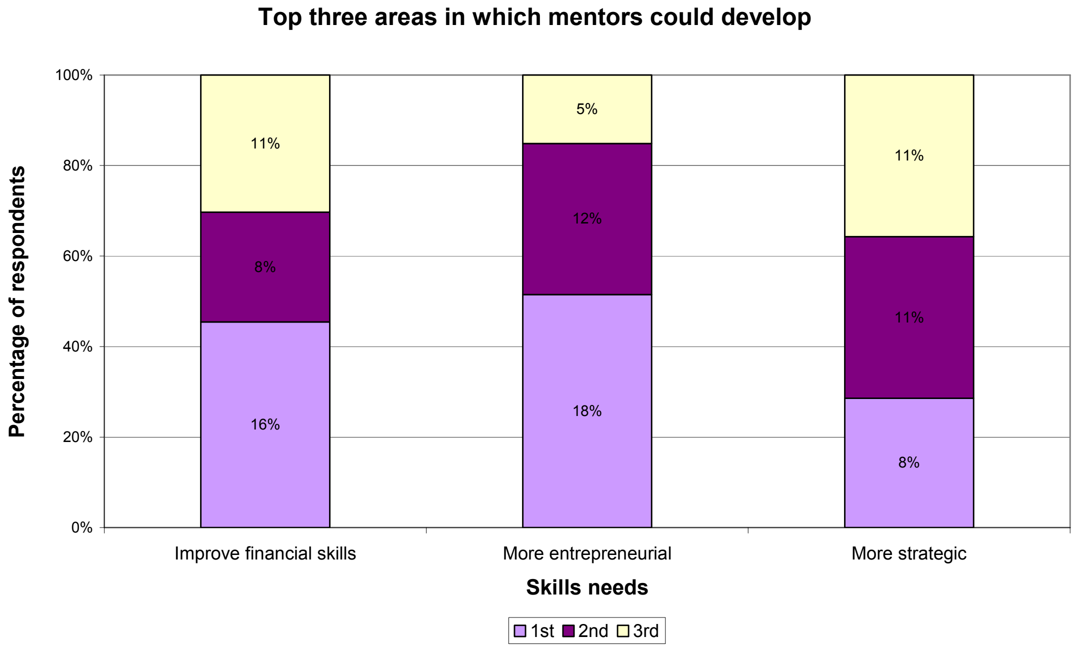
5.15 Mentors were asked if they felt that there were any areas in which they could improve their skills and their ability to support mentees. The top three areas in which mentors wished to develop their skills were:

- Financial skills (35%);

- Entrepreneurialism (35%); and
- Improving strategic thinking (30%).

5.16 The areas in which the least number of mentors did not feel that they required any assistance to develop skills mirrored those in which they felt they could add value. For example acting as a sounding board, and improving the general management skills of mentees.

Figure 5.4: Mentor Development Areas



Source: EKOS survey of MFA and ME Mentors, 2008

n= 104

Improvements to Introductory Training and CPD

5.17 Almost half of respondents (46%) said they had no suggestions as to how the introductory training could be improved, indicating a general level of satisfaction amongst the mentors who attended. Among the 54% who felt improvements could be made a variety of suggestions were provided. These included:

- Shortening the training;
- Tailoring training to suit more/less experienced mentors; and
- Better communication of the structure of the programme.

5.18 Around 50% of respondents offered no suggestions as to how CPD activity could be improved. Those offering suggestions for potential improvement included:

- Shortening the distance mentors had to travel;
- Further re-imbursement of costs; and
- Providing more opportunities for mentor networking.

5.19 The CPD sessions are already offered on a sub-regional basis, and the request for further cost re-imbursement may have been expected. Feedback from the mentor workshop suggested a strong positive role for CPD in providing networking opportunities. Clearly for some mentors, this could go even further. In addition, one mentor thought that the CPD could be improved by "*using real case studies to illustrate how mentors can help the client*".

Personal Benefits Gained Through Mentoring

5.20 The two main benefits resulting from respondents' involvement with the mentoring programmes were the satisfaction of helping businesses to succeed (19%) and the insight they gained into other business sectors (13%).

5.21 Benefits frequently cited as being the second most important included:

- Improved knowledge and skills;
- Increased awareness of common business problems;
- Meeting and helping the wider business community; and
- Increased confidence in their own ability.

5.22 Benefits frequently cited as being the third most important included:

- Financial rewards;
- Putting something back into the community; and
- Networking opportunities.

Working with Businesses

5.23 Mentors were asked to comment on the process of matching mentors to mentees. The survey found that, in the largest number of cases mentors played an active role and took part in a joint decision making process. This role was welcomed by mentors and lower levels of satisfaction amongst mentors who were simply allocated mentees. Specifically, the survey found that:

- 46% had been allocated to companies by NBV but had some influence over this process;

- 20% had full control over who they mentored; and
- 18% had no say in the selection of mentees to whom they were allocated.

Business Improvement Goals Set by Businesses

5.24 Mentors were asked to provide information regarding the business improvement goals that were set by the companies they worked with. The first part of the question asked mentors to provide all the goals set by their company and the second part asked mentors to provide the one most important goal set by their company.

5.25 The areas most frequently cited by mentors as being representative of the main business goals set by companies they worked with were:

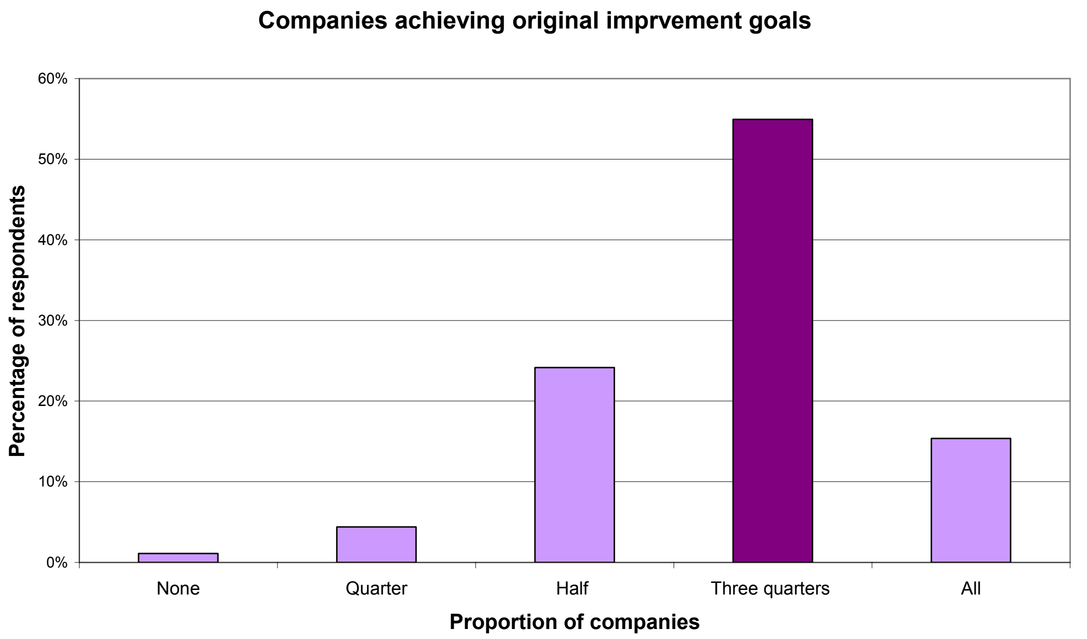
- Becoming more strategic (88%);
- Increasing sales (81%);
- Improving general management skills (80%); and
- Increasing profits (77%).

5.26 Mentors reported that the top 4 improvement goals set by businesses were:

- Increased profits (23%);
- Becoming more strategic (23%);
- Increased sales (20%); and
- Improved general management skills (16%).

5.27 In terms of how many goals were actually achieved, 55% of mentors reported that the companies they mentored achieved approximately 75% of their original goals. Fifteen percent of mentors said 100% of goals had been achieved whilst 5% reported that between 0% and 25% of original goals had been achieved. These results are positive and appear to suggest businesses are helped to achieve their business skills.

Figure 5.5 – Achievement of Improvement Goals



Source: EKOS survey of MFA and ME Mentors, 2008
n= 91

Main Challenges Faced by Businesses

5.28 Approximately one in five mentors cited time constraints as the main barrier to the achievement of improvement goals. Thirteen percent of respondents noted the current economic climate as being one of the biggest challenges, with one respondent asserting the main challenge is "*adverse market conditions, particularly access to bank finance*". This is interesting feedback and the first time our survey work has identified the impact of the financial crisis.

5.29 It was also common for mentors to cite *"unrealistic expectations"* as a reason for businesses not meeting their goals or that businesses ability to achieve their goals was constrained by a *"reluctance of the business owner to accept the need for change".* A lack of business experience and confidence among management staff was also cited as a major challenge for businesses.

5.30 Mentors tried to help mentees overcome the challenges through a variety of different means. Some of the most popular ways included:

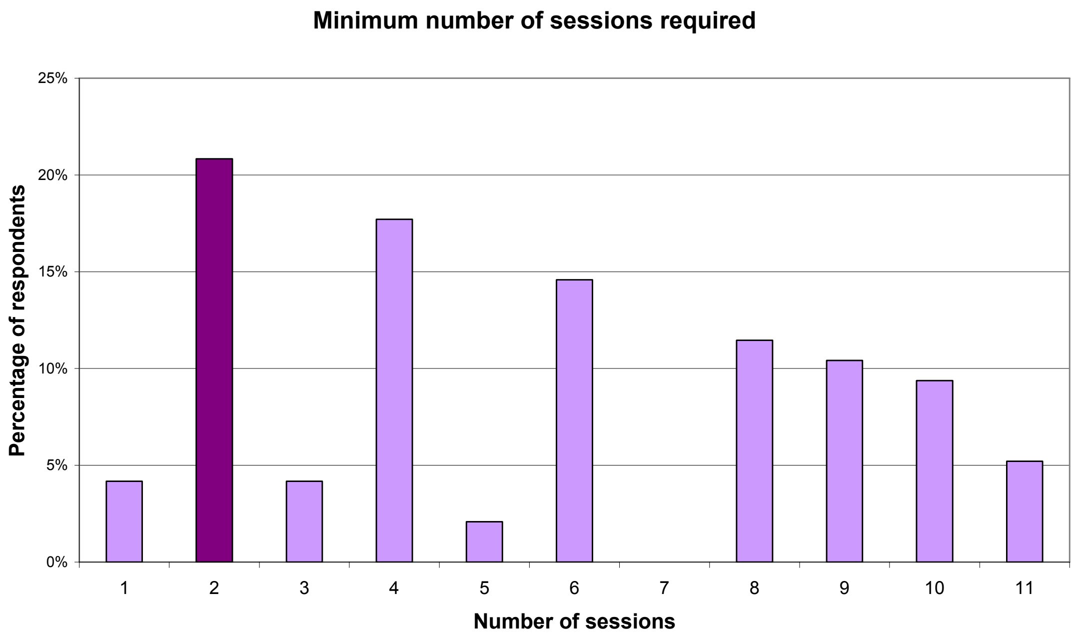
- Encouragement (10%);
- Acting as a 'sounding board' (9%);

- Prioritising objectives (9%);
- Teaching specific techniques e.g. cash flow analysis (6%); and
- Help setting realistic targets (4%).

5.31 Other ways in which mentors helped mentees overcome problems included using examples from their own personal experience and highlighting staff issues and approaches on how to handle them.

5.32 Almost half the mentors (47%) thought that companies needed between 1 and 4 mentoring sessions to begin to realise the benefits of mentoring. At the same time, more than a third (35%) stated that at least 8 sessions were required for businesses to realise benefits. The findings suggest that businesses can start to seek benefits from mentoring at a relatively early stage but that the full benefits from mentoring do not occur until the full course of mentor sessions are completed.

Figure 5.6 – Sessions Required



Source: EKOS survey of MFA and ME Mentors, 2008
n= 96

Overall Management

5.33 Mentors were asked to rate the overall management of the programmes by NBV. Eighty three percent of the 99 respondents rated the management as 'good' or 'excellent' whilst only 3% of respondents felt it was 'poor' or 'very poor'. The remaining 14% described the management as being 'satisfactory'. This is positive feedback for NBV with the findings reinforced by the mentor workshop.

5.34 Fifty four percent of the 98 mentors to comment on the level of support they receive from the NBV said that they feel completely supported. Thirty percent felt supported the majority of the time but not always and only 1% of mentors felt unsupported.

Fees and Commitment

5.35 Respondents were asked to comment on the fees they were paid through the mentoring programme. Forty percent of the 97 respondents stated the fees were enough to 'cover costs' or 'break even'. A third of mentors made a 'small profit' and 22% made a 'small loss'. The findings should be treated with caution (these are the views of mentors themselves) although they are consistent with the mentors motivations cited as being largely non-financial.

5.36 Mentors seemed satisfied with the time commitment they made for the programme with 85% of respondents deeming the commitment 'as expected'.

Best Aspects of Mentoring

5.37 Respondents were asked to comment on the three **best things** about the mentoring programmes, the most frequently cited being:

- Helping businesses to succeed (9%); and
- Providing business support at low costs (9%).

5.38 One respondent asserted the best thing was "*helping small organisations to improve at minimal cost when they probably could not afford to buy in help*". Other common responses focused on helping businesses to grow and giving something back to the community.

5.39 'Networking' emerged as a common theme with 7% of respondents citing it as the second best aspect of the programme. Other aspects of note in this category were the skills/knowledge the mentors gained and also the pleasure they derived from seeing mentees succeed.

Suggested Improvements of Programme

5.40 One in eight mentors (12%) said that no improvements to the programme were necessary. Of the remaining 66 respondents, commonly occurring themes included:

- Longer periods of support for mentees (6%); and
- More extensive training (6%), consistent with the earlier view that tailored training depending on the experience of the mentor would be helpful.

5.41 A need for more input into the matching process and increased networking opportunities also emerged as potential areas for improvement. This was a common theme across both programmes.

5.42 One of the key themes in the second most important category was the need for the programme to provide feedback on the performance of the mentor through observation at key stages in the process and the need for stability of staff. This was commented upon by two respondents who felt that frequent staff changes had been to the detriment of the programme. This did not however emerge as a major issue in the evaluation.

5.43 More than seven in 10 respondents (71%) indicated that they intend to continue their mentoring activity for as long as the programme continues. This reinforces previous findings indicating a high level of mentor satisfaction with the programme. Twenty one percent stated that they would continue for over 2 years and 2% said that they would continue for between 6 months and 1 year.

Conclusions

5.44 In conclusion, the survey of mentors has found that:

- The majority of mentors are already employed in some form of business development capacity and tend to have a relatively high levels of experience in mentoring;
- The recruitment of mentors has been most effective through word of mouth communication and existing business networks;
- Mentors motivations for joining the programme, and also the benefits mentors derived from being on the programme, appear primarily non-financial, when based on the feedback from mentors themselves. At the same, they regard mentor payments correctly pitched;
- Mentors had a high level of input in the matching process and the application, induction and training offered on the programme were rated very highly by mentors. Some mentors are seeking even greater input at the matching stage;
- The main area in which mentors felt they could add value was as a ‘sounding board’ for mentees;
- NBV’s management of the programme was rated highly as was the level of support they gave to mentors; and
- More than 7 in 10 mentors would continue working for the NBV as a mentor for as long as the programme continues.

6 Stakeholder Perspectives

Introduction

6.1 This chapter presents the feedback from key stakeholders on the mentoring programmes. Consultations were undertaken with three separate stakeholder groups, these were:

- The Sub-Regional Strategic Partnerships (SSPs);
- Business Link Managers in the East Midlands; and
- Representatives of local authorities in the East Midlands.

6.2 A full list of the stakeholders consulted is presented in Annex B.

The Sub-Regional Strategic Partnerships (SSPs)

6.3 Five of the seven SSPs were consulted during a workshop session. The discussion was focused around the following themes:

- Programme performance;
- Programme delivery and management; and
- Effectiveness in meeting the needs of businesses.

Programme Performance

6.4 There was some concern amongst the SSPs that the MFA programme was behind profile on mentee engagements. This data is presented in Chapter 2, but to recap, up until to the end of August 2008 NBV had engaged 270 companies on to the programme against a target of 321 at that point.

6.5 The SSPs were keen to understand why sign-up for MFA was lower than anticipated particularly when demand for the pilot ME had been so high. In reality, numbers participating have increased but not to the target level. There was recognition that MFA has ramped up to an 'industrial scale' in comparison to the pilot ME.

6.6 Comparisons with the ME pilot programme emerged strongly in the SSP consultations. In particular, the MFA programme was seen to be less flexible in its approach than its predecessor. It was stated that under the previous ME programme, NBV were directed by bandwidth targets and could therefore focus on those SSP areas which were behind target on engagements. This was achieved through NBV deploying what were termed 'super-mentors' who could work in a given SSP area for a few days each week to raise the number of engagements. This facility was perceived to be missing in the MFA programme, and hence areas which were continually behind profile such as Northampton often remained that way.

6.7 In addition, the SSPs were mildly concerned about the relatively high proportion of mentees engaging with the programme, completing two or three sessions and then dropping out before completing the full 10 sessions and properly disengaging from the programme. This was said to be in contrast with the pilot ME programme where there was perceived to be a high proportion of completers and a strong desire amongst mentees to remain on the programme beyond the allocated 10 sessions.

6.8 The difficulty in recruiting mentors in some SSP areas, specifically the Welland SSP and in Northamptonshire was also highlighted as an area of concern by the SSPs. In general, they were satisfied that NBV had been investing time and effort in recruiting mentors in these areas but were nevertheless concerned that given the geographical approach now adopted by NBV, these areas were relatively poorly served by a mentor network. Furthermore, the high proportion of mentors retiring (around 40% of the total current mentor pool) was an area which they felt required further investigation.

Programme Delivery and Management

6.9 On the whole, the SSPs consulted were generally satisfied with NBV's delivery of the mentoring programmes. There was an appreciation of the effort that NBV put in to the marketing, co-ordination and administration of the scheme. However, there was also a feeling that the scaling up of mentoring from ME to MFA had impaired the SSPs overall understanding of the scheme.

6.10 The main example of this was the lack of clarity around the cost model NBV are currently working to. Under the ME programme, the SSPs had a clear understanding that NBV were paid by results. The contractor received a flat amount to cover their costs plus additional monies based on activity and the gathering of key information such as GVA. With the current MFA programme, there was uncertainty around whether this results driven approach was still in operation. If not, and *emda* were now paying NBV by time rather than activity, then the SSPs felt it raised questions about the incentive to catch-up in areas that were behind.

6.11 *Emda's* overall management of the programme was seen as acceptable by the SSPs, although there was a recognition that there had been some staff turnover and, with this, time was needed to get up to speed on the programme.

Effectiveness in Meeting the Needs of Businesses

6.12 Maintaining the quality of the mentoring programme was a theme which emerged throughout the consultations. There was a desire to ensure that the ramping up of mentoring activity in the East Midlands had not been at the expense of quality; both from a mentee and mentor perspective.

6.13 As a group, the SSPs understood that there was pressure on NBV to achieve numbers. However, there was a view that this needs to be balanced against engaging the right types of companies on the programme and crucially, recruiting the right quality of mentors to work with businesses. It was stated that the previous Mentoring Escalator programme had a certain ‘kudos’ about it. The smaller numbers involved meant that NBV could be more selective about who they recruited on to the programme and as such it retained a certain exclusivity.

6.14 The concern raised was that the quality of mentors now recruited on to the programme have not been of the calibre which had initially worked through the Mentoring Escalator programme. The SSPs felt that the need to achieve a T6 target of 300 was requiring NBV to recruit mentors on to the MFA programme that may not necessarily have been selected for the ME programme. In addition, it was felt that the prescriptive nature of the induction and training programme may be putting some higher level mentors off joining the programme. The lack of diversity in the mentor pool, with the low proportion of black and minority ethnic (BME) mentors, was also flagged up as an area of concern by the SSPs.

6.15 Overall, there was still felt to be demand for the programme across the SSPs. The view was that it was not yet at saturation point.

Business Link Managers

6.16 Three of the five Business Link managers and one Business Link advisor in the region were consulted during the evaluation. The consultations were structured around the following themes:

- The referral process
- Fit with other forms of business support
- Overall views on the programme.

The Referral Process

6.17 During the course of the consultations, it was put to the managers that BL referrals were below the levels which had been anticipated by other stakeholders. Managers were unsurprised to hear this statement and offered two main explanations as to why referrals were at the level they were:

- **Mentoring for All is not suitable for every company** – mentoring was said to be a distinctive form of support which requires dedication from a business. Only a small proportion of companies that BL see are considered to be at the right stage of development for mentoring;

- **It was emphasised that Business Link Advisors were impartial, independent brokers and it is not their role to promote one programme over another** – the point was made that there were a range of products which BL advisers have to consider when diagnosing the correct support for a business; and

- **Business Link Advisors' 'Protectionism' over some of their companies they have relationships with –** it was reported that some more established BL advisers will not refer to mentoring as they had been let down when they had referred clients in the past. As it takes time to develop a relationship, and BL advisers feel this failure can reflect directly on them, it was felt that they may choose not to refer in future.

6.18 Related to the above point, it was felt that NBV were not currently making full use of the relationships that BL had developed with the referred businesses. It was reported that under the Mentoring Escalator scheme, BL advisers could directly sign-up clients on to the programme and have an input into the allocation of the mentor. This facility is no longer available under MFA and NBV are responsible for the signing up of all clients on to the programme. The consultees felt that there were two downsides to this:

- **Duplication of process** – BL advisers ask businesses a series of questions before they refer on to NBV, then NBV ask the same questions again at sign-up. This can be seen as bureaucratic and off-putting by businesses; and

- **Mismatch of mentors** – the point was made that mentoring will only be successful if the personalities of the mentee and mentor are correctly matched. NBV currently do the matching based on the information on the application form and a single meeting. BL advisers feel that their detailed knowledge of the companies they refer should be made more use of by NBV when matching mentors.

Fit with Other Forms of Business Support

6.19 There was overall agreement that there was place for mentoring in the East Midlands business support landscape. In other words, it was felt to be filling a gap not currently filled by any other business support programme.

6.20 Those consulted stated that companies tended to look for grant funding first and foremost when they came to Business Link. In this sense, MFA was said to be at a disadvantage in comparison to the Business Transformation Grant (BTG)[8] where there was high demand, in part due to the cash available. It was however considered to have an advantage over some of the programmes, such as High Growth Coaching[9], which have tighter eligibility criteria.

Overall Views on the Programme

6.21 There was a strong desire to see the programme continue amongst the BL staff consulted. It was seen as being a very useful programme in the suite of business support and something which is particularly useful to smaller businesses, whether they are established or just starting out. The option to have someone to bounce ideas off was seen as invaluable to companies with less developed management structures.

6.22 The overriding view was that NBV was doing an effective job of managing the programme and relations between NBV's Business Development Advisor's (BDAs) and the Business Link staff in the respective sub-regions were considered to be good. One area where communication could be improved was on the feedback between NBV, mentors and BL advisers. Managers commented that advisors are often not kept up to date on the status of their companies as they progress through the programme. The view was this that needed to be addressed going forward.

Local Authorities

6.23 The central message from the consultation programme with local authorities is that there is low awareness of the mentoring programme. Contact was made with 11 of the local authorities in the region, of these nine felt that they had insufficient knowledge of the Mentoring for All programme to be able to contribute to the evaluation. The main reasons for this were:

[8] The Business Transformation Grant (BTG) offers up to £10,000 to East Midlands companies to fund a substantial change in their business.

[9] High Growth Coaching provides intensive and tailored support to companies meeting specific growth criteria in the East Midlands.

- Local authorities in the region have pulled away from offering direct business support as this is now seen as the domain of *emda* and Business Link;

- Where business support does exist it tends to be focused on larger employers through attracting inward investment to a local authority area; and

- The economic development services of some local authorities, such as Northamptonshire County Council, have been outsourced to contractors such as Northamptonshire Enterprise Limited (NEL).

6.24 In summary, local authorities saw themselves as facilitators and signposters, referring businesses to the *emda* or Business Link which would then diagnose the business need and broker in the appropriate support. The view was that it was not their role to promote specific programmes such as MFA.

Key Messages

6.25 This chapter has summarised the feedback from the SSPs, Business Link staff and local authorities consulted during the evaluation. A number of the points raised here were beyond the remit of this evaluation, for example exploring the reasons behind the high proportion of mentors retiring and testing whether the calibre of mentors now working through the Mentoring for All programme are of a lower calibre than those which worked through the Mentoring Escalator programme. These are points which may be examined in future research.

6.26 The key messages which have emerged are:

- On the whole, the SSPs were satisfied with the performance of the MFA programme although there was some concern that engagements were behind profile at this stage;

- There is a desire for clarity around the cost model that NBV are working to amongst the SSPs. In particular whether the model is time or output driven;

- There is some concern amongst the SSPs that the expansion of the programme from ME to MFA has led to a decrease in the quality of mentors being recruited;

- NBV's overall delivery of the programme was considered to be efficient by the SSPs;

- The lower than expected referrals from Business Link are due to: the poor fit of mentoring for some businesses; competition from other business support interventions; and previous bad experiences of the mentoring programme amongst some BL advisers;

- There was a call for greater use to be made of the BL advisers knowledge of referred companies in the sign-up and mentor matching process;

- The BL advisers feel that Mentoring for All fills a gap in the market and collectively they are keen to see it continue in some form in the future, particularly for smaller businesses; and

- The awareness of Mentoring for All amongst the region's local authority economic development departments is very low and there may be little merit in promoting the programme widely amongst local authority partners.

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 This final chapter draws together the evidence presented in the preceding chapters to offer a series of conclusions on the mentoring programmes in the East Midlands. It sets out to provide answers to the three main evaluation objectives. These were to assess:

- The effectiveness of mentoring as a means to stimulate business growth;
- The need for a subsidised business mentoring service in the East Midlands region; and
- The best model for future delivery of the programme.

The effectiveness of mentoring as a means to stimulate business growth

7.2 The evaluation suggests that the programme is an effective tool to stimulate business growth demonstrated by the significant GVA, turnover and employment impacts reported by supported companies. ME and MFA combined have generated up to £8.4m in net GVA to date and up to £18.1m in net turnover, although other methods for calculating net GVA impact will be lower than these levels.

7.3 The higher impacts reported by Mentoring Escalator companies suggest, particularly those disengaged, that it is important to complete the full block of ten sessions. Those completing more sessions have typically generated higher economic impacts in the business and for the region. It has also been the larger SMEs that have driven the economic performance of the programme, with these businesses generating higher levels of net GVA and turnover growth.

7.4 There is also clearly a time-lag associated with the realisation of full economic benefits for the businesses. In this respect, the full net impacts from the MFA are still to be generated.

7.5 The evaluation also suggests that ME and MFA represent good value for money with a significant return on public sector investment. Every £1 spent has generated up to £6.72 of net additional GVA and up to £14.49 of net turnover impact. On this basis the cost of creating a new FTE job estimated at £6,831.

7.6 It is clear companies value the programme and satisfaction levels are high with the programme. A range of softer benefits are identified by businesses, the most valuable aspect is that the mentor provides a sounding board to the business, which is particularly valuable to small companies.

Assess the need for a subsidised business mentoring service in the East Midlands region

7.7 The evaluation has found that there are substantial impacts (both hard and soft) generated by the MFA programmes and it represents good value for money. On this basis mentoring activity should be retained in the East Midlands.

7.8 The subsidy was found to be a vital incentive for getting companies involved in the programme. The majority under MFA still regard the subsidy as very important, although the proportion is lower than for the ME pilot, and greater numbers indicated the subsidy as ‘quite important’ than was previously the case. For larger businesses in particular, with turnover more than £1m, the subsidy may be less significant;

7.9 However, with the targeting aimed at recruiting new companies, it is likely to be important to retain this subsidy as a ‘sweetener’ for businesses to get involved. Any differentiated subsidy rate for participating businesses based on size would need to be balanced with the additional costs of administering the scheme;

7.10 Responses to paying full market rate for mentoring support were mixed. For many it depended on the individual qualities of the mentor they are paying for and the level of benefit to the business. Overall, the majority of businesses were resistant to paying full market rate. That said, there was some support for some form of follow-on programme to avoid the sudden ‘drop-off’ experienced by some companies when mentoring ends, and this could be at a reduced less of subsidy with more time between sessions.

7.11 The existence of a subsidised mentoring scheme may be influencing people’s views on paying for the scheme, with some not wishing to jeopardise the availability of subsidised support.

7.12 The overwhelming view was that mentoring support fills a gap in the business support market in the East Midlands, although there was also recognition that it is not an intervention that is suitable to all companies.

Determine the best model for future delivery of the programme

7.13 The current delivery model is generally working and there are a number of improvements from the ME pilot programme. NBV’s delivery and management of the contract is largely well regarded by mentees, mentors and stakeholders.

7.14 That said, the transition from the Mentoring Escalator to the Mentoring for All programme was problematic. This has led to confusion around the counting of outputs, with MFA outputs being recorded seven months prior to the programme's official start date in November 2007.

7.15 In addition, it is our conclusion that the targets set for the MFA programme were ambitious. The decision has already been taken to not to allocate any more funds to the training of mentors, meaning that the T6 target of assisting 300 individuals to develop their skills will not be met. Whilst, the programme is behind target on the T4 - assistance of 600 businesses. The risk of this is that in an effort to reach the T4 target, quality of businesses recruited is sacrificed for quantity.

7.16 There are also some concerns about maintaining and diversifying the pool of mentors and sustaining strong sub-regional geographic coverage across the regions, particularly in some more rural areas;

7.17 That there are good links between the programme, NBV and Business Link, although there could be greater use of BL expertise at the matching stage. The evaluation found contrasting views on how to engage BL more fully with the project. There was a view from Business Link that reinstating the facility to directly sign-up clients to the MFA programme (as they had been able to on ME) would increase BL's buy-in to the project and may in turn increase referral levels. Whilst, those involved in the management of the programme argued that centralising sign-up responsibilities with NBV had vastly improved the administration and overall effectiveness of the programme.

7.18 Assessing future levels of demand is difficult. NBV have been struggling to keep the engagements to profile, however SSPs and Business Link are of the view that there is a large number of companies that can still be targeted by the programme.

Recommendations

7.19 Based on the conclusions above, a number of recommendations are made.

Recommendation One

7.20 **A subsidised mentoring programme in the East Midlands should continue.**

Recommendation Two

7.21 **There should be a clear demarcation between MFA and any future follow-on mentoring programme, with the MFA programme ending before the commencement of a new programme.**

7.22 This may involve the MFA programme ceasing to recruit new mentees within a sufficient timeframe to allow it to 'clear' before the commencement of the new programme.

Recommendation Three

7.23 **Any follow-on programme should seek a lower level of new engagements per month.**

7.24 The T4 and T6 targets for the MFA programme have been challenging. The risk of ambitious targets are that they pull businesses into mentoring which are unsuited to this type of support. The point has been made that mentoring is not suitable for all businesses and as such any new programme should have a clear emphasis on quality of business engaged (in terms of motivations, willingness, capacity to develop) as opposed to quantity.

Recommendation Four

7.25 **The business benefits of completing at least six to ten mentoring sessions should be explicitly communicated to new mentees at sign-up.**

7.26 This evaluation has recognised the difficulties in retaining mentees on the programme for the full 10 sessions. However, it has also highlighted the disproportionate business and economic benefits associated with completing the full programme. The survey found that the majority of mentees themselves considered six sessions to be a minimum level before they could derive benefit.

Recommendation Five

7.27 **The facility should be there to extend the programme beyond 10 sessions**

7.28 Length of involvement has been shown to be directly related to impact levels. Additional sessions could still be subsidised but at a lower rate e.g. clients could pay half the market rate of each session. The additional sessions could be spread out with longer spells between support and this may also help wean clients gradually off the expectation of subsidy. While 10+ sessions appears to increase the level of impact gained through mentoring, it should be noted that it is unclear how many more sessions make a tangible difference.

Recommendation Six

7.29 **Steps should be taken to involve Business Link more fully in the engagement, mentor matching and aftercare process**.

7.30 The knowledge BL have of their client base is not being fully utillised under the current arrangements. BL have a greater role to play in the continued success of this programme and thought should be given to how this can be achieved.

Recommendation Seven

7.31 **There is clear evidence that the programme can deliver benefits to the larger SMEs and consideration should be given to introducing minimum criteria for businesses participating in the scheme.**

7.32 The survey found a number of sole traders engaged on the programme. Although it is valuable to these companies, the impact generated by these companies was found to be limited. Smaller businesses nonetheless experience a range of softer benefits and may not be sufficiently developed to benefit from more intensive support. This recommendation should therefore be considered in the light of the forthcoming evaluations of Route to Market and High Growth schemes, since Mentoring for All is currently viewed as more appropriate for businesses closer to entry level.

Recommendation Eight

7.33 **NBV should continue to seek to widen and diversify the mentor pool.**

7.34 Feedback from stakeholders suggests that more mentors are required to enable the MFA programme to meet targets for increased activity. Chapter 2 of the report also suggests that the profile of the mentors remains skewed towards White males over 50 years of age.

Annex A – Survey Company Characteristics

The largest group of responses to the survey came from the largest cohort in the Mentoring for All scheme, namely Financial and Business Services. The percentage of survey respondents from this sector (31, 39%) matches the overall percentage from this sector in the MFA scheme.

Other sectors also broadly fall into line, with the Community/Social/Other Services sector having the second highest level of responses (26, 33%) which is slightly higher than their representation in the programme (91, 25%). Wholesale & Retail respondents (14, 18%) are the third largest group, as they are overall (36, 10%) in the programme. These two groups are, then, over-represented in the survey in terms of their overall representation in the MfA project.

After the top three, other sectors are therefore under-represented. Manufacture (3, 4%) in the survey is below the 31, 8% size of the potential sample, as is Construction (2, 3%) compared to its overall representation (23, 6%).

Sectors represented in the 'Other' category are: Manufacture of Food & Drink Products; Transport, Storage & Communications; and Agriculture & Extraction.

Mentoring for All Survey Responses

Sector	Number of responses	Percentage of respondents
Financial & Business Service	31	39
Community/Social/Other Services	26	33
Wholesale & Retail	14	18
Manufacture	3	4
Construction	2	3
Other	3	4
Total	**79**	**100**

Source: MFA Survey

Mentoring Escalator Survey Responses

Sector	Number of responses	Percentage of respondents
Other Services	37	42
Electronics & Digital	17	19
Medical & Bioscience	11	12
Print & Packaging	8	9
Construction	7	8
Other	9	10
Total	**89**	**100**

The sectoral breakdown employed for the Mentoring Escalator programme was different from that used for Mentoring for All. Were we to use the same sectors, there are still significant differences – for example, only 7 (19%) of respondents to the Mentoring Escalator survey fall into the Financial & Business Services category.

The Other Services group here contains a broad mix, including companies delivering Health & Safety, Corporate Training, Events and Art Exhibitions.

Annex B – Comparator Programmes

The table below presents an overview of different mentoring programmes supported across England and Scotland. The aim of this exercise is to compare the overall objectives, organisational and delivery arrangements and sources of funding of different mentoring programmes, and to outline common issues which arose as a result. The review is an attempt to draw comparisons and pinpoint differences between these programmes. The comparators described below have been chosen because they focus more specifically on business support and target SMEs. They do not represent an exhaustive list of mentoring programmes across England and Scotland but reflect available data.

	Identification / Nature of companies	How mentors are identified	Aim of the programme	Kind of support offered	Method of delivery	Link with other projects / relevant intermediaries	Benefits	Funding	Financial cost	Matters arising
SY Investment Fund's Mentorbank	* Financial incentives to attract businesses (both a discount on the terms of the loan repayment and a 50% subsidy towards the cost of the mentor); * but financial incentives not the only reason since companies had identified an area where needed external help * mostly the Advanced Metals and Manufacturing (AMM) cluster, the Business, Finance and Professional Services (BFPS) and Creative and Digital (CDI) sectors.	* Mentors volunteer (cv sent + interview) and mentors placed on a database; * SYIF as an intermediary to match mentor and mentee, last word to client ; * Emphasis on knowledge and past hands-on experience, esp. in working with SMEs, success in business and extensive business experience, combined with strong interpersonnel skills. When more specialist skills needed, research upon wider contacts of the institutions; * Active role of mentors, with a flexible and pragmatic approach needed ; often informal relations pre existant between mentor/mentee.	* To provide a lower unit cost of support for participating business than conventional business support; * to tackle management deficit * to create a constant and strong relation between mentor and mentee.	Finance support primarily, but generally financial planning expertise, strategic planning and a bit of general advice.	* Great responsabilities of Investment Managers in the promotion of the programme and introducing the mentor; * great flexibility on the delivery process; * one to ne meetings, monitoring of mentoring through quaterly monitoring reports and business monthly accounts.	The programme should be promoted more widely by partner organisations, including Business Link South Yorkshire.	* Good emphasis on strategic and business advice; * Even if designed for access to finance originally, benefits in staff development, general business development, strategic planning and financial advice ; good additionality and will to use mentoring after the programme.	* The Small Business Fund and the Capital / Development Fund operating as the two principal Funds; * The Seedcorn Fund.	£4.6 million allocated to the fund (maximum subsidy of £6000 per business + rebate from 30% up to *)% for the smallest loans).	* Reflexion about reducing the level of subsidy to certain types of business to achieve cost savings as financial incentive important but not determinant; * in case of non loan-based filter, how to select companies ? * a need for more information and more feedback; * difficulties in recruiting businesses.
The RDA network's High Growth SME Coaching Programme	* Companies need to be 'three legged gazelles': companies with aspirations for growth and growth potential of 20%; * also new start businesses * but no National guidance: each RDA adopts its own appraisal tool for selection * to avoid temptation to pick winners but try to pick companies with potential growth opportunities * mainly Manufacturing companies.	* Recruitment through a mix of advertising, referral and access to existing databases; * search for individual with appropriate experience and emphasis on previous experience to run own business * 2 models: 1) coaches as gatekeepers to the programme, deciding if they want to work with these businesses ; 2) a 3rd party matches coach to business, informing the coach a company is willing to work with him.	* To ensure focused and tailored coaching is available to businesses across the English regions.	* A coaching program (contrary to a mentoring programme), so action oriented, identifying key strategic decisions/actions that the firm must take; * investment readiness, audit analysis, market understanding, performance benchmarking; * emphasis on team development and not on individuals. Breadth of engagement larger, working with more managers within the company.	* collaboration between RDAs, SEEDA (as the leader) and SOA Development (responsible for the methodological process); * national framework, but flexibility across regions; * contract between the RDA and the client, providing costs, commitments and aims; * no general pattern of charges or not on firms, neither for funding from the RDA.	Lack of linkage to other RDAs or their partners' products.	* Good performance in increasing business confidence, market understanding and leadership and management development ; good additionality; * active role particularly appreciated by smaller companies.	* Depending on RDAs; * too little support coming from other sources or sometimes from RDAs: a source of frustration.	Per-firm funding depending on RDAs , with the range for the highest to lowest RDA budget being in the order of 10:1 (£600,000:£65, 500).	* A need for a more interactive initial review, esp. to allow firms some choice when selecting a Coach; * to develop brief coaches on core elements that must be dealt with * to incerase linkage to other support measures; * a need for more for more flexibility and longer timescale according to both parties; * a need for more detailed 1-1 feedback as often a short report sent to the firm as a feedback.
Business Gateway (Scotland)	* SMEs; * companies involved primarly sole traders and start up companies, service sectors activities ; businesses involved in local markets.	* A pool of over 400 experienced mentors from a wide range of business sectors; * mentors work for free ; commitment of 3-4 hours a month * Business Gateway as an intermediary to match client and the right skilled mentor.	* A better analysis to specify minimum levels of enquiries contractors are expected to deliver; * ensuring that start up resources are used in a way that minimises deadweight.	* Business start ups (information, advice, learning opportunities, support and funding); * business information (competitiveness in existing markets and enhancing growth potential); * aftercare (monitoring of start ups and more pro active interventions); * business growth (through Business Adviser and Business Health check).	* Delivery not at the same pace: national but differences among Gateways; * two models of delivery, depending if LEC is involved or not in the delivery of the project, or contracts to another agency; * mainly delivery through competitive contracts; * one-to-one sessions with advisers, group workshops and seminars, web based services and self help workbooks; * different types of mentoring: 1-1, group or online mentoring.	* Linkage with other agencies; * establishment of partnerships with public entities as a good result of the programme.	Good impacts, esp. on business growth and business information for sales. Aftercare (even if small for sales for instance) secured activity by giving sound advice to companies.	Business Gateway Review	The total cost of delivering the 4 core services over £12 million (2004-2005), ranging from £428,000 in Forth Valley to £1.8 million in Glasgow).	* Programme too mainly associated with start ups; * more coherence on costs from inception.
The Merlin Project in South West (2004 - 2006)	* 250 SMEs and pre-start enterprises; * Enterprise Hub Network matches mentors and mentees.	* Mentors work for free; * 70 recruited while a lot of applications rejected; * emphasis on very good experience and finally, a lot of mentors with high technology experience; * Each mentor is asked to commit 20 hours a month to the programme for at least 12 months; * Leadershape, a mentoring specialist company, train mentors through an extensive programme and provide them with follow-up support and expert sessions for a further 12 months.	* To build a community of 60 high calibre mentors in the South East of England region over a 3-year period to work with 250 companies and 20 start ups, and at no cost to the mentor or the entrepreneur/SME; * mentoring for entrepreneurs and SMEs, primarily within the knowledge or technology based business sectors.	* To help grow small business leaders by effective transfer of knowledge and experience; * to make this learning sustainable and permanent; * but also to avoid the creation of dependency on the mentors; * emphasis on the fact Merlin Mentoring is not a substitute for professional advice or consultancy and is nearly always provided alongside other services ; advice are given in a non-directive way.	* A partnership between Finance South East (lead partner and coordinator of mentors), Leadership (providers of the training programme), the Enterprise Hub Network (supporters of the companies) and Leadershape (mentoring specialists); * flexibility: combining training events with mentor network meetings and providing key inputs on critical issues such as 'crossing the chasm' marketing strategies for small businesses.	* Companies also supported by SEEDA's Enterprise Hub Network; * Finance South East gained expertise and resources running Merlin and used them to offer mentoring programmes to other organisations which are supporting growth businesses, eg. CommercialiSE, the National Council for Graduate Entrepreneurship, the Funding Enterprising Women programme.	* The biggest impact lies in the fact mentors have helped the companies to think more clearly about their challenges and built up their confidence to make their own decisions; * mentors were highly satisfied, and 75% of them carried on beyond their initial 12 month commitment; * great networking among mentors and with the whole community of people who were involved with business support in the SEEDA region; * Finance South East also gained considerable expertise in managing a complex European funding programme, which enabled it to take part in other European programmes.	* SEEDA and Finance South-East (ESF) * Altogether, Finance South East, the Enterprise Hub Network and Leadershape bided and won the £1m ESF grant.	£1m grant from the ESF and co-funded by SEEDA.	The establishment of a Code of Conduct, as like in other programmes, mentors sometimes continued to work for the company after the project.
Action for Business	Owners and managers of SMEs.			Emphasis on skills: to develop basic business practices in SMEs, to develop ability to increase capacity in business, to support companies in their quest of change.	* Delivered by Kingfisher Consultants Ltd; * initial diagnostic session followed by workshops, 1-1 consultancy, access to online knowledge ressources.		* Development of new and improved skills, improvement of business planning, financial and management planning.	Sponsored by the DTI.	An average of £1250-£1650 per company.	The programme was seen to have been successful in introducing further support for the managers but less for other staff members.

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Comparator Programme Aims and Objectives

Reviewing the objectives of mentoring programmes underline similarities among the identification of businesses and the nature of support offered to them. Most mentoring programmes target SMEs to ensure they can contribute to the competitiveness of the area. Mentoring programmes support SMEs to ensure they get the same access to finance and resources as larger companies. The majority of the companies involved in such projects are financial and business services companies, or belong to the Creative and Digital Industries (CDI) or manufacturing sectors. Mentoring programmes thus tend to focus primarily on start ups and tend to target companies with growth potential. The main challenge for most of the programmes is supporting not just the 'winners', i.e. companies that are sure to experience a high growth rate.

Mentors and the Matching Process

The identification of mentors and the matching process between mentors and mentees underlines the active role of public agencies in facilitating this. Most of the programmes rely on existing pools and database to establish mentors' contact list provided by public agencies or external consultants. Criteria for the identification of mentors stress their past hands-on experience and success but also their interpersonal skills to develop a specific relationship with businesses. The matching process puts the emphasis on public agencies which have an active role on matching mentors and mentees. The involvement of mentors and the minimum commitment level required is different between programmes, depending on the status of the mentors. Mentors are sometimes volunteers and work on a non-paid basis. In some projects, mentors are much more involved, recruiting the mentees, deciding if they want to work with this company or not.

Programme Delivery

There is always a lead partner which is in charge of the delivery which establishes partnerships with other bodies to deliver the programme in an efficient way. Investment Managers in the South Yorkshire Fund's Mentorbank have an influential role in introducing the mentor and promoting the programme. Business Link or enterprise network organisations are often lead partners. Delivery agents can also be chosen through a competitive contract process. However, links between partners/public agencies are often seen as too weak, especially between regional development agencies and local partners, or national and regional/local partners. Ex post-evaluations underline this should be overcome as these programmes can be the opportunity for agencies to gain expertise and funding for mentor support.

The method of delivery is often flexible and covers a wide range of actions: one-to-one sessions, workshops, access to online knowledge resources for instance. For each project, a contract sets out goals and monitoring arrangements and mentors must give regular feedback. The support offered varies in two main ways. A ‘mentoring’ conception puts the emphasis on the development of tools and methods on the company, supporting the transfer of knowledge and skills. Mentors have to focus on the whole team and not only on individuals. This approach is meant to be more sustainable and avoid dependency on the mentor. The second, the ‘coaching’ approach is slightly different in the sense that it is more directive and action oriented. The coach has to identify key strategic decisions to be taken by the firm. But the two strategies are both aimed at transferring processes/practices and skills into the business to strengthen and improve it.

Nature of Support

Most of the time, the support offered shifts from addressing a specific need to more general and strategic business support, even when the business identifies a need (e.g. financial support) as its primary concern in the first place. This shows the good levels of flexibility and the personal approach most of the mentoring programmes have managed to achieve. The level of satisfaction has been high for all the mentoring programmes reviewed. with a good level of additionality in each case. Strategic and business advice have been particularly appreciated as well as staff development measures. All partners outline that these programmes have helped to restore confidence among businesses and secure their future. Businesses which have taken part in mentoring programmes have acknowledged they developed skills and approaches as a result of these projects and have been eager to continue this relationship with the mentor.

Funding Sources

The sources of funding are different between programmes but feedback from businesses involved in the programmes identifies the limited funding options - with most of the programmes supported by one principal funder. The unit cost per business in each programme also differs, as some projects are on a voluntary base and mentors are unpaid, and others asked for a stronger contribution from companies. Most of the programmes are based on financial incentives to enable/encourage businesses to participate.

Summary

As a result of mentoring programmes, several issues can be considered as common for improving the projects. Mentors and mentees both want more choice and involvement in the matching process. They acknowledge **flexibility** should be enhanced to promote a more **pragmatic** and business-dedicated approach, with more one-to-one meetings and improved monitoring arrangements. Businesses involved in these initiatives emphasize the need for more regular feedback and information that would help them to link to other sources of funding a wider suite of support e.g. databases of mentors. For funding partners, costs are a recurrent issue. However, the **financial incentives** for businesses is not their main reason for participation (although it helps initial engagement) and in many cases there could be a decrease in the level of subsidy to lower the programmes' costs.

Annex C – Research Tools

Face to Face and Telephone Survey of Mentoring Escalator Participants – Disengaged 12 months +

Survey of Mentoring Escalator Participants

A: Background

1. What is the name of your company?

2. What is your name and position within the company?

3. Where is your company based?

4. In which of the following sectors does the business operate?

	Tick one
Aerospace	
Automotive	
Building products	
Chemicals and rubber	
Construction	
Electronics and digital	
Engineering and metals	
Food and drink	
Furniture and timber	
Medical and bioscience	
Plastic and glass	
Print and packaging	
Textiles	
Other (please specify)	

5. How many people does your company currently employ?

	Write No.
Full-Time	
Part-Time	

6. How long has your company been trading?

Less than 1 year ☐
1-2 years ☐
3-4 years ☐
5-8 years ☐
More than 8 years ☐

7. Prior to your involvement with the Mentoring Escalator programme were you receiving mentoring support from any other source?

Yes ☐
No (routed to Question 9) ☐

8. Can you specify the provider, duration and cost of this mentoring support.

B: Engagement with Mentoring Escalator

This sections asks you about why you got involved with Mentoring Escalator and your views on the mentor's performance

9. How did you first learn about the Mentoring Escalator project? Through……

Word of mouth from other businesses that had used it ☐
A Business Link Adviser ☐
Nottinghamshire Business Ventures ☐
The Internet ☐
Marketing literature ☐
Other (please specify) ☐

10. What did you hope to achieve through taking part in the Mentoring Escalator programme? (Tick as many as apply)

- Increase sales ☐
- Increase profits ☐
- Increase employment ☐
- Improve selling skills ☐
- Improve financial skills ☐
- Increase productivity ☐
- Improve general management skills ☐
- Improve people management skills ☐
- To be more entrepreneurial ☐
- To be more strategic ☐
- To develop succession plans ☐
- To have someone to bounce ideas off ☐
- To achieve better work-life balance ☐
- Other (please specify) ☐

11. How many mentoring sessions did you participate in?

- 1 ☐
- 2 ☐
- 3 ☐
- 4 ☐
- 5 ☐
- 6 ☐
- 7 ☐
- 8 ☐
- 9 ☐
- 10 ☐
- 11+ ☐

12. Can I confirm the date when you disengaged from the Mentoring Escalator programme? *(Pre-populated prior to interview and confirmed)*

Date:

13. Did you complete all the mentoring sessions that you had intended to take?

Yes (routed to Question 14) ☐

No ☐

14. If no, please indicate the factors which prevented you from doing so? (Tick as many as apply)

Lack of time ☐

Lack of perceived value to the business ☐

Staff turnover ☐

Change in business priorities ☐

Lack of confidence in the allocated mentor ☐

Other (please specify) ☐

15. Engagement process: Please state the extent to which you agree or disagree with the following statements (Tick one for each statement)

	Strongly Agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
The services offered by the mentor were explained clearly					
The benefits of mentoring were explained clearly					
The level of commitment expected from the company was outlined clearly at the start of the programme					

16. Working with the mentor: Please state the extent to which you agree or disagree with the following statements

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The mentor was knowledgeable about my sector					
The mentor understood the needs of my business					
The mentor communicated effectively with me					
The mentor was available and accessible whenever I needed them					

C: Impact of Mentoring on Business

During your initial engagement with Mentoring Escalator, you provided financial information on your company. You also provided this information when you disengaged from the programme. We would like to confirm this information with you, as well as gather figures for the most recent financial year.

(Initial engagement and Disengagement will be pre-populated by the interviewer prior to visit and confirmed with interviewee)

Measure	Initial Engagement	Disengagement	Last Financial Year
Date			
Sales			
Pre-tax Profit			

Depreciation			
Total Employment Costs			
Number of Employees			

17. Thinking about the **sales** of your company for the last complete financial year, how different do you think sales would have been without the mentoring support?

	Tick one
A lot lower	
Moderately lower	
About the same	
Moderately higher	
A lot higher	

18. Can you indicate approximately how much higher or lower sales would have been?

Percentage	**Higher**	**Lower**
No different		
0-5%		
6-10%		
11-20%		
21-30%		
31-40%		
41-50%		
51-60%		
61-70%		
71-80%		

Percentage	Higher	Lower
81-90%		
91-100%		
100%+		

19. Of your sales in the last complete financial year, approximately what percentage of this was made up of sales outside the UK?

Percentage	Tick one
None	
1-5%	
6-10%	
11-20%	
21-30%	
31-40%	
41-50%	
51-60%	
61-70%	
71-80%	
81-90%	
91-100%	

20. Thinking about the **number of employees** in your company for the last complete financial year, how different do you think employment would have been without the mentoring support?

	Last financial year
A lot lower	
Moderately lower	
About the same	
Moderately higher	
A lot higher	

21. Can you indicate approximately how much higher or lower employment would have been? (in full-time equivalents - FTEs) (Tick one only)

Number	**Higher**	**Lower**
No different		
1 FTE		
2 FTE		
3 FTE		
4 FTE		
5 FTE		
6 FTE		
7 FTE		
8 FTE		
9 FTE		
10 FTE		
10+ FTE (please specify no.)		

22. Thinking about competition in your main area of business, which of the following statements best describes your business?

	Tick one
All businesses I compete with are based in the East MIdlands	
The majority of the businesses I compete with are based in the East MIdlands	
Around half of the businesses are based in the East MIdlands	
A minority of the businesses are based in the East MIdlands	
None of the businesses I compete with are based in the East Midlands or I have no direct competitors;	

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

	Tick one
All our supplies come from East Midlands suppliers;	
The majority of our suppliers, in terms of value, come from East Midlands suppliers	
Around half of our suppliers, in terms of value, come from East Midlands suppliers	
A minority of our supplies, in terms of value, come from East Midlands suppliers	
None of our supplies come from East Midlands suppliers	
I don't know	

D: Overall Opinions on Mentoring Escalator Programme

24. What were the key benefits you obtained through participation in the Mentoring programme? Can you indicate all those gained and highlight the single most important benefit.

Benefit	**Tick all that apply**	**Tick most important**
No benefits		
Increased sales		
Increased profits		
Increased employment		
Improved selling skills		
Improved financial skills		
Increased productivity		
Improved general management skills		
Improved people management skills		
Became more entrepreneurial		
Became more strategic		
Developed succession plans		

Benefit	Tick all that apply	Tick most important
Someone to bounce ideas off		
Achieved better work-life balance		
Other (please specify)		

25. How long did it take for these benefits to accrue in your company?

Time	Tick one
Immediately	
3 months	
6 months	
9 months	
12 months + (specify time)	

26. What were the factors which influenced this timescale?

1.
2.
3.

27. Please rate the quality of the Mentoring programme delivery in terms of…

	Very Poor	Poor	Satisfactory	Good	Very Good
The mentors used					
The process of matching mentors to your company					
Overall quality of the programme					

28. Thinking about the overall growth of your company, has support received through the mentoring programme brought forward, delayed, or made no difference to the company's growth?

	Tick one
Delayed by over 2 years	
Delayed by between 1 and 2 years	
Delayed by up to 1 year	
No difference	
Brought forward by up to 1 year	
Brought forward by between 1 and 2 years	
Brought forward by over 2 years	
Don't know	

29. Thinking about the quality of the company's management team, has support received through the mentoring programme made the management….

	Tick one
A lot worse	
Moderately worse	
No different	
Moderately better	
A lot better	
Don't know	

30. What were the **three** best things about the mentoring programe?

1.
2.
3.

31. Which elements of the support could be improved?

1.
2.
3.

32. Would you recommend the mentoring programme to other companies?

Yes (Routed to Question 33) ☐

No (Routed to Question 34) ☐

33. In your view, what is the minimum number of mentoring sessions a company should undertake before they can start to derive value from the programme?

1 ☐
2 ☐
3 ☐
4 ☐
5 ☐
6 ☐
7 ☐
8 ☐
9 ☐
10 ☐
11+ ☐

34. How important was the subsidy in your decision to get involved with the

Mentoring Escalator/Mentoring for All programme ?

	Tick one
Very important - without the subsidy I would not have got involved	
Quite Important - without the subsidy I might still have got involved but it would not have been easy for my company to do so	
Not that important - without the subsidy I would probably still have got involved	
Not at all important - without the subsidy I would definitely still have got involved	

35. Would you consider paying the full market rate for the services of a mentor in future?

Yes ☐

No ☐

36. How much would you be willing to pay for a block of 10 mentoring sessions in future?

I would not pay for the sessions ☐

£1 - £250 ☐

£251 - £500 ☐

£501 - £750 ☐

£751 - £1000 ☐

£1000+ ☐

37. Finally, how many members of your management team are…

	Exact No.
Female	
Registered Disabled	
From a Black Minority Ethnic Group	
Age 30 or under	

38. And how many of the business' owners are……?

	Exact No.
Female	
Registered Disabled	
From a Black Minority Ethnic Group	
Age 30 or under	

THANK AND END

Online Survey of Mentoring Escalator/Mentoring for All Participants

Survey of Mentoring Escalator/MFA Participants

A: Background

1. What is the name of your company?

2. What is your name and position within the company?

3. Where is your company based?

4. In which of the following sectors does the business operate?

	Tick one
Aerospace	
Automotive	
Building products	
Chemicals and rubber	
Construction	
Electronics and digital	
Engineering and metals	
Food and drink	
Furniture and timber	
Medical and bioscience	
Plastic and glass	
Print and packaging	
Textiles	
Other (please specify)	

5. How many people does your company currently employ?

	Write No.
Full-Time	
Part-Time	

6. How long has your company been trading?

Less than 1 year ☐
1-2 years ☐
3-4 years ☐
5-8 years ☐
More than 8 years ☐

7. Prior to your involvement with the Mentoring Escalator/Mentoring for All were you receiving mentoring support from any other source?

Yes ☐
No (routed to Question 9) ☐

8. Can you specify the provider, duration and cost of this mentoring support.

B: Engagement with Mentoring Escalator

This sections asks you about why you got involved with Mentoring Escalator and your views on the mentor's performance

9. How did you first learn about the Mentoring Escalator/Mentoring for All projects? Through……

Word of mouth from other businesses that had used it ☐
A Business Link Adviser ☐
Nottinghamshire Business Ventures ☐
The Internet ☐
Marketing literature ☐
Other (please specify) ☐

10. What did you hope to achieve through taking part in the Mentoring programme? (Tick as many as apply)

- Increase sales ☐
- Increase profits ☐
- Increase employment ☐
- Improve selling skills ☐
- Improve financial skills ☐
- Increase productivity ☐
- Improve general management skills ☐
- Improve people management skills ☐
- To be more entrepreneurial ☐
- To be more strategic ☐
- To develop succession plans ☐
- To have someone to bounce ideas off ☐
- To achieve better work-life balance ☐
- Other (please specify) ☐

11. How many mentoring sessions did you participate in? (MFA respondents will be asked – How many mentoring sessions have you participated in to date?)

- 1 ☐
- 2 ☐
- 3 ☐
- 4 ☐
- 5 ☐
- 6 ☐
- 7 ☐
- 8 ☐
- 9 ☐
- 10 ☐
- 11+ ☐

12. How long has it been since your last mentoring session?

Less than 1 month ☐
1 – 3 months ☐
3 – 5 months ☐
6 - 12 months ☐
12 months + ☐

13. Did you complete all the mentoring sessions that you had intended to take? (MFA respondents will be asked – Have you completed all the mentoring sessions you intend to take?)

Yes (routed to Question 14) ☐
No ☐

14. If no, please indicate the factors which prevented you from doing so? (Tick as many as apply)

Lack of time ☐
Lack of perceived value to the business ☐
Staff turnover ☐
Change in business priorities ☐
Lack of confidence in the allocated mentor ☐
Other (please specify) ☐

15. Engagement process: Please state the extent to which you agree or disagree with the following statements (Tick one for each statement)

	Strongly Agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
The services offered by the mentor were explained clearly					
The benefits of mentoring were explained clearly					

The level of commitment expected from the company was outlined clearly at the start of the programme					

16. Working with the mentor: Please state the extent to which you agree or disagree with the following statements

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The mentor was knowledgeable about my sector					
The mentor understood the needs of my business					
The mentor communicated effectively with me					
The mentor was available and accessible whenever I needed them					

C: Impact of Mentoring on Business

During your initial engagement with Mentoring Escalator, you provided financial information on your company. We would like you to answer these questions again using your most recent company information. **All answers should be for your last full (or most recent) financial year.**

17. What was the **sales** of your company in the last financial year? (please write in £ rather than thousands).

£

18. Thinking about the **sales** of your company for the last complete financial year, how different do you think sales would have been without the mentoring support?

	Tick one
A lot lower	
Moderately lower	
About the same	
Moderately higher	
A lot higher	

19. Can you indicate approximately how much higher or lower sales would have been? (Tick one only)

Percentage	Higher	Lower
No different		
0-5%		
6-10%		
11-20%		
21-30%		
31-40%		
41-50%		
51-60%		
61-70%		
71-80%		
81-90%		
91-100%		
100%+		

20. Of your sales in the last complete financial year, approximately what percentage of this was made up of sales outside the UK?

Percentage	Tick one
None	
1-5%	
6-10%	
11-20%	
21-30%	
31-40%	
41-50%	
51-60%	
61-70%	
71-80%	
81-90%	
91-100%	

21. Again, thinking about your sales in the last financial year can you indicate approximately what percentage of this comprised pre-tax profit and employee wage costs? (Tick one for each)

Percentage of Total Sales	Pre-tax Profit	Employee Wage Costs
0-5%		
6-10%		
11-20%		
21-30%		
31-40%		
41-50%		
51-60%		
61-70%		
71-80%		

81-90%		
91-100%		
100%+		

22. Thinking about the **number of employees** in your company for the last complete financial year, how different do you think employment would have been without the mentoring support?

	Last financial year
A lot lower	
Moderately lower	
About the same	
Moderately higher	
A lot higher	

23. Can you indicate approximately how much higher or lower employment would have been? (in full-time equivalents - FTEs) (Tick one only)

Number	**Higher**	**Lower**
No different		
1 FTE		
2 FTE		
3 FTE		
4 FTE		
5 FTE		
6 FTE		
7 FTE		
8 FTE		
9 FTE		
10 FTE		

Number	Higher	Lower
10+ FTE (please specify no.)		

24. Thinking about competition in your main area of business, which of the following statements best describes your business?

	Tick one
All businesses I compete with are based in the East MIdlands	
The majority of the businesses I compete with are based in the East MIdlands	
Around half of the businesses are based in the East MIdlands	
A minority of the businesses are based in the East MIdlands	
None of the businesses I compete with are based in the East Midlands or I have no direct competitors;	

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

	Tick one
All our supplies come from East Midlands suppliers;	
The majority of our suppliers, in terms of value, come from East Midlands suppliers	
Around half of our suppliers, in terms of value, come from East Midlands suppliers	
A minority of our supplies, in terms of value, come from East Midlands suppliers	
None of our supplies come from East Midlands suppliers	
I don't know	

D: Overall Opinions on Mentoring Escalator Programme

26. What were the key benefits you obtained through participation in the Mentoring programme? Can you indicate all those gained and highlight the single most important benefit.

Benefit	Tick all that apply	Tick most important
No benefits		
Increased sales		
Increased profits		
Increased employment		
Improved selling skills		
Improved financial skills		
Increased productivity		
Improved general management skills		
Improved people management skills		
Became more entrepreneurial		
Became more strategic		
Developed succession plans		
Someone to bounce ideas off		
Achieved better work-life balance		
Other (please specify)		

27. Please rate the quality of the Mentoring programme delivery in terms of…

	Very Poor	Poor	Satisfactory	Good	Very Good
The mentors used					
The process of matching mentors to your company					
Overall quality of the programme					

28. Thinking about the overall growth of your company, has support received through the mentoring programme brought forward, delayed, or made no difference to the company's growth?

	Tick one
Delayed by over 2 years	
Delayed by between 1 and 2 years	
Delayed by up to 1 year	
No difference	
Brought forward by up to 1 year	
Brought forward by between 1 and 2 years	
Brought forward by over 2 years	
Don't know	

29. Thinking about the quality of the company's management team, has support received through the mentoring programme made the management….

	Tick one
A lot worse	
Moderately worse	
No different	
Moderately better	
A lot better	
Don't know	

30. What were the **three** best things about the mentoring programe?

1.
2.
3.

31. Which elements of the support could be improved?

1.
2.
3.

32. Would you recommend the mentoring programme to other companies?

Yes (Routed to Question 32) ☐
No (Routed to Question 33) ☐

33. In your view, what is the minimum number of mentoring sessions a company should undertake before they can start to derive value from the programme?

1 ☐
2 ☐

3 ☐
4 ☐
5 ☐
6 ☐
7 ☐
8 ☐
9 ☐
10 ☐
11+ ☐

34. How important was the subsidy in your decision to get involved with the Mentoring Escalator/Mentoring for All programme ?

	Tick one
Very important - without the subsidy I would not have got involved	
Quite Important - without the subsidy I might still have got involved but it would not have been easy for my company to do so	
Not that important - without the subsidy I would probably still have got involved	
Not at all important - without the subsidy I would definitely still have got involved	

35. How much would you be willing to pay for mentoring support in future?

I would not pay for the sessions ☐
£1 - £250 ☐
£251 - £500 ☐
£501 - £750 ☐
£751 - £1000 ☐
£1000+ ☐

36. Finally, how many members of your management team are…

	Exact No.
Female	
Registered Disabled	
From a Black Minority Ethnic Group	
Age 30 or under	

THANK AND END