Eureka! Moment Evaluation 2015

Delivery area: Shropshire, Herefordshire, Staffordshire and Worcestershire

June 2015

Contents

Executive summary

Project	**Stimulating Innovation and Growth - Eureka! Moment**
Time period	September 2013 – June 2015
Areas covered	Shropshire, Herefordshire, Staffordshire and Worcestershire
ERDF value	£667,005
Nos. of businesses supported	118 in receipt of an audit 16 in receipt of a grant
Range of grants available	Up to £10,000

Introduction

Ask for Research conducted this evaluation of the Stimulating Innovation and Growth Programme (Eureka! Moment) in June 2015. The research involved interviews with the Steering Group and Project Delivery Team as well as analysis of programme activity.

The aim of Eureka! Moment was to provide initial innovative support to businesses which are unable to meet the threshold of other growth/innovation schemes such as Growth Accelerator, KTPI, KEEN or Voucher Schemes, which typically target businesses likely to achieve 20% growth.

The Eureka! Moment journey started with initial business engagement through events, social media and programme promotion which then lead to a business assist or signposting to other relevant support as appropriate. This comprised an audit to identify solutions to improve performance and prepare for innovative solutions.

An application for a Eureka! Grant, which was available up to £10,000, was an option for businesses seeking revenue support for implementation of the audit recommendations. The programme was flexible, and businesses were able to access other programmes for support or funding following the audit if these were assessed as being more relevant to the businesses' needs.

Key findings

- Over its lifetime, Eureka! Moment has provided business audits valued at £1200 to 118 businesses, almost double its target of 65 audits.
- 66% of 43 businesses surveyed experienced an increase in profits as a result of Eureka! Moment, 44% have developed new products, 34% have developed new processes and 32% have entered new markets. Whilst not a target, 10 jobs have been created to date.
- The programme has been flexible in its engagement process. The planned events were not as successful in attracting attendance as had been anticipated, and so the programme revised its marketing efforts to online promotion using films and social media. This had a positive impact in aiding business engagement, although partners recognise that support schemes tend to take a year to build momentum.

- The programme was not successful however in distributing its full value of grant funding to businesses, with a total value of grants awarded of £232,368 (50% private match) against a target of £420,000. The delay in the programme starting and recruiting, delays in decisions from DCLG and businesses being actively signposted to access alternative funds contributed to this. In addition, it was found that grants were not necessarily the most appropriate response to taking the innovation forwards, with the development of collaborations with the knowledge industry being an alternative outcome.
- Whilst the grants have underperformed, the project team is confident that if it had been able to roll the project forward to September 2015, most of the expenditure would have been allocated. There is a waiting list of 22 companies keen for funding if any successor project is established.
- The success of Eureka! Moment and the lessons learnt provide a strong legacy to take forward for future programmes:
    - There is value in targeting the companies which do not meet the 'high growth' definition and providing support to encourage innovation amongst the area's more stable performers.
    - The programme was seen as agile and flexible.
    - Whilst workshops were somewhat less successful than anticipated, the decision to focus on alternative forms of engagement and provide more audits than targeted was seen to add momentum and value to the programme.
    - The flexibility in signposting businesses to alternative programmes/grants is thought to have affected the programme's ability to meet its targets, but the value generated in providing businesses with the most relevant option versus target achievement needs to be considered in any underperformance.
    - Timing of the programme is key, and any delays in its set up or delays in decision making that will affect delivery will have a knock-on impact on how much the programme can physically deliver within a shortened timescale.
    - The positive impact of social media and online marketing can be applied to future programmes, with this being introduced from the start.
    - The audits were well received, however by the nature of businesses, the recommendations tended to focus on "lower level" innovations which may be more appropriately delivered by local 'knowledge' consultancies than universities whose focus is more on higher level innovation. This may also help improve the geographic reach of support.
    - The programme was valuable in its focus on targeting businesses less likely to have benefitted from support or grants or to have come forward through traditional channels. With the high rural focus of the region, the programme has illustrated the potential economic benefit which can be exploited through engaging with those businesses traditionally over looked by higher growth focused programmes.
    - West Midlands universities have built good relationships across the area and developed collaborative working with some local businesses. Eureka! has helped raise the profile of the knowledge sector.

1. Introduction

1. A consortium of three Shropshire Based consultancies was appointed in May 2015 to undertake the evaluation of Marches Financial Assistance & Business Support Schemes. Ask for Research, one of the consultancy firms, led on evaluating the Stimulating Innovation and Growth across Shropshire, Herefordshire, Staffordshire and Worcestershire Project (Eureka! Moment), which was one strand of these support schemes.

2. The project ran from September 13th 2013 to 30th June 2015 for the financial completion date, and to September 2015 for the practical completion. Operating across the four counties its aim was to provide channelled engagement and support activities to encourage SMEs to:
   - improve performance
   - to innovate
   - find new markets; and
   - introduce new techniques, technologies and products.

3. Within the confines of a restricted budget, allowing limited consultancy activities, the following evaluation activities were undertaken by Ask for Research:
   - Meeting with the Project manager and Claims and Monitoring Officer responsible for delivery of Eureka! Moment
   - Face-to-face and telephone discussions with a further 8 members of the Project Partners Group and Project Delivery Team
   - Consideration of various aspects of Eureka! Moment paperwork and procedures
   - Research of strategic documents to give a context to Eureka! Moment.

4. Specifically with reference to Eureka! Moment, the evaluation was to consider the following areas:
   - Assess the impact of financial processes
   - Assess the impact of the promotion undertaken by the project and the partners including events, direct marketing and videos
   - Identify if added value has been achieved and if so, what the benefit has been
   - Evaluate the effectiveness of the Eureka! Moment audits and whether the business has developed any new markets or processes.
   - Evaluate the impact and perceptions of the end beneficiaries – Growth, increase sales, improved productivity and new jobs created
   - Examine whether there has been an overlap in the type of support being offered by other organisations across the area e.g. audits
   - Assess the type of support businesses have found most helpful e.g. consultancy on a 1-2-1 basis/ workshops/ financial support etc.

2. Background and objectives

5. The Eureka! Moment project was awarded ERDF funding of £333,081 under Priority 2 – Stimulating Enterprise Development. The total budget was £667,005 of which £420,000 (£210,000 ERDF) was allocated to business grants, the remaining £247,005 being allocated to salaries for project staff, to administer the scheme, hold workshops, deliver audits, travel, marketing etc. the match was made up of a combination of in-kind time contributions from delivery partners and cash from Local Authority partners.

6. The project aimed to support those businesses which were unable to meet the threshold of other growth/innovation schemes, such as Green Bridge, Growth Accelerator, KTPI, KEEN and Voucher schemes, which typically target businesses likely to achieve 20% growth and which create/sustain employment. Thus, the target businesses were SMEs that were not able to demonstrate high growth year on year. The case was made that Government funding initiatives tend to be determined by the ability to deliver large scale growth, often with indicators such as delivering major job numbers and GVA increases. This has the effect of excluding sole traders, microbusinesses and home working businesses which are prevalent in the rural areas of the Marches, Worcestershire and Staffordshire.

7. These rural or remote businesses face particular challenges and opportunities of operating from a rural or peripheral location, such as operating at a distance from markets where there is a limited critical mass of businesses in close proximity, the distance from centres of research, their dispersed nature and the poor quality of infrastructure in some rural areas.

8. As the project covered three LEP areas, a menu of activities were to be provided tailored to the geographical area, business sector and current initiatives available. The project would also signpost or refer businesses to other schemes and initiatives wherever appropriate.

9. The target businesses were:
   - SMEs (under 250 employees) excluded from Innovation/growth initiatives and access to finance schemes directed at high growth businesses.
   - Those not able to demonstrate high growth year on year
   - Businesses for whom many Government funding streams are too large (micro, home working, sole traders)
   - Rural/remote businesses distanced from critical mass of businesses/centres of research

10. Eligibility for the programme was based on businesses:
    - Employing under 250 people
    - Having turnover under £43M and/or balance Sheet under £35M
    - Located in Herefordshire, Shropshire (excluding Telford and Wrekin), Staffordshire and Worcestershire
    - Providing at least 70% of goods and services to other businesses

11. The project aims were:
    - To provide a minimum of 24 briefings and workshops
    - To provide channelled activities with a minimum of 150 SMEs by June 2015
    - To work with 65 SMEs to improve performance by June 2015 (Business assists)
    - To support a minimum of 22 SMEs to engage in new collaborations with the UK knowledge base by June 2015

12. The business assists were in the form of audits which were to be instrumental in assisting SMEs to identify solutions to improve performance and to prepare for innovative solutions. The audits would assist SMEs (as appropriate) with their application to the innovation grant scheme in order to progress towards mainstream innovation, R&D and collaboration initiatives.

13. The project was delivered by five delivery partners; Staffordshire University, Staffordshire Business Environment Network (SBEN), Central Technology Belt (CTB, Based in Worcestershire), University of Worcester and University of Wolverhampton.

3. Scheme management

14. A full time Project Manager and a part time (2 days) Claims and Monitoring Officer were appointed to the programme. Delays in DCLG approval, compounded by delays in recruitment meant that the Project Manager was not appointed until January 2014 (some four months after the original start date) and the Claims and Monitoring Officer was not appointed until August 2014. It was felt that these delays, and subsequent loss of resource for the project, had a negative impact on project performance, given that projects typically take a year or so to build momentum.

15. Shropshire Council took the role of accountable body and supported the development of the project during the initial delivery.

16. The Project Delivery Group comprised representatives from each of the councils as well as representatives from each of the Delivery Partners; CTB, University of Worcester, Staffordshire University, SBEN (through Staffordshire County Council) and University of Wolverhampton. The vast geography of the area meant that getting to meetings took a long time, and some said that more one to one meetings between partners and the project lead may have been a better use of time, although staff resources would have meant this would have been impractical. In future, the use of video conferencing/skype would be worth consideration.

17. Applications were assessed by an Appraisal Panel made up of the delivery partners. Measurement of the impact of the project was undertaken through monitoring the growth of assisted SMEs to measure increase in sales, reduction in costs, number of jobs created and to calculate gross GVA.

4. Marketing and publicity

18. The marketing activity involved:

- The development of the website www.shropshire.gov.uk/eureka-moment which was replicated on partner websites
- Twitter @eureka_moment
- Eventbrite https://www.eventbrite.co.uk/myevents/
- You-tube: https://www.youtube.com/user/thateurekamoment - 595 views
- Various press releases were produced as were articles that appeared via E-Gov and e-newsletter
- Case studies on the website
- The production of printed leaflets.

19. Comments from consultees suggested that, in hindsight, it would have been better to have spent more time on marketing. The marketing budget of £10,000 was described by one partner as “tiny”, and overall it was felt that the project would have benefitted from more marketing activity and a focus on companies seeking ‘growth’ rather than innovation, a term which is poorly understood.

20. A generic leaflet was produced initially which could be adapted by partners to include updated information on events. The leaflet comprised 2 sides and was titled “Eureka! Moment – workshops, consultancy and small grant funding for SMEs – Innovate to grow.” It was produced as a Word document and printed in 2 colours, black and blue, with one word in red. The only

visual content and illustrations were the ERDF logo and a small graph illustration under the heading. It was not targeted at any specific sectors and there were no case study examples to indicate how companies could benefit.

21. There was comment made that it was difficult to understand what Eureka! offered to businesses, and as such, it was really hard to promote it. Another described the leaflet as "woolly".

22. Although not used in the leaflet, in fact, seven case studies were produced and hosted on the website. These illustrated direct benefits which the companies had received from their involvement with Eureka! and it would have been useful if partners had publicised these more widely.

23. Three films were produced for online access and these had good levels of interest ranging from 605 hits to 151 hits for the short films, with longer versions accessed less frequently. The development of the social marketing element during the project's duration and the production of online films were felt to significantly improve the effectiveness of the marketing activity.

24. However, the framework in which the Communications Team from Shropshire Council operates was seen as a constraint. It was felt that there was a disconnect between a programme which was promoting innovation, and a marketing approach which was seen as "very backward". For example, in order to set up a twitter account this had to be done through Staffordshire University. These difficulties are not unique to Eureka! and have been experienced by other projects where the inflexibility of council websites has caused difficulties with marketing. Unlike standard council webpages marketing material has to be kept fresh and maximise the use of social media and it will be important that the Growth Hub addresses these needs in hosting future support schemes.

5. The business engagement process

25. The project aimed to engage targeted businesses and stimulate interest through tailored briefings and innovation workshops. The programme and content of these sessions were to be in response to demand, which was to be reviewed quarterly at the Project Delivery Group meetings.

26. The free workshops and briefings were themed sessions looking into specific topics in more depth with a focus on how research, development and innovation activities can ensure SMEs stay ahead of the competition, through the provision of local case studies and examples. In practice, the events were "not well attended". Stafford ran one event on Marketing Neuro-linguistic Programming (NLP) which was quite well received in terms of numbers but subsequent events in Staffordshire were poorly attended. Shropshire workshops were better attended, and early morning timings seemed to be popular, but there was a lot of ground work done by the Project Manager in the promotion of Eureka! to Shropshire businesses.

27. The sheer size of the area, and therefore each local authority's representation in the project was raised. For example Herefordshire businesses are quite isolated and the project felt "Worcester-centric" since the nearest university is Worcester. It was felt that Herefordshire businesses did not engage as much as they may have done due to the distance to travel. This could change in future with the proposed opening of a Hereford Campus by the University of Wolverhampton.

28. The low attendance at the events and the difficulty in attracting businesses was minuted at the Project Partner Meetings and actions taken to address this. In May 2014, it was reported that all areas were struggling to fill places at the events. It was felt to be a crowded marketplace, with many projects competing for the same market, even though the purpose of Eureka! was to reach those excluded from other programmes. The potential for promoting Eureka! with other events was identified as a way to generate higher attendance targeted at specific sectors, for example Shropshire Council had run a manufacturing event alongside MAS, UKTI and Growth Accelerator which had attracted a good audience. Staffordshire University had held an event with Dick Strawbridge as guest speaker which had attracted over 100 attendees.

29. This activity however did not have the required impact, and the delivery partners made the pragmatic decision to make a film and to undertake additional audits, a decision which is credited with significantly increasing awareness of Eureka!

30. In any future project, webinars or podcasts may be more effective in terms of businesses' time and in reaching companies in rural areas, who are reluctant to travel to events. It was said that it needs to be clearer from the outset as to what companies will get from it – "really nail down what's on offer" and to be relevant to businesses. The case studies were helpful and in future should be made use of as early as possible.

Audits

31. Free company innovation audits valued at £1200 in consultancy time were offered. The audit identified innovation options, made recommendations and identified the most appropriate funding and/or support available. Delivery partners expressed the view that few of those supported would have been able to access this support on a commercial basis. It was raised by one respondent that they were more accustomed to dealing with larger companies rather than the sort of 'lifestyle' companies that were coming forward for support, and felt that their expertise lay in other areas of innovation rather than the marketing focused support that was popular. This reflects findings from other evaluations which appear to show that The Marches lags behind in innovation and IT capabilities and support tends to be required at the lower end of the spectrum.

32. Following the completion of the audit, those businesses with a viable activity were encouraged to apply for a revenue grant which could be used to buy in specialist advice and consultancy support, and to support R&D and collaborative working. Where appropriate, businesses would be signposted or referred to other initiatives or schemes; in practice this impacted on Eureka!'s outputs and spend.

33. In consultations for the evaluation it was reported that the process was somewhat stop/start with firstly an emphasis on audits, then grants, then back to audits again. To a large extent this reflected delays in decisions from DCLG as to whether the project could be extended and funding re-profiled.

34. It was also apparent that there were several organisations offering audits across the West Midlands and the question was raised as to how the Eureka! audit differed specifically from other audits, apart from being free.

Grants

35. The grant award scheme was designed to encourage eligible businesses to engage in a specific activity planned to achieve growth and further investment, no matter how small. This grant award was to be appraised against set criteria, and if successful, funding would be offered as a subsidy against set activities. SMEs would provide the private sector match as their contribution to the activity in excess of 50% of the value and contract with the accountable body to deliver agreed outputs in return for the assistance.

36. The original preferred option for grant support was to develop a pool of approved organisations eligible to undertake work with the individual grant recipients. This however did not go ahead as the partners decided that to create a pool of consultants prepared to work across the area would be too complex and take too much time, delaying the project. In addition, some consultants already had relationships with existing suppliers and this may have produced a barrier to some applying for the grant, so businesses were required to source 3 quotes from suppliers themselves.

37. The application process for the individual business involved:
    - The business preparing a consultants' brief and obtaining 3 quotes
    - The completion of an application form
    - Submission of two years' accounts and current trading figures
    - Preparation of a financial forecast sheet
    - Submission to the Project Office at Shropshire Council.

38. Helpful guidance was produced to aid businesses in developing the brief and completing the application form. However, the view was expressed in the evaluation that the application was too long even though it was reduced so that all businesses had to do was to send in accounts and provide consultants' briefs for the quotes – this put a lot of people off but was deemed necessary for ERDF purposes. It was also considered that the appraisal/application could be simplified. Small companies tend to outsource their finance operations and it was thought that they did not know what a cash flow forecast is or may not have had a business plan:

39. "We needed 3 quotes and companies were not prepared to give quotes for the grant we needed as they were under the impression that it was a pointless exercise on their part…" (Employer via monitoring survey)

40. On receipt of applications the Project Delivery Group assessed the needs of businesses against a set of agreed criteria and then awarded a grant or offered other support such as signposting, referral and identifying alternative grant and voucher schemes.

41. Despite an agreed set of scoring criteria, the selection process was said to be 'arbitrary' and open to subjective judgements. It was recommended that in future more work is done in setting up the scoring criteria against objectives. In this respect, Eureka! was compared unfavourably with the Proof of Concept scheme running in Worcestershire which was seen as "more streamlined and less bureaucratic"

42. Whilst the level of signposting may have compromised the level of outputs achieved, the fact there was flexibility in what grants the client accessed was seen as a positive since the client had the freedom to select what best suited their needs, rather than necessarily going for a Eureka! grant. It was also noted that it was not always appropriate for businesses to apply for grant money, for example, it could be better for them to link up with a partner, someone that would help them with sales or technical support: "What allows innovation is about obtaining partners and customers that drive the innovation, making the link to drive it, for example the customer

may fund it and then you're not dependent on a programme that dies after a year – it's then based on a sustainable relationship (rather than a one off grant) – you need partnership and the grant provides pump priming".

Alternative grants

43. Several consultees stated that innovation support was a crowded market: "The grant funding overlapped with quite a lot of ERDF funding – last year there was a lot of money thrown at people from all directions."

44. Other funds identified included:

- Companies supported by SBEN tended to be referred to Eco Business via Coventry University "*as the application/consultant process was more streamlined."*
- In June 2014 Cannock Chase Council launched several new funding programmes and 6 businesses dropped out of Eureka audits to engage with the local authority instead.
- Companies audited by CTB were most frequently referred to Worcestershire Council's Proof of Concept Scheme, reflecting the type of companies CTB was supporting. A lot of people wanted to develop proof of concept and that grant was tailor made for it. It was £30k compared to £10k for Eureka! As with Eureka! it was for businesses who had not innovated before and it stimulated a very difficult to reach market.
- MAS and GA conducted audits and provided support.
- Innovation vouchers were available of around £3,000 - £5,000 in value.
- The Knowledge Exchange and Enterprise Network (KEEN) – This ERDF funded programme involves the University of Wolverhampton and Coventry University to promote SME growth and innovation.

45. The existence of these other grants and support agencies meant that there was some competition for clients and whilst the original intent of Eureka! was to reach those who would not qualify for support elsewhere, inevitably there was overlap, with limited numbers of companies on each council and partner database to contact. On the other hand, if businesses were not eligible for one of the other grants, eg Proof of Concept, they could be referred to Eureka! and vice versa, so the cross referrals and integration with other programmes were seen as a strength.

46. An added value of the project is that councils have built up networks with universities through Eureka that otherwise would not have happened, as one consultee said, "We learnt from Eureka! and got involved with universities and are taking that forwards."

6. Financial processes

47. Interviewees raised a number of issues with the financial processes involved in Eureka!:

- Other grants had more streamlined processes so firms found it easier to use them to provide alternative funding sources.
- Reports had to be signed in hard copy in ink and it took a significant amount of resource to get employers to return their forms and some had to be physically collected. Frustration with this process is likely to reflect the difference in ERDF and other funding requirements such as RGF.
- Neither Herefordshire nor CBT had any clients apply for grants so they were unable to comment on financial processes.

7. Impact of the financial assistance packages

48. Consultees were of the view that there are many examples of companies that would not have innovated if it had not been for the support of Eureka!: "Some would still be limping along with antiquated finance systems or carried on making the same mistakes. There are good case studies which support this."

49. The contact between SMEs and universities means that relationships have been built and the foundations of a long-run association established with some companies. Collaborative work between universities and local businesses are now taking place, which are likely to continue into the future.

50. Eureka! was thought to have supported businesses that otherwise would not have received funding – as was the original intent - and because of the reluctance of banks to lend to new/innovative companies, the project was seen to be addressing market failure. It was noted that the innovation supported tended to be at the 'lower end' around digital marketing for example, rather than prototyping.

51. A number of companies needed a marketing/social media strategy which they would not have developed, and not only has Eureka! been able to build the strategies but also to implement them. For a lot of businesses it helped them to realise what they needed to grow.

52. It is early days for the impact of the funding to be measured, since some funds have only recently been awarded, but comments from a survey of participants highlight some of the benefits realised:

"The project was very useful to us in providing match funding towards bringing in external design expertise and ensuring timely delivery of a new product to market."

"Difficult to gauge effect at this stage - we have just installed microwave broadband and changed our hosting provider to re-sell to clients so finding out about the consultancy available was invaluable. This has resulted in the increase in profitability in those areas relating to web hosting and improved communication with remote workers through better, high speed, broadband access."

"The funding provided has enabled my company to rebrand, marketing impetus to launch a new product, create new web site and provide social media exposure. The process has only just started but I believe it will see our turnover and profits increase significantly."

53. It was noted that the type of grant helped a lot of businesses that needed that extra support. For example, Discovery Books, had a very small grant which allowed them to reach a different market and to finance this themselves would have taken a long time. They had the product ready and needed to push, and have almost doubled their turn over. Their second grant allowed them to enter a new sector.

54. An online survey to assess impact showed that more than 8 out of 10 stated that the audit had been beneficial. It is interesting to note that whilst the majority have not increased sales, as a result of improved efficiencies, two thirds have increased their profits. Even though only a minority received grants, 71% said that they had undertaken some form of innovative activity with 34% having developed new processes, 44% new products and 32% having entered new markets:

	Yes
Benefitted from the audit	86%
Would welcome further support	65%
Experienced a sales increase as a result of Eureka	29%
Experienced an increase in profits as a result of Eureka	66%
Have developed new processes	34%
Have developed new products	44%
Have entered new markets	32%

Base: 43 completed questionnaires

55. Although jobs were not a Eureka! output, 10 jobs have been created to date and other employers have said they will be recruiting on the back of the investment; indicating the added value of the funding. At this stage there is no data on the impact on GVA.

56. The focus on audits as well as grants has enabled local SMEs to innovate and it is likely that the longer term benefits will continue to be realised after the project has ended.

8. Financial commentary: value for money indicators, maximising public funding

Expenditure

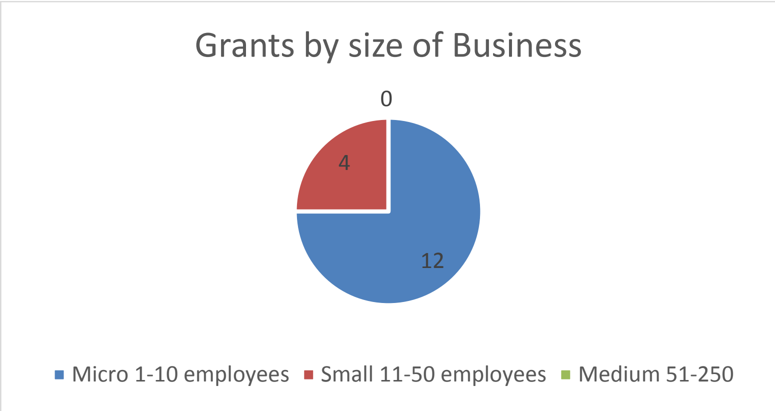
57. The original revenue committed to the project was £847,046, of which 50% was contributed by ERDF funds.

58. A re-profiled revenue of £667,005 (£333,081 ERDF grant) was allocated to the project, following the withdrawal of Harper Adams University one of the delivery partners. Of this, £420,000 (£210,000 ERDF grant) was allocated to business grants, and the remaining £247,005 was allocated to salaries for project staff, to administer the scheme, hold workshops, deliver audits travel, marketing etc. The match was made of a combination of in-kind time and contributions from the delivery partners and LA partners. At the time of writing, (June 2015) £232,368 of funds have been awarded of which 50 percent is private match.

Grants

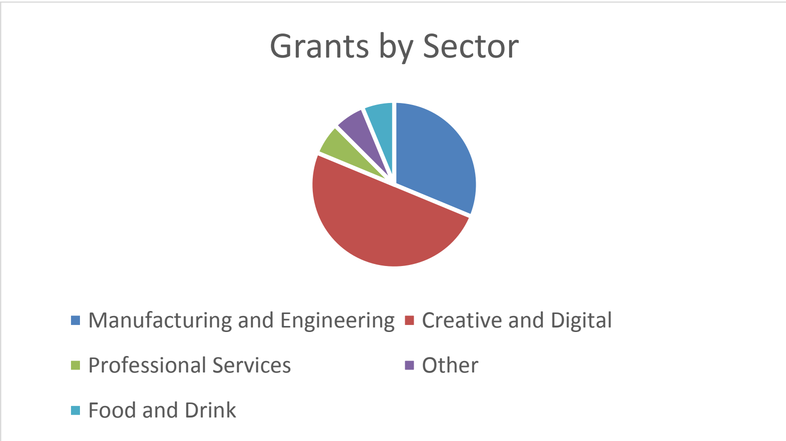
59. To March 2015 a total of £116,185 in grants had been allocated to 16 companies. The awards averaged at £7320 per grant, with several in the £2000-£4000 bracket.

60. Of the total value of grants, 54% was allocated to Shropshire businesses, 30% to Staffordshire businesses, 16% to Worcestershire businesses and none to Herefordshire businesses. All the grants were paid out to companies with under 50 employees with the majority paid to micro businesses.



Source: Programme Management, June 2015

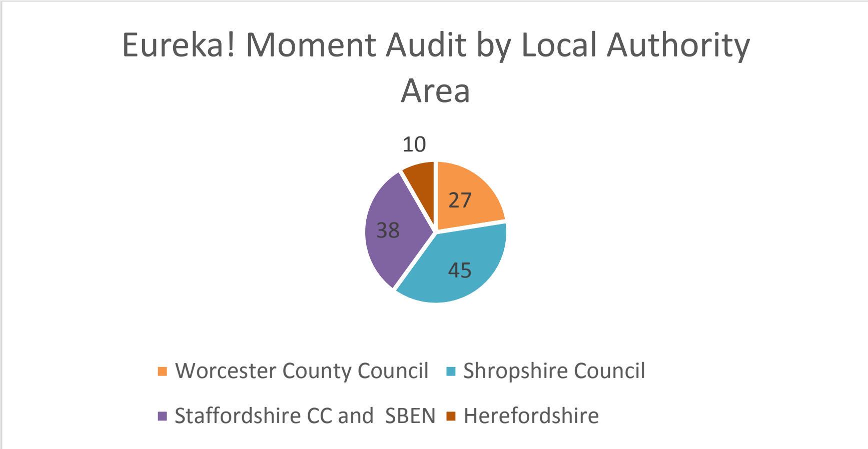
61. The sectors which benefitted most were the Creative and Digital sector and Manufacturing and Engineering employers:



Source: Programme Management, June 2015

The Audits

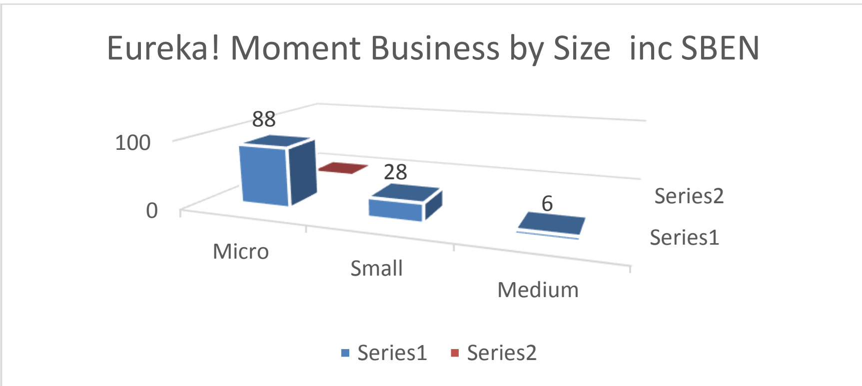
62. The audits were more evenly distributed, but again, Herefordshire and Worcestershire benefitted the least and Shropshire and Staffordshire firms the most. This perhaps reflects the fact that Wolverhampton University and Staffordshire delivery partners undertook most of the audits and the extent to which the programme was promoted in each location:



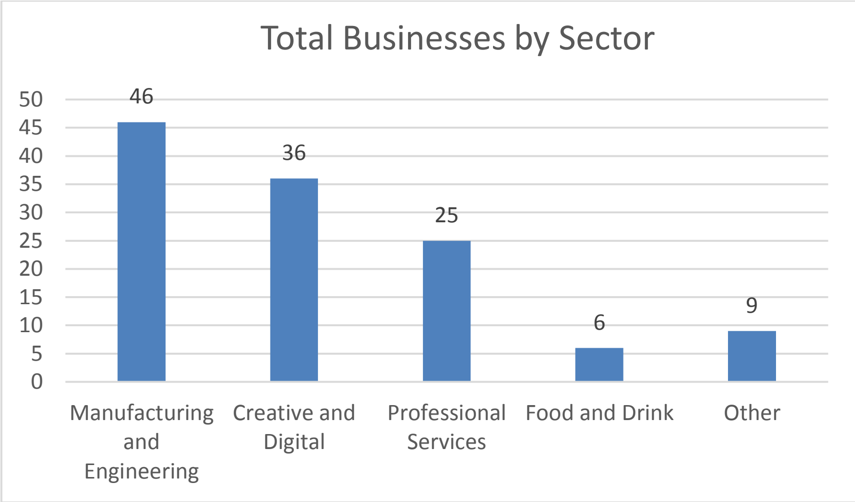
Source: Programme Management, June 2015

63. The fact that all the universities involved were based to the east of The Marches meant that delivery partners were engaged in considerable travel time, whether from Worcester to Herefordshire or from Wolverhampton to west Shropshire. With the development of a Shrewsbury campus for Chester University and a Hereford campus for Wolverhampton University, plus the involvement of Harper Adams University a whole new range of potential delivery partners may in future lead to better and easier geographical coverage. This would also tap into local knowledge as it was noted by a delivery partner that the business base in Shropshire and Herefordshire is very different from the economy of the Black Country where some of the partners are used to providing support and as such, those universities have little experience of supporting smaller rural businesses. There may also be a need to consider involving private partners in the knowledge sector in the future since much of the demand was around marketing rather than innovation and external consultancies within The Marches may well be able to deliver this.

64. 72% of the audits were undertaken with micro employers with up to 10 employees.



65. Manufacturing and Engineering firms were most likely to benefit:



9. Outputs and outcomes

66. The following table shows the target outputs against the achievements to date:

	Targets	Target achievement	% Target achievement
No. of businesses assisted (business audits)	65	118	**182%**
No. of businesses engaged in new collaborations with the UK knowledge base	22	16	**72%**

67. As can be seen, the business assists have been significantly over-achieved and the number of collaborations has been somewhat under-achieved, although the project has not yet been fully monitored. It is expected that by the end of the project, additional collaborations will be identified.

68. Given that the above figures show that the project has almost doubled its targets for businesses assisted, there is every indication that it has provided good value for money. Whilst the grants have underperformed, the project team is confident that if the project had been allowed to roll forward to September 2015, most of the expenditure would have been allocated. There is a waiting list of 22 companies keen for funding if any successor project is established.

69. The key issue raised in consultations concerned the delayed start which was difficult to recover from, not least because it was not possible to re-profile expenditure allocated for spend in the first quarter towards the end of the project.

70. It was not until the end of April 2015 that the project team were told that some slippage could be allowed and so 4 more companies were assisted. If the project team had had advance notice of this, then another round could have been run in December/January with spend until the end of April. The length of time for DCLG to make decisions was a problem for such a short-term project. As a consequence, continuity was very difficult to manage when for a lot of the time the

team did not know whether funding would be extended, this led to considerable disappointment amongst applicants and hindered the success of the project.

10. Lessons learnt

71. A number of lessons were identified for future projects:

- **Timing of the programme:** there is a need to ensure that there is sufficient time for a programme to get up and running. It was felt there would be significantly more value for money if the project had started on time and had run its full course.
- **Duplication/overlap:** There was a concern that the project did not have a sharp focus from some of the partners who tended to use it as a means to promote own/other programmes/grants.
- **Processes:** In a relatively crowded support landscape, if the processes of one grant are more complex than another, then businesses will be attracted to the grant which requires the least amount of effort.
- **Workshops:** The consensus was that workshops on their own are not popular and if needed in any future project they should be arranged in tandem with other events.
- **Marketing:** In future there is a need to make more use of social media. There is a need for flexibility in marketing/web pages for which council websites are not designed. Similarly, Shropshire Council was not able to support the use of an online application form.
- **Targeting:** the uneven distribution of support in part reflects the location of the delivery partners, and also the level of support provided by each of the LA partners to promote and support businesses, but it may be appropriate in the future for each local authority to have targets. A broader range of delivery partners with local knowledge may need to be considered, encompassing providers within the knowledge sector but beyond the university sector.

11. Conclusions

72. The target number of business assists in the form of business audits has been over-achieved whilst the target value of grants allocated to local businesses has been under-achieved. The take up of business audits and the “waiting list” of companies interested in receiving future grants illustrate the potential for achieving the required outcomes with sufficient time. The delays in the programme start-up and time taken for DCLG responses were seen to have had a significant impact on the ability to deliver grants over a relatively small timescale.

73. The success of the audit take up reflects well on the appeal of the programme to its target market. It was widely felt by delivery partners that businesses would not have been able to benefit from this process if it had been on a commercial basis.

74. The flexibility of Eureka! in signposting businesses to apply for another grant if more relevant, reflects a key focus on responding to business demand rather than tying businesses in to a certain programme. It also meant that alternatives could be accessed in the instance when Eureka! funding was not available. It did however mean that in a number of cases, businesses were recommended alternative funding which had a direct impact on the take up of the Eureka! grants.

75. Delivery partners found that, at times, the companies coming forward were at the lower end of the innovation spectrum which resulted in demand for marketing support rather than high level product or service innovation. This needs to be factored into any follow on projects.

76. Although there were ongoing cross referrals made to other programmes (both revenue and capital), the separate management of the individual grants schemes meant that individual applicants had to apply separately to each scheme. In future, closer integration of other programmes would help businesses step up their innovation activity.

77. The programme was valuable in its focus on targeting businesses less likely to have benefitted from innovation support or grants or to have come forward through traditional channels. It has created a new layer of business interaction for the partners which can be nurtured and developed. It has made progress in developing relationships with a "core" of businesses which are important contributors to their local economies but can be overlooked due to their steady performance. The programme has also fostered the development of relationships between the local authorities and universities – a valuable development in the ever diversifying arena of business support.