Department for Business Innovation & Skills

RESEARCH

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Executive Summary

Key findings

The Small Business Digital Capability Programme is a government initiative designed to help small and medium-sized enterprises (SMEs) make the most of digital opportunities. As part of this, the Department for Business, Innovation and Skills (BIS) made £2 million available through a Challenge Fund. Local Enterprise Partnerships (LEPs) were invited to submit proposals for delivering innovative and sustainable activity in 2014/15 to help SMEs improve their digital skills and ultimately trade and grow online.

There was a high level of interest from LEPs, and after a competitive bidding process, 22 LEPs (among them two joint bids), covering almost 60% of registered businesses in England, received funding.

The programme's tight timeframe for the delivery of projects shaped the nature of the programme, imposing significant constraints on the options available to the bodies chosen to deliver it (the LEPs and their partners).

The programme's designers had hoped, for instance, to encourage LEPs to propose genuinely innovative approaches: however, the timeframe meant that only a handful of LEPs were brave enough to go down that road. The majority of the successful bidders fell back on adapting tried and tested methods and familiar branding approaches.

Yet despite these drawbacks, the programme has in many ways been a success. The demand from small businesses for support in improving their digital capacity remains very strong, and the rate of technological change means that few such businesses feel fully on top of the digital knowledge they need. The sense of what businesses need to know is constantly shifting.

The evaluation was a formative one, focused on assessing the success of the delivery of the programme rather than on its longer-term impacts. It found that the projects have generally surpassed their target outputs by a considerable margin. More importantly, they have clearly made a difference for the business beneficiaries. The evaluation's online survey (which had more than 1,100 respondents) gave a sense of some of the positive effects generated for beneficiaries:

- 92% were either satisfied or very satisfied with the help they had received.

- 88% either agreed or strongly agreed that they felt more informed about digital technology.

- 64% of survey respondents said they had already taken action, while another 29% intended to do so soon.

- Respondents estimated on average that the likelihood that the support would have a material positive benefit on their business over the next two years was 7.1 out of 10.

- More than three-quarters of respondents said that they would recommend the programme to other businesses.

The flexibility built into the programme allowed LEPs to adapt their approach to meet local needs – to pay attention to issues facing the retail sector, for example. The need for digital capability support is likely to continue; many projects reported that events were oversubscribed.

There is much in this programme that it would be good to be able to sustain. However, there were considerable challenges too. Many of these could be remedied by a longer timeframe for delivery, but there were others. In particular, the need to find match-funding for projects posed problems for some LEPs, especially in addressing the different administrative requirements associated with various funding strands.

Lessons learned

The evaluation's key conclusions on 'what works' are as follows:

- The programme has helped to address an information-related 'market failure' which will persist for the foreseeable future as technology is moving so rapidly.

- Events appear to be a particularly effective form of support, especially 'Goldilocks' workshops (ones that are neither too big nor too small), when they are held at times which suit businesses.

- The networking aspect of workshops is particularly highly valued.

- The effectiveness of events is enhanced by follow-on support.

- Having a tool or process that gives participants an analysis specific to their business helps to ensure that beneficiaries take action.

- Leveraging the networks and resources of digital suppliers can be very effective in strengthening projects.

The key lessons for improving the programme were:

- A longer time to design, develop and deliver the projects would have helped.

- The promotion of projects could have been more effective in some cases.

- More specific segmentation/targeting of events would be helpful.

- A greater emphasis on hands-on support and follow-on advice would be welcomed by businesses.

- Some would prefer events to be held more locally (i.e. with less need to travel).

- More extensive use of webinars was suggested by some. These may be most cost-effectively delivered on a national basis given that the variable costs associated with webinars are negligible, and this would provide more opportunity to tailor them to particular levels of ability and/or sector.

- Ensuring good quality internet connections at event venues.

- Embedding IT security issues into events focused on other topics may be the best way of diffusing information on security.

In terms of the technical monitoring and evaluation arrangements for the programme, two 'learning points' stand out:

- The nature of the touch/engage/shift targets made them difficult to measure in a consistent way.

- A programme-wide method of gaining beneficiary perceptions (such as the online survey used here) can be a powerful and efficient way of gathering information – provided it is coordinated with local projects to avoid beneficiaries being asked several times for their feedback.

Policy considerations

In the light of the study's findings, the following points should be considered when developing policy in this area:

- **Consideration 1**. There would be value in investing further resources in ongoing support for small businesses' digital capabilities, as this appears to be a particularly popular, practical and effective way of improving business productivity.

- **Consideration 2**. Any future programme should take account of the 'lessons learned' during this evaluation.

- **Consideration 3**. While support such as events and one-to-one advice are best delivered locally, BIS should consider the options for linking local delivery with a national brand (such as *Do More Online*) in order to help raise awareness of the support available, and to provide it with increased credibility. Co-branding, involving both local and national brands, would appear to be appropriate for support of this nature.

- **Consideration 4**. If another programme is initiated in this area, BIS should ensure that the plan for evaluation (including of the longer-term impacts) is built in from the outset, and preferably before any targets are defined or agreed and before monitoring requirements are specified.

1. Introduction

Context

The Challenge Fund, which is the subject of this report, is just one part of a wider effort by the government to help SMEs make the most of the commercial possibilities opened up by the internet.

The government's Information Economy Strategy[1] sets out some of the opportunities that digital offers. It cites research from McKinsey (from 2011) that small and medium-sized enterprises (SMEs) which make full use of the internet grow faster, export more, and create more jobs. The strategy also notes that the UK is thought to have the largest online sales per head in Europe. Yet less than a third of UK SMEs were thought to transact online. A range of factors have been blamed for this, including skills shortages, a feeling that digital is 'not for me', concerns about online security and personal barriers such as a lack of time.

More recent research from the Broadband Stakeholder Group[2] seems to confirm this cautious approach. While most micro-businesses use email and online banking, other services are less common. More than half of respondents (53%) said they did not use social media for business purposes, for instance. Yet those which did use such services reported sound commercial reasons for doing so: they allowed greater efficiency than offline methods, they were business-critical or they were cost-effective. There are therefore considerable economic benefits potentially to be gained from getting more SMEs trading and transacting online.

However, the benefits of being online do not relate simply to selling products or services. There are also important gains to be made in back-office functions, such as online accounting. Government services too are increasingly going online: businesses need to be online themselves to take full advantage of these.

Interviewees for this evaluation noted that the government has put a lot of effort and resource into the infrastructure supply side (broadband rollout), which is making progress, but that the demand side (i.e. encouraging the use of digital) is still lagging. Interventions focused on improving digital capability could therefore go some way towards raising the profile of the topic, even if their immediate impacts may be hard to see.

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[1] HM Government (2013) Information Economy Strategy
[2] ComRes (2014) Broadband usage among micro businesses: a study on behalf of Broadband Stakeholder Group

The programme

The Information Economy Strategy (2013) outlined the action that was to be taken to address this need. Government, in partnership with industry, would launch a programme to get more SMEs transacting online. The programme would target both those SMEs who are already online in a simple way but are looking to start transacting online, and those SMEs who are already transacting online but are hoping to scale up. It was hoped the programme would reach 1.6 million businesses over the five years to 2018.

The Department for Business, Innovation & Skills (BIS) is taking a staged approach to meeting this goal, starting with developing basic digital skills, including sometimes giving people the confidence to go online in the first place. BIS's longer-term ambition is to get these businesses trading and transacting online.

The vehicle established for doing this was the Small Business Digital Capability Programme, which has four strands: a national campaign, *Do More Online*; an online directory of resources; partnership working with the private sector; and delivering support through local partners: the projects supported by the Challenge Fund and run through Local Enterprise Partnerships (LEPs).

The Challenge Fund

The local delivery strand was designed to support more intensive work with businesses, often in face-to-face settings. BIS gave only 'soft' steers on the type of things they wanted LEPs to propose, and LEPs had flexibility to devise their own approaches. While the programme officially covers SMEs, in practice BIS expected the projects largely to focus on sole traders and micro-businesses.

The strand was intended to fund a range of innovative activities from workshops to television programmes, and also to extend existing (EU) funding. LEPs had to find match funding from other sources to support their bids.

A total fund of £2 million was made available by BIS, with the proviso that project delivery had to be completed by the end of March 2015. In all 20 projects were awarded funding through a competitive process, receiving an

average of around £100,000. Two of the projects were joint bids from two LEPs, so a total of 22 LEPs were involved.[3]

This report

In November 2014 BIS commissioned SQW to carry out a programme-level evaluation of the Challenge Fund aspects of the Small Business Digital Capability Programme. Given that Challenge Fund projects were due to be completed by March 2015, with the evaluation reporting soon after, it was designed to be an early-stage, formative evaluation of the programme rather than an impact-led evaluation.

BIS had three objectives in mind for the evaluation:

- **Evaluation guidance to LEPs** on what project completion documents should look like, and how they should measure performance to get a consistent set of evaluation measures across the 20 projects in the scheme.

- **Formative evaluation of LEP activity.** This was designed to a) provide 'proof of concept' for the programme and b) provide commentary on the different approaches adopted and outline what aspects worked well.

- **Thoughts on a longer-term evaluation strategy** for any potential future roll-out of the Digital Capability Programme after March 2015.

The first of these objectives was addressed by an earlier deliverable which was finalised in February 2015 (*Small Business Digital Capability Programme, Monitoring and Evaluation Framework 2014/15*). The second and third objectives are addressed by this report, which is structured as follows:

- Section 2 outlines the study approach and methodology

- Section 3 summarises the design and delivery of the programme

- Section 4 sets out an assessment of the programme's progress against its intended outputs

- Section 5 assesses the extent of progress in meeting the intended outcomes

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[3] Initially, 22 projects, supported by 24 LEPs, were awarded funding. Two of them did not continue after the early stages, leaving 20 projects to be undertaken.

- Section 6 sets out our assessment of 'what works' and what could be improved

- Section 7 summarises the conclusions from the evaluation and offers some policy considerations.

There are also two annexes: Annex A provides summary descriptions of the funded projects; and Annex B presents case studies on eight of the projects. Study approach and methodology

Evaluation framework for 2014/15 activities

In developing the evaluation framework for the 2014/15 activities, SQW was conscious that the projects had been set up very rapidly, and that the 22 participating LEPs had limited resources and time available for monitoring and evaluation. It was also obvious that the LEPs had adopted a range of different approaches in their individual projects, depending on local circumstances and perceived need. SQW therefore sought to make the monitoring and evaluation framework for the 2014/15 activities 'light touch' and focused on measuring what really mattered about the projects taken as a whole.
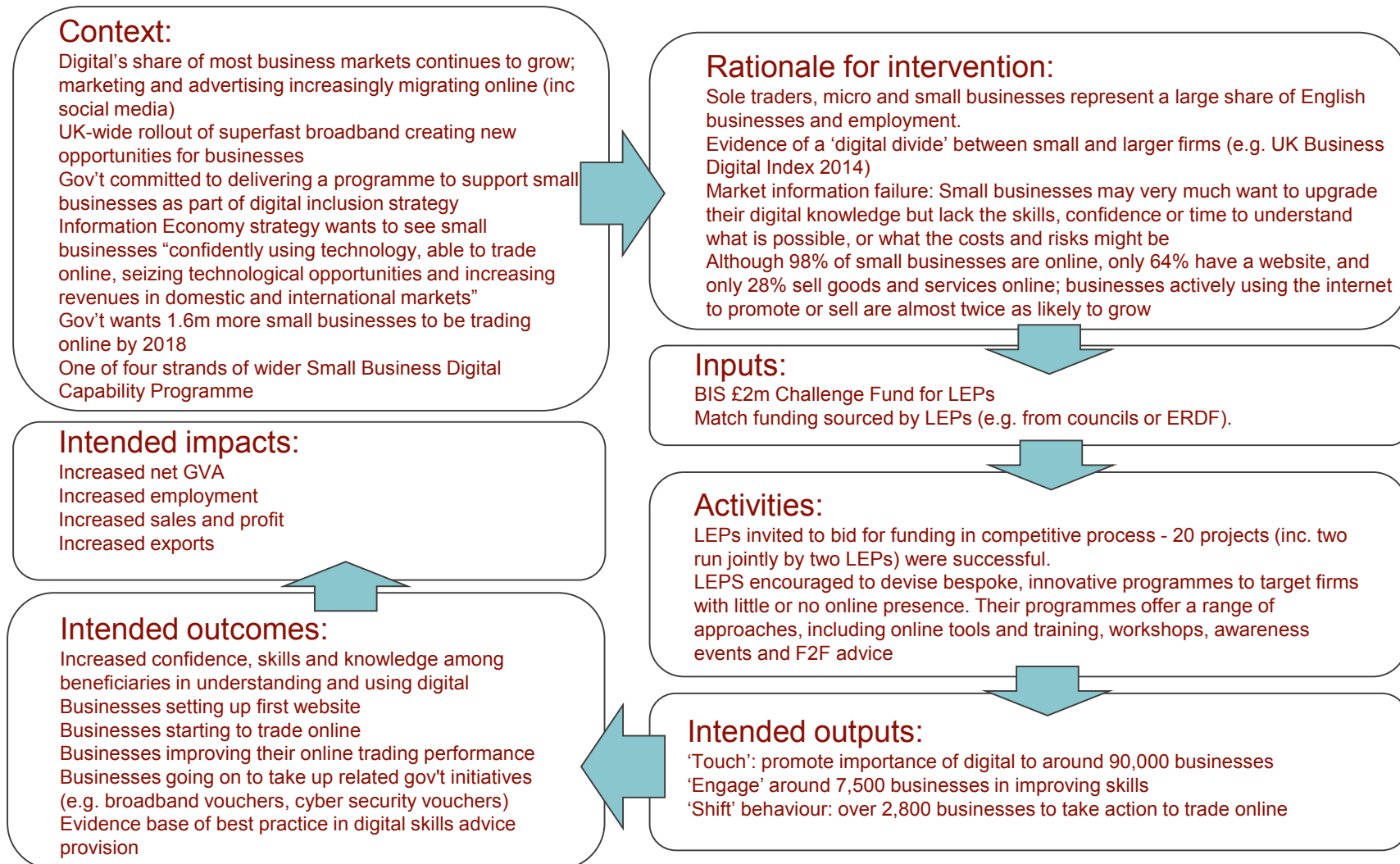
As a foundation for the evaluation, SQW set down an understanding of the programme's design and ambitions in a logic model (Figure 2-1), which established the context in which the programme was conceived, and described the rationale for intervention. It then went on to consider the inputs to the programme, the activities those inputs support, and finally the intended outputs, outcomes and impacts that it was hoped the programme would deliver. Flowing from this model, there were four principal aspects to the overall assessment:

- **To understand the size and reach of the projects** in absolute terms: how many businesses were reached, and through which channel(s), and what type of businesses they were, in terms of size and sector. It is important to have a sense of the absolute numbers of businesses involved in the LEPs' projects, partly to see whether the agreed targets have been met but also to help understand which elements of the various projects might be effective at scale.

- **To learn what the beneficiaries thought about the support**. Were they satisfied with the quality of advice and help they received?

- **To understand the effects of the support on the beneficiaries**. Has it made a material difference to their digital activities? In what way? What actions have they taken as a result? Has their business seen economic benefits flow from the support? (This aspect is arguably the

most important, yet is the hardest to assess at this stage, as businesses will only just have finished receiving support from the programme.)

- **To understand the beneficiaries' perceptions of what has worked well** in these programmes and perhaps what hasn't worked so well.

Figure 2-1: Logic model for the Challenge Fund

Context:
Digital's share of most business markets continues to grow; marketing and advertising increasingly migrating online (inc social media)
UK-wide rollout of superfast broadband creating new opportunities for businesses
Gov't committed to delivering a programme to support small businesses as part of digital inclusion strategy
Information Economy strategy wants to see small businesses "confidently using technology, able to trade online, seizing technological opportunities and increasing revenues in domestic and international markets"
Gov't wants 1.6m more small businesses to be trading online by 2018
One of four strands of wider Small Business Digital Capability Programme

Rationale for intervention:
Sole traders, micro and small businesses represent a large share of English businesses and employment.
Evidence of a 'digital divide' between small and larger firms (e.g. UK Business Digital Index 2014)
Market information failure: Small businesses may very much want to upgrade their digital knowledge but lack the skills, confidence or time to understand what is possible, or what the costs and risks might be
Although 98% of small businesses are online, only 64% have a website, and only 28% sell goods and services online; businesses actively using the internet to promote or sell are almost twice as likely to grow

Inputs:
BIS £2m Challenge Fund for LEPs
Match funding sourced by LEPs (e.g. from councils or ERDF).

Intended impacts:
Increased net GVA
Increased employment
Increased sales and profit
Increased exports

Activities:
LEPs invited to bid for funding in competitive process - 20 projects (inc. two run jointly by two LEPs) were successful.
LEPS encouraged to devise bespoke, innovative programmes to target firms with little or no online presence. Their programmes offer a range of approaches, including online tools and training, workshops, awareness events and F2F advice

Intended outcomes:
Increased confidence, skills and knowledge among beneficiaries in understanding and using digital
Businesses setting up first website
Businesses starting to trade online
Businesses improving their online trading performance
Businesses going on to take up related gov't initiatives (e.g. broadband vouchers, cyber security vouchers)
Evidence base of best practice in digital skills advice provision

Intended outputs:
'Touch': promote importance of digital to around 90,000 businesses
'Engage' around 7,500 businesses in improving skills
'Shift' behaviour: over 2,800 businesses to take action to trade online

Source: SQW

While this is a programme-level evaluation, rather than an evaluation of the individual projects, it is nonetheless true that much of the evidence needed to demonstrate the success (or otherwise) of the overall programme had to come from the individual projects. SQW therefore produced an evaluation framework for the LEPs and their delivery bodies to help them think about the ways in which they might go about evidencing the effects of the programme – by considering what data they would need to do this and how they might go about collecting it. The framework was 'road-tested' with the LEPs at a workshop before being finalised by SQW and BIS, and shaped the LEPs' project completion reports.

Research methods

Given the short timescales and relatively modest budgets available, the monitoring and evaluation framework suggested that the information in the LEPs' completion reports should be gathered from two main sources:

- basic activity/output monitoring – for example, on the number of workshop attendees, and the numbers of businesses receiving one-to-one support.

- an online survey undertaken in Spring 2015, using the SmartSurvey tool, to gather beneficiaries' perceptions of the support provided by each LEP's project.

An online survey was preferred as it seemed to represent the most cost- and time-efficient approach to gathering the information needed in this case. Online surveys can suffer from low response rates, but this can be mitigated if the questionnaire is kept concise and simple.

SQW worked with BIS and the LEPs to devise a standard survey with a core set of questions. Each project then had the opportunity to add a small number of further questions to reflect their particular circumstances (though it was perfectly acceptable to limit the survey to the core questions only, in the interests of maximising response rates). SQW then added these questions to each LEP's standard survey, thereby creating an individual version of the online survey for each project. Each project was then able to use the responses to its own version of the survey to help produce its project completion report.

The survey received 1,120 valid responses in total,[4] with the largest numbers coming from D2N2 and Leicestershire, Buckinghamshire Thames Valley and Oxfordshire, Enterprise M3, South East Midlands (SEMLEP), and Leeds City Region, as shown in Figure 2-2 below. The variation in the number of responses reflected several factors, such as the nature of the engagement with the project, the time elapsed between the engagement (e.g. workshop attendance) and the survey, and whether the LEP itself had carried out any feedback-gathering exercises.

Figure 2-2: Number of valid responses to the SQW online survey per project

Number of responses
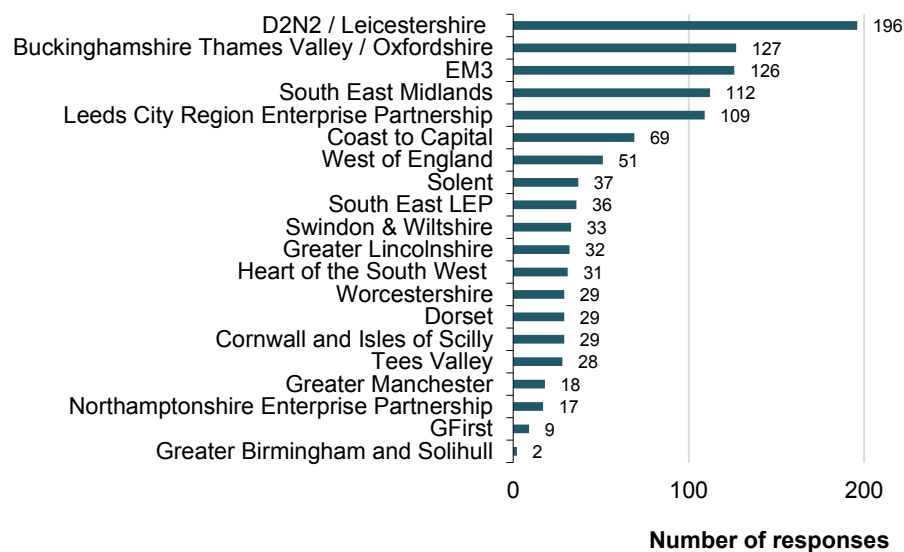
Source: SQW online survey

In addition to the online survey, SQW used various other research methods to provide a rounded view of the overall performance of the programme:

- A series of semi-structured interviews was conducted with the 20 project managers to explore the approaches they had adopted, the design and goals of their projects, and the likely delivery challenges.

- Three other stakeholders were interviewed – people not directly involved in the delivery of the programme but with insight into its activities. They were:

  ➤ Ulrika Diallo, LEP Partnership Manager, Go ON UK

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[4] In all 1,151 responses were received. Of these, 31 were removed from the sample as they came either from firms with 250 or more employees or from public-sector bodies (primarily councils). The remaining 1,120 form the basis of the analysis in this report.

> ➤ Emily Oyama, Head of Partnership Policy, Digital Inclusion Policy, Government Digital Service

> ➤ Amanda Hurford, Assistant Director, Enterprise Directorate, Business Support Delivery, BIS

- Eight case studies were undertaken to examine individual projects in more depth. These looked at some of the different approaches taken and considered emerging themes. The full set of case studies is included in this report as Annex B, with extracts included in the main body of the report.

- Finally, the project completion reports were reviewed, which provided information on achievement against the original touch/engage/shift targets, and also gave valuable information on LEPs' perceptions of the lessons learned.

2. Summary of the design and delivery of the programme

The purpose of the Challenge Fund was to:

- Seed innovation, encouraging LEPs to develop new and sustainable approaches to providing advice to small businesses and supporting them to make the most of digital, and ultimately trade and grow online.

- Boost collaboration with the private sector, supporting innovative solutions and encouraging sustainability through match funding.

- Spread good practice, and improve the evidence base for "what works" so that as many LEPs as possible can increase their impact on the digital capability of SMEs.

LEPs were chosen as the most suitable delivery body as they are heavily involved in related schemes such as broadband vouchers and EU-funded digital programmes. The LEPs are also establishing growth hubs in their areas, which are intended to become the main gateway to business support in a locality. LEPs were therefore well-placed to understand where local gaps in the digital skills offer were, and to be able to avoid duplication of other programmes. The Challenge Fund was also intended to have England-wide coverage. Given the relatively modest amount of funding available, building a national scheme from scratch in such a short time would not have been cost-effective.

In order to encourage strong bids, the bidding process was a competitive one and was open to all LEPs.

The bidding process opened in late September 2014, somewhat later than originally planned. This made the timetable for delivery of the projects very tight, and significantly shaped the bids that were made; many submissions enhanced an existing project or developed a new angle on it rather than attempt anything radical or new.

In recognition of the compressed timeframe, BIS stipulated that bids should be no more than two sides of A4 in length, a move that was welcomed by the LEPs.

The assessment framework for bids looked at aspects such as: value for money; reach; innovative or different ways of doing things; economies of scale; and sustainability – could activity started under this programme be

continued after funding finished? The match funding principle aimed to encourage this sustainability element.

There was a high level of interest from LEPs with 24 bids received; of these, 20 projects were funded, involving 22 LEPs, as two were joint bids. The successful areas came from all parts of England, from Cornwall to the Tees Valley, Lincolnshire to Worcestershire. BIS estimates that the winning bids cover around 60% of registered businesses in England. Brief descriptions of the projects awarded funding are provided in Annex A.

The projects that made up the overall programme consisted of three broad phases, each with their own set of targets agreed with BIS. These were: *touch*, *engage* and *shift*.

- The 'touch' phase sought to make businesses aware of the activities being provided through the programme.

- The 'engage' phase aimed to get businesses involved in the various activities, for example through attending events, receiving face-to-face advice or downloading tools/resources from a website.

- The 'shift' phase sought to change the behaviour of participants and lead them to take action in the field of digital technology; for example, by moving online or starting to promote their business online.

The LEP activity was intended mainly to target businesses with little or no online presence. The combined targets from the 20 funded projects suggested that the programme as a whole would achieve the following goals:

- promote the importance of digital to around 90,000 businesses

- engage around 7,700 businesses in improving their skills through workshops, accessing resources or receiving face-to-face advice

- over 2,800 businesses would take action to trade online

- increase the take-up of vouchers in related government schemes such as broadband and cyber security by around 1,000.

All projects were required to evaluate the impact of their activity at programme closure, to help identify what worked best, and why. This in turn would inform the Small Business Digital Capability Programme going forward.

> **Case study: Greater Manchester's online TV channel**
>
> The digital growth team, an integral part of the Greater Manchester Business Growth Hub, backed by the Greater Manchester Combined

Authority and Greater Manchester LEP, used its funding from the Challenge Fund in part to launch an online TV channel. The TV channel was designed to supplement and extend the existing suite of one-to-one support and event programmes already being delivered through the Business Growth Hub. Match-funded by Business Growth Hub revenue funding (staff and running costs), and with input from private sector partners, the TV channel is designed to be an ongoing resource, sustained beyond March 2015, that acts as a single place for SMEs looking to develop their digital presence.

The primary rationale was to provide an open, flexible resource that can be accessed by SMEs at any time, from anywhere. Feedback from clients had led the digital growth team to believe that an online TV channel was the most appropriate support mechanism for local businesses, for the following reasons:

- **Business time constraints**: micro-businesses often cannot afford to take time off to attend half-day events or face-to-face training, either because they are a sole trader or their presence is needed on site. It was essential, therefore, to offer support outside of trading hours.

- **Digital inertia:** some businesses attending digital growth team events were said to suffer from 'digital inertia'. Many were afraid to publicly admit that they do not understand new platforms such as Twitter and LinkedIn. The TV channel allows such businesses to privately access information and self-diagnose gaps in their digital capability.

- **The need for a referral resource:** businesses attending the face-to-face training and skills events were often inundated with new information, techniques and processes. Clients highlighted the need for follow-up sessions and opportunities to reinforce learning. The how-to and learning modules sections of the TV channel were viewed as an effective way to provide this follow-up service.

Strong branding was recognised as a critical ingredient for the success of the TV channel. Private sector partners include Microsoft, Santander, Barclays and Virgin. The reputation of these global brands was deemed important for the credibility of the TV channel and for building business trust and engagement.

Microsoft's involvement in the portal is especially important. It

currently provides around 50% of the TV channel's content, including guides for Microsoft-specific software programs. While the portal would have gone ahead in the absence of such partners, their involvement adds weight to the concept by increasing its credibility and strengthening the brand.

The TV channel offers a broad range of video content, varying in complexity in order to accommodate businesses from the bottom to the top end of the digital adoption 'ladder'. The content is relevant, up-to-date and is designed to move small businesses along their digital journey. There are over one hundred videos in five key sections: 'how-to' videos with step-by-step guides; case studies showcasing the impact of digital services on business performance; learning modules for specific areas such as social media; expert opinions; and content from the key partners promoting their business support services.

While it is still early days for the TV channel it is intended to become a user-friendly resource which complements and extends the reach of existing digital support activity. Future running costs will be covered by the digital growth team, which wants to make the TV channel a sustainable resource over the medium to long term.

Beneficiary profile

With a wide range of delivery mechanisms – including the provision of online information, as well as workshops and one-to-one support – it would not have been feasible to maintain a comprehensive database of all beneficiaries, with details of their size and sector. However, the online survey administered by SQW provided useful information on beneficiary characteristics which can be taken as a reasonable picture of the overall population.

The large majority of the survey respondents were very small. Over a third (35%) were sole traders, and another 47% had total employment of between two and nine people.
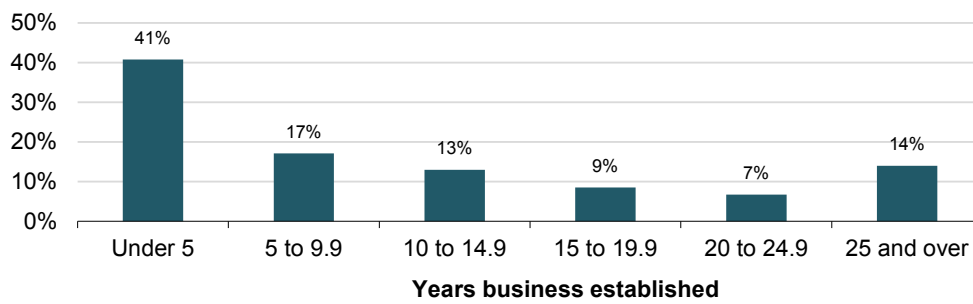
Figure 3-1: Percentage of respondents in each employment size band (n=1,120)
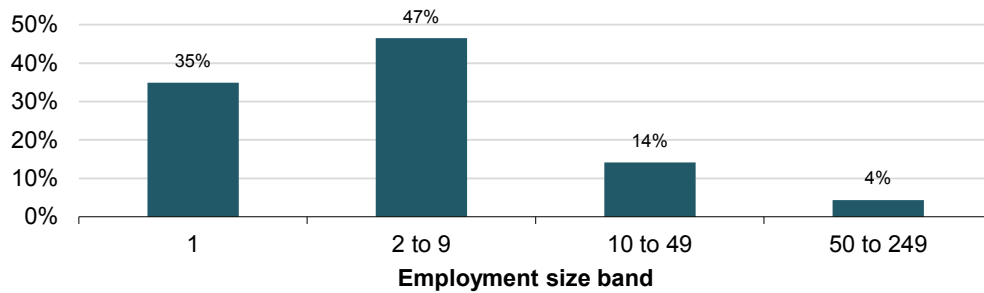
Source: SQW online survey

The businesses were generally young – 41% of them had been in existence for under five years.

Figure 3-2: Age of business in years (n=1,120)

Source: SQW online survey

The businesses came from a wide range of industries. In all, they identified themselves as belonging to 21 industrial sectors (as defined by Standard Industrial Classification codes). The most common were 'Other service activities', 'Professional, scientific and technical activities'; 'Wholesale and retail trade: repair of motor vehicles and motorcycles', and 'Arts, entertainment and recreation'.

Figure 3-3: Industry sectors which best describes respondents' business activity (n=1,120)

Industry sector	%
Other service activities	23.8%
Professional, scientific and technical activities	10.6%
Wholesale and retail trade	10.6%
Arts, entertainment and recreation	8.6%
Information and communication	8.3%
Human health and social work activities	6.5%
Manufacturing	6.3%
Accommodation and food service activities	5.6%
Education	5.6%
Administrative and support service activities	3.0%
Financial and insurance activities	2.6%
Construction	2.5%
Real estate activities	2.2%
Agriculture, Forestry and Fishing	1.7%
Electricity, gas, steam and air conditioning supply	0.7%
Transportation and storage	0.7%
Activities of extraterritorial organisations and…	0.1%
Activities of households as employers	0.1%
Mining and Quarrying	0.1%
Public administration and defence; compulsory…	0.1%
Water supply, sewerage, waste management…	0.1%

Source: SQW online survey

Looking at the types of support received, most of the respondents had attended events or workshops (76%), while almost a quarter (24%) had received face-to-face support. Only a relatively small proportion (17%) had accessed online support.

Figure 3-4: Types of support received by survey respondents (multiple responses allowed) (n=1,120)

Type of support received	%
1. Accessed online support	17%
2. Attended event(s) / workshop(s)	76%
3. Received information by email	40%
4. Received advice by phone	12%
5. Received face-to-face advice	24%
6. Other	5%
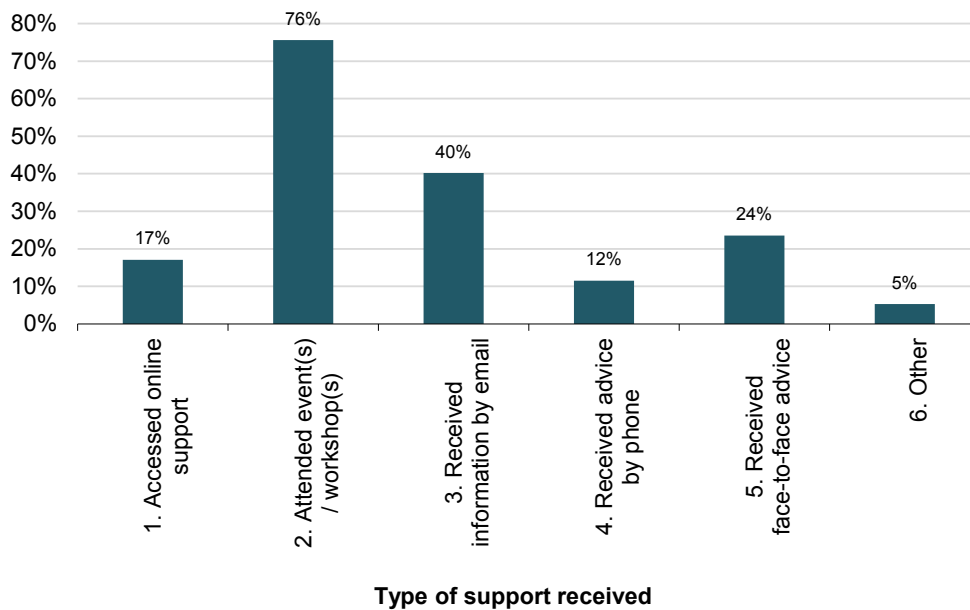
Source: SQW online survey

Sustainability

A number of the projects were keen to funnel people from the Challenge Fund projects towards other forms of funding and support. Swindon and Wiltshire LEP, for instance, used its Challenge Fund project to allow SMEs to feed into other programmes. Worcestershire LEP took a similar approach.

Several of the LEPs, among them Northamptonshire and Cornwall, noted that participants would have liked the support to continue, and especially to have the opportunity for one-to-one follow-up and problem-solving. A number of LEPs were thinking about ways they might go about doing this. Coast to Capital, for example, is contemplating a bid for ESIF European funding to support such skills training, while Heart of the South West aligned its project with the Rural Growth Network support schemes. Greater Birmingham and Solihull's project will continue throughout 2015 thanks to ERDF funding.

However, for many of the LEPs, any legacy will take a digital form. In addition to those like Manchester and Lincolnshire which developed portals especially for the project, others were thinking about online ways of sustaining their project's legacy. Solent LEP has created a 'digital hub' to act as an ongoing resource, while the website Tees Valley developed will be maintained by Teesside University, one of the project partners.

3. Assessment of progress against intended outputs

As part of their grant offer letter, all projects received a reporting template setting out how the phases (touch, engage, shift) should be recorded. The template included examples of activities for each phase. BIS also had numerous conversations with projects to clarify the reporting requirements.

Each project was asked to submit a project completion report, including an estimate of their progress against their agreed targets. Table 4-1 summarises their achievements, as reported by the LEPs.

The very wide disparities between LEPs in the reported 'actual' numbers highlights a measurement issue which is inherent in the targets agreed at the outset of the programme. In particular, the 'touch' actuals need to be treated with caution. The LEPs have rightly used a wide variety of mechanisms to raise awareness of the programme with businesses in their areas, ranging from leaflet flyers to Twitter. It is, however, not feasible to develop an accurate figure for the number of unique businesses 'touched' by these mechanisms which avoids double-counting. Furthermore, some reported numbers appear to include consumers as well as businesses (e.g. in website visitors). There is also likely to be double-counting through individuals being 'touched' more than once by specific mechanisms (e.g. through multiple newsletters), and through more than one individual being contacted at a given business.

While bearing that caveat in mind, the results appear very positive. All of the projects reported exceeding their 'touch' targets, often by huge margins. Similarly, 19 of the 20 projects reported matching or exceeding their 'engage' targets.

The pattern on 'shift' outputs is more complicated: some exceeded their targets, some broadly met them, while some fell short and others have not explicitly reported for this metric. In part, this reflects the challenges of recording such change so soon after a project's completion.

Table 4-1: Target and actual numbers of businesses touched, engaged and shifted

LEP	Target numbers 'touch'	Actual numbers 'touch'	Target numbers 'engage'	Actual numbers 'engage'	Target numbers 'shift'	Actual numbers 'shift'
Buckinghamshire	1,400	304,312	420	1,063	360	375

LEP	Target numbers 'touch'	Actual numbers 'touch'	Target numbers 'engage'	Actual numbers 'engage'	Target numbers 'shift'	Actual numbers 'shift'
Thames Valley and Oxfordshire						
Coast to Capital	3,600	10,236	210	228	30	140
Cornwall and Isles of Scilly	1,500	6,914	500	2,039	160	136
D2N2 and Leicestershire	4,900	23,071	820	1,107	410	592
Dorset	300	18,809	100	467	40	56
Enterprise M3	3,600	10,025	610	432	0	108
GFirst	3,300	3,943	440	750	18	1
Heart of the South West	1,500	1,505	270	2,701	0	0
Greater Birmingham and Solihull	9,225	11,000	400	400	375	350
Greater Manchester	4,000	20,700	1,000	1,200	350	350
Leeds City Region	22,500	71,870	640	4,636	100	0
Lincolnshire	13,000	32,336	200	201	50	66
Northamptonshire	1,030	2,150	225	291	20-24	31
South East Midlands	3,600	6,186	300	625	100	220
Solent	3,150	3,881	230	706	55 - 82	110
South East	650	15,149	120	256	21	24
Swindon & Wiltshire	3,600	197,192	300	1,922	325	416
Tees Valley	3,600	10,328	240	6,259	20	52
West of England	3,600	27,854	300	2,949	325	606
Worcestershire	1,800	5,210	240	3,170	90	63

Source: SQW and project completion reports

The overwhelming challenge provided by the programme was its timeframe. The awards were made in October 2014 with projects needing to complete by the end of March 2015. Even this overstates the level of time the LEPs had to deliver the programme, as many administrative tasks had to be completed first.

A number of LEPs and their delivery bodies commented, for instance, that event organisation was demanding, as projects involved the rapid scaling-up of existing courses; that finding suitable venues was not always easy – some workshops had to be held in places with mediocre internet connections; that

trainers had to be recruited quickly (and in many cases given course-specific training); and websites had to be commissioned and built in a short space of time.

> **Case study: The Digital Academy**
>
> Greater Birmingham and Solihull LEP chose to use its funding under the Digital Capability Programme to put on a big event for SMEs at the International Convention Centre in Birmingham. It was designed to create a splash and to introduce a new brand – The Digital Academy – to local businesses. The Academy had been devised after consultation with local SMEs and is intended to continue throughout 2015, using ERDF money as well as BIS support. The funding from BIS allowed the LEP to have a much more high-profile launch for the project.
>
> The conference was a free one-day event attended by around 300 representatives of small businesses, organised under the auspices of Digital Birmingham. It was carefully designed around three elements. First, there was a strategic overview of the challenges facing businesses in a digital age, from a range of perspectives: those of a politician (Chi Onwurah MP, a Labour shadow cabinet minister), a major institution (Lloyds Bank) and 'big players' from the digital sector: Microsoft, Google and LinkedIn. As part of this overview, the conference was also used to launch a related piece of research, the Greater Birmingham Digital Audit, which attracted wider media coverage.
>
> Second was the presence of more than 30 business support agencies at the event's Marketplace. Digital Birmingham's research had identified ease of access to business support as an issue; the Marketplace was an opportunity for delegates to discuss their issues and find support from a range of providers all brought together under the Digital Academy brand.
>
> The third element was a series of practical workshops on specific issues, such as digital marketing or social media. These were intended to be taster sessions for a series of one-day events on those issues being run later in the year.
>
> The event seemed to achieve the hoped-for 'wow factor'. Digital Birmingham regards it as a great success in its own right, even before the follow-up events have taken place. It enabled them to reach far more people than would have come to a standard Digital

Birmingham event on the same theme, and provided a platform for making connections between SMEs and the service providers who could help them develop their digital presence. More than that, though, it has helped change Digital Birmingham's understanding of the issues small businesses face. The organisers had expected the event to appeal to digitally 'immature' firms – those with little or no online presence. The conference made clear, however, that things are changing so fast in the digital world that even digitally 'mature' firms risk finding themselves overtaken or outwitted by shifts in technology and taste. The demand for the kind of help the programme offers is thus likely to be even greater than had been thought.

The time constraints also meant that the benefits of the projects tended to be felt at the end, rather than evenly throughout. Buckinghamshire Thames Valley and Oxfordshire noted that in the first two months of their project they distributed only 38 grant vouchers; in the last two weeks they distributed over 330. Leeds City-Region pointed out, though, that the tight timeframe did have a silver lining: it forced LEPs to focus on developing a streamlined programme.

The LEPs that seemed to reach a wide audience did so by combining online and more traditional marketing techniques. Social media was commonly used, with Twitter and LinkedIn being effective channels, but email lists were important too, and methods such as flyers and local newspapers also played a big part. Sometimes online and offline approaches were combined, as with Cornwall's TweetBus. This bus is owned by a local Community Interest Company which offered to advertise the Digital Capability Programme on the bus. The group travels around major towns in Cornwall and has a broad remit to raise awareness of social media and promote the use of the internet. Project managers generally seemed to agree that such a mix of approaches was necessary to reach a diverse audience of firms.

A number of lessons can be drawn from the projects and their responses to the challenges. It is clear, for instance, that many have relied heavily on pre-existing relationships and trusted local brands to help draw in businesses. Buckinghamshire Business First believes the trust it had built up in the local business community was an important part of the success of its project. Similarly D2N2 and Leicestershire relied very much on the existing infrastructure and momentum already developed through EU-funded projects by East Midlands Chamber's eBusiness Club. Even when a seemingly new

brand was created, such as Birmingham's The Digital Academy, it was underpinned by an existing model of local government business support that it was trying to take into the "premier league". This does perhaps raise the question of whether the programme as a whole was over-reliant on existing business networks, given the short timescales for delivery.

Only a minority of projects tried to target particular sectors. In the majority of cases this was to try and reach the independent retail trade. (This sector was highlighted because it was thought it could benefit greatly from digital skills and because such firms are not eligible for European Regional Development Funding.) There were also projects that were aimed especially at rural businesses (Heart of the South West LEP) and at new start-up businesses (South East LEP). However, this approach was sometimes too narrow. Cornwall and the Isles of Scilly's retail-oriented project was re-calibrated to broaden the mix of firms when it became clear that they were not getting enough responses from the retail sector alone. ATCM, which ran the Digital High Street projects for Coast to Capital and Enterprise M3, used some of its own funding to allow firms from sectors other than retail to attend its workshops.

Most project managers preferred to make their events inclusive, open to many different types of businesses. If businesses were to be segmented, however, several of them (including SEMLEP, Leeds and Cornwall) felt that it would have been better to do so based on the firms' existing digital knowledge and expertise. There were some complaints that some events were pitched at too basic a level for some participants, or were too advanced/intense for others.

The projects have combined offline delivery methods and digital ones. It is noticeable that those projects which have concentrated on setting up dedicated websites are making only modest claims for the success of these approaches so far. In part this is because such sites took time to establish and to develop content, so their impacts have yet to be fully felt – Greater Manchester's online TV channel only went live in February 2015. Some reported relatively low levels of engagement with web material to date. Lincolnshire, for example, said that they would need to look harder at the creation of content for their online portal in future.

4. Assessment of progress in achieving the intended outcomes

For an initiative developed and delivered in such a short timeframe, and with relatively modest funding, the evaluation findings suggest a high degree of success for the programme in achieving its intended outcomes. Both the beneficiaries and the LEPs themselves perceive the projects to have been very worthwhile.

Beneficiary perceptions

Both the quantitative findings and qualitative feedback from the online survey were very positive.

The vast majority of respondents to the online survey felt the support they received left them with a better understanding of the opportunities around digital.

Eighty-eight per cent of the 1,120 survey respondents agreed or strongly agreed with the statement: "I now feel more informed about how our business can exploit opportunities offered by digital technologies, after the support from this programme."

I have segmented our customers, sent out a survey to understand our customer base, set up our Facebook, Twitter and Google+ accounts which has enabled me to connect more with our customers. I have learnt about the importance of social media and online marketing and the type of content we should be writing. I have also been able to connect with the other businesses who attended the event.

Beneficiary, Coast to Capital

Figure 5-1: Response to the statement: "I now feel more informed about how our business can exploit opportunities offered by digital technologies, after the support from this programme" (n=1,120)
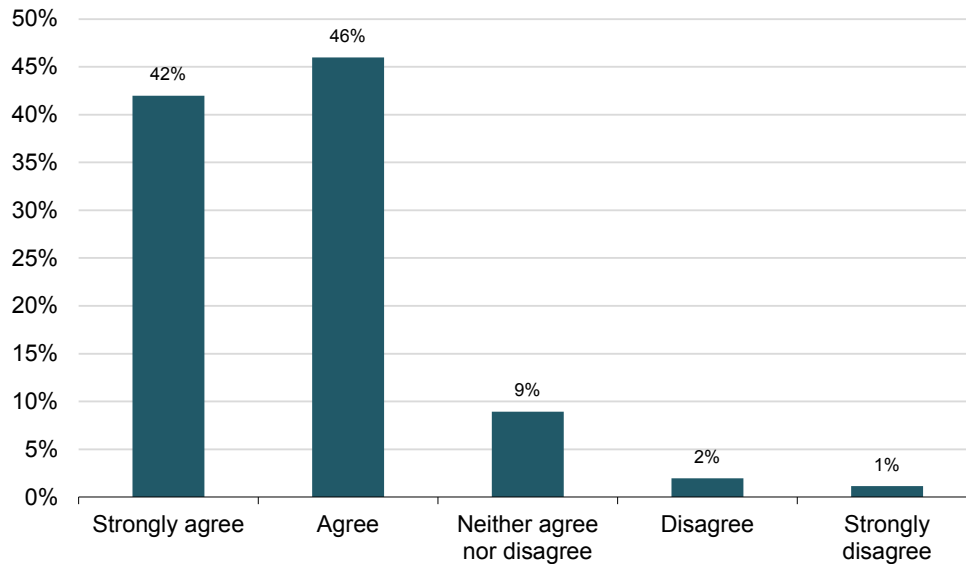
Source: SQW online survey

This better understanding was reflected in the confidence that businesses had about following up on their learning. Almost two-thirds (64%) said they had taken action since their course, and a further 29% intended to do so soon. The projects have clearly been effective in stimulating action.

The businesses were taking action in a number of areas but two were especially common: social media (74%) and website development (68%). Online marketing was the third most popular area for action.

For the first time my business has a professional website that prospective patients can find and see more about what I do.

Beneficiary, Buckinghamshire Thames Valley / Oxfordshire

Just under 20% said that their actions included online trading, while 10% were doing something around mobile applications. Only 5% had taken action around IT security.

Figure 5-2: Action areas taken up by survey respondents (multiple responses allowed) (n=1,041)
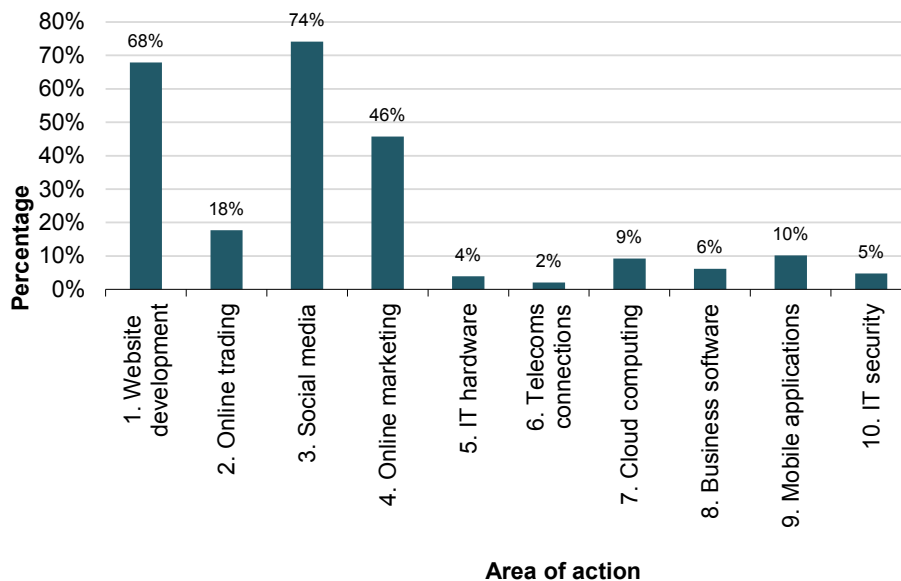
Source: SQW online survey

One stakeholder interviewed for this evaluation said she thought it likely that cultural or personal reasons (rather than cost) explain why people are not online, and such reasons are better addressed in face-to-face sessions. Workshops, by contrast, need people to be motivated and interested to attend – it could be argued they are halfway there already.

This view cannot be proved or disproved conclusively in this research, but the online survey results found that those businesses that had received face-to-face support were somewhat more likely to have taken action than those that had attended events or workshops (72% v. 64%). Several of the project managers commented in their completion reports that businesses were keen to have one-to-one support to help them address problems.

> *The support given has been "life changing" for me and my business. The courses have been absolutely wonderful, so informative, helpful and very enjoyable … The things I have already implemented have worked so well & gained me sales already.*
>
> Beneficiary, South East Midlands

Most respondents were confident that the support would lead to significant benefits for the performance of their business. When asked "How likely do you think it is that the support from the programme will lead to a material positive effect on your business's performance over the next two years?" the mean average response on a scale of 0 to 10 was 7.1. In other words, beneficiaries reported an average probability of over 70% that they would see material business performance benefits.

It's helped us work out how to get our social media in order and understand what we should be doing as an organisation to stay connected with people, but without taking up a disproportionate amount of time.

Beneficiary, South East Midlands

Figure 5-3: Responses to the likelihood that the support from the programme will lead to a material positive effect on your business's performance over the next two years (0 means that there is no chance of this, and 10 means that this is absolutely certain)
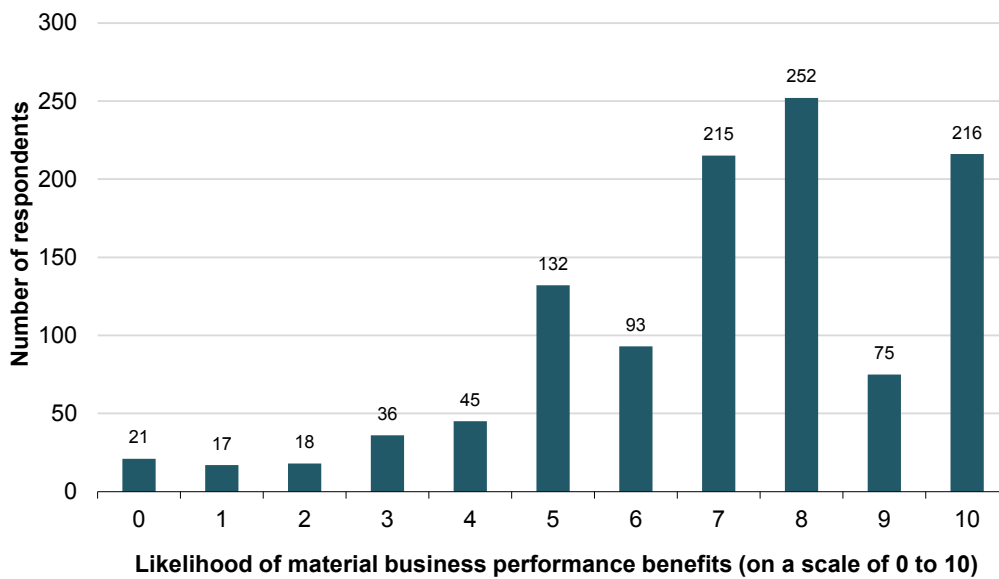
Source: SQW online survey

Businesses were also asked how satisfied they were with the support offered.

Again, the reaction was very positive, with 92% feeling satisfied or very satisfied with the help received.

> *Without this support I would not have been able, with my previous level of expertise, to put my business/product online.*
>
> *Beneficiary, South East*

Figure 5-4: Level of satisfaction with the programme support (n=1,120)
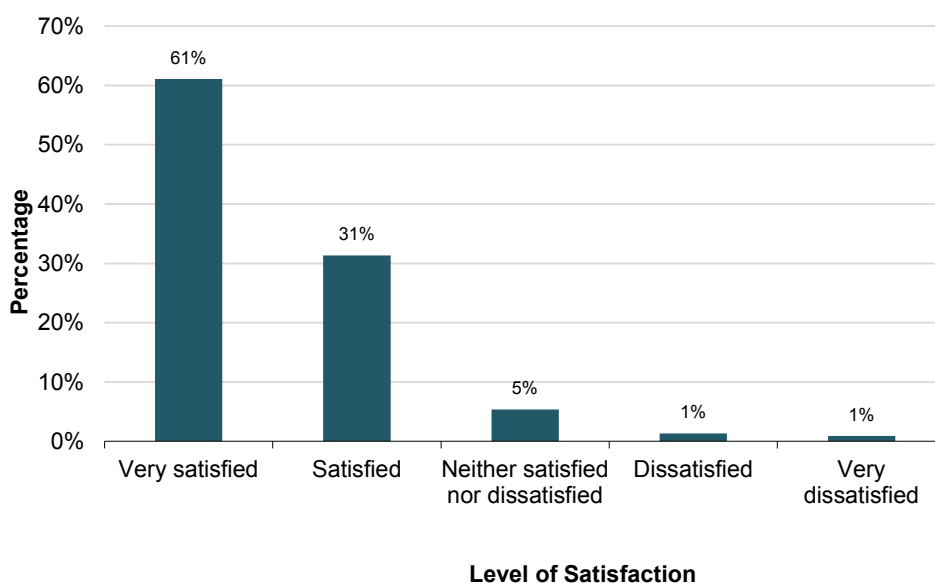
Source: SQW online survey

As might be expected from these results, respondents were very happy to say they would recommend the project to others, were such a scheme to continue in the future. More than three-quarters (79%) said they would definitely do so, with a further 16% saying they would probably do so.

LEP perceptions

The project completion reports also confirm that the LEPs themselves considered this programme to be a significant success in their local areas.

> *"The programme confirmed that there is a definite need and demand for this activity in the Tees Valley. The impact of this activity on business practice is measurable and highly valued by participant SMEs."* Tees Valley LEP

"This project has proved to be highly successful in many ways and delivered extremely high levels of client satisfaction." Swindon & Wiltshire LEP

"Targets have been substantially exceeded despite a challenging timescale and a short mobilisation period, reflecting both the effectiveness of the approach of the project team to identifying and contacting participants and the clear demand for support among businesses." Leeds City-Region LEP

"With more time and funding this would be a fantastic foundation for a larger programme of investment/match funding … We have only touched the surface in supporting some of those small businesses who are in real need of digital skills support." Cornwall and Isles of Scilly LEP

"Alongside the very positive benefit that the SME Digital Capability Fund has had to beneficiaries of the programme, it has also proved to be an important catalyst for the strategic discussions currently underway for a longer-term model to provide digital capability support in the Solent area." Solent LEP

"The feedback has been overwhelming … It is clear that the Digital Capability Programme in D2N2 and LLEP has proved a great success." D2N2 and LLEP

The feedback from LEPs suggests that there remains significant demand for this sort of support. The programme achieved high levels of beneficiary satisfaction and, according to the online survey, resulted in a very large proportion of businesses taking action. This is perhaps due to the fact that the topics on which this programme focused (primarily social media and website development) are areas in which it is relatively quick and cheap for beneficiaries to make significant changes to benefit their businesses.

Case study: the East Midlands' eBusiness Club

The Digital Capability Programme in Derbyshire, Nottinghamshire and Leicestershire was delivered on behalf of two LEPs by the East Midlands Chamber of Commerce through its eBusiness Club. The Club is a specialist department of the Chamber with a long track record of successfully delivering bespoke digital and broadband-related business support projects including a range of events, full-day workshops and consultancy.

The Digital Capability workshops were delivered by nine carefully selected expert practitioners, some of whom have been delivering

eBusiness Club support for over ten years. As a result the Club has earned a strong reputation and established a locally recognised brand, and it was a logical choice to deliver this programme.

One of the distinguishing features of the eBusiness Club workshops is its delegate strategic action plans. Each workshop has an associated – and tailored – action plan for attendees to complete. The idea behind this is to stimulate further engagement with the material delivered at the workshop, recognising that it may be hard to fully absorb the broad range of subject matter covered in one go. The plans are designed to help delegates take proactive steps to improve their business digitally. In addition, attendees receive a workbook containing the slides from the training session and explanatory notes. These resources are developed by the trainers to ensure a consistent message across presentations and programme materials. As part of their contract, trainers are responsible for updating these resources and the action plans to reflect the rapidly changing landscape of digital technologies and capabilities.

It is clear that the Digital Capability Programme in D2N2 and LLEP has been a great success. Given the building blocks of strong partnerships to promote and run workshops, and commitment from partners to deliver, the Programme had a good starting point. This, coupled with latent interest in a wide range of ICT skills and recognition from businesses that they need to upgrade their knowledge, meant that the workshops were heavily oversubscribed. This suggests that the Club is meeting a genuine need, and doing so in a way that local business can relate to.

The programme managers identified three main success factors:

- Having an established and clearly branded digital programme that was recognised locally and offered a quality assured programme delivered by experts

- Having an existing eBusiness Club programme delivery infrastructure, allowing the LEPs, Chamber and its delivery partners to be proactive and develop the programme quickly

- Delivering a quality programme of digital support which met the needs of delegates; from firms with low levels of digital infrastructure through to early adopters who have embraced technology throughout their business.

5. What works, and what could be improved?

What works?

The programme has helped to address an information-related 'market failure' which will persist for the foreseeable future

It is clear from the feedback from beneficiaries and the LEPs that the digital arena is particularly fast-moving, and that SMEs can struggle to keep up-to-speed with the latest developments.

Some beneficiary responses to the question 'What aspect of the support do you think will prove most useful to your business?' illustrate the point:

> *"We have had support to catch up on fast-moving developments which were thought to be irrelevant to our business."*

> *"I actually think that keeping up to date with latest developments, trends, tools and web technologies helps me maintain an equal (or even better) footing with competitors."*

> *"Opened our eyes to what the cloud can do. Now about 70% of what we do is cloud based."*

> *"The courses that we have been on that relate to website development, optimisation and social media. It is a very complicated and fast moving area, which I believe many small businesses struggle to understand and engage properly with."*

> *"The realisation that it is essential to keep up with technology if the business is not to fall behind."*

Events appear to be a particularly effective form of support…

It is possible to explore in more detail some of the characteristics of the more popular projects. This part of the analysis does need to be approached with a degree of caution. Some of the LEPs received relatively few responses to their version of the online survey, and in any case survey respondents represent only a proportion of those who benefited from the support. As a result, the data gathered here may not be wholly typical of all beneficiaries.

With those caveats in mind, the data suggests that in seven of the project areas half or more of the respondents said they were both very satisfied with

the support they had received and that they had taken action to make changes.

Table 6-1: Project areas for which more than half of survey respondents were both very satisfied and had taken action to make changes

Project area	Total survey respondents	% very satisfied and having taken action	Mean likelihood of the support having a material positive impact on their business (out of 10)
D2N2 and Leicestershire	196	65%	7.6
Solent	37	60%	8.0
Coast to Capital	69	59%	7.5
Buckinghamshire Thames Valley and Oxfordshire	127	56%	7.2
South East	36	56%	8.1
Cornwall and Isles of Scilly	29	52%	7.8
Tees Valley	28	50%	6.9

Source: SQW online survey

In six of these seven projects,[5] respondents were more likely to have attended workshops and/or events, compared with the average for all respondents. This would suggest that small group workshops are an effective way of conveying information about digital skills and capacity.

Typical comments from beneficiaries (again in response to the question 'What aspect of the support do you think will prove most useful to your business?') included:

> *"The fact that we were able to ask questions face to face - even stupid ones."*

> *"The tutors have given me the confidence to try. Before I attended the course this was a closed and rather scary sector"*

> *"The breakfast seminars and the conference enable us to take little time away from the day job yet achieve 100 times more than we would researching things on the internet".*

> *"I enjoyed the seminars and workshops. You get a whole load of knowledge in one session which can be quickly and easily applied when you get back to your desk."*

Those projects with a strong focus on conveying information through online means, such as Greater Manchester or Greater Lincolnshire, saw below-

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[5] The exception, Buckinghamshire Thames Valley and Oxfordshire, scored highly on 'received advice by phone' and 'other'. These almost certainly relate to the small grant element contained within that project.

average proportions of respondents saying they were very satisfied and had taken action. In part this is because such schemes are 'slow burns' with material being available for months or years rather than in a short burst of activity. Nevertheless it may also indicate that digitally inexperienced business-people are reluctant to look online to find support and advice.

…especially 'Goldilocks' workshops: ones that are neither too big nor too small…

There appears to be an optimal size for such events: large enough to offer interesting networking and experience-sharing opportunities but small enough to allow participants enough chance to ask their own specific questions.

Under the 'lessons learned' section of their end of project report, the Enterprise M3 LEP noted:

> *Workshop size of 15 to 20: The smaller workshop size allowed for increased engagement with course tutors and interactive seminars. It also provided an environment where the businesses could network and develop new links with their community. The optimum size of workshop is 15.*

The South East Midlands LEP observed:

> *Based on people's feedback from the workshops we think it would have been beneficial to have smaller class sizes. For the majority of the digital workshops we aimed for a class size of 20, however these were booked up very quickly and for our social media workshops we let up to 40 people attend as they were so popular. However, we quickly realised that this class size was too large and we had to reduce the class size down to 30.*

…when they held are held at times which suit businesses

The Coast to Capital LEP's lessons learned included:

> *The time slots of 4.30pm-8.30pm were the most popular and most convenient. They allowed for more retailers to attend the workshops after they had closed business for the day.*

The networking aspect of workshops is particularly highly valued…

The project completion reports were also very positive about the popularity and benefits of workshops, as they provided an opportunity for networking

and peer-to-peer support (sharing views and experiences with other businesses) as well as interaction with the facilitator/trainer.

For example, West of England noted:

That SMEs like to face to face network at these workshops

Beneficiary responses to the question 'What aspect of the support do you think will prove most useful to your business?' included:

"Talking it through with other businesses"

"During the course we built a close relationship with other businesses and therefore created a network of others in the same position on social media, [which] has enabled us to move forward. Also contacts have been made through our trainers which has been very helpful"

"I met some very useful contacts on the course."

"Networking with, and picking the brains of industry experts"

…and their effectiveness is enhanced by follow-on support

Across the survey respondents as a whole, those who had received face-to-face advice were more positive that the support would have material benefits for their business performance: the mean likelihood score (out of 10) was 7.9 for those who had received face-to-face advice as well as attending workshops/events, versus 7.0 for those who had attended workshops/events but not received face-to-face advice.

Looking at the various permutations of support provided (Figure 6-1), the event beneficiaries who had also received support online, via email or face-to-face reported significantly higher probabilities of the support having a material positive impact than the beneficiaries who had only attended events.

Figure 6-1: Mean likelihood of a material positive business impact, for support permutations with 30+ survey respondents

Category	Mean
Online, event and email (n=31)	8.1
Event, email and F-F (n=73)	8.0
Event and F-F (n-71)	7.5
F-F only (n=30)	7.1
Event and email (n=139)	7.0
Event only (n=428)	6.8
Email only (n=48)	6.3
Online only (n=40)	6.0
Other only (n=34)	6.0

Mean likelihood of material positive impact, on a scale of 0 to 10
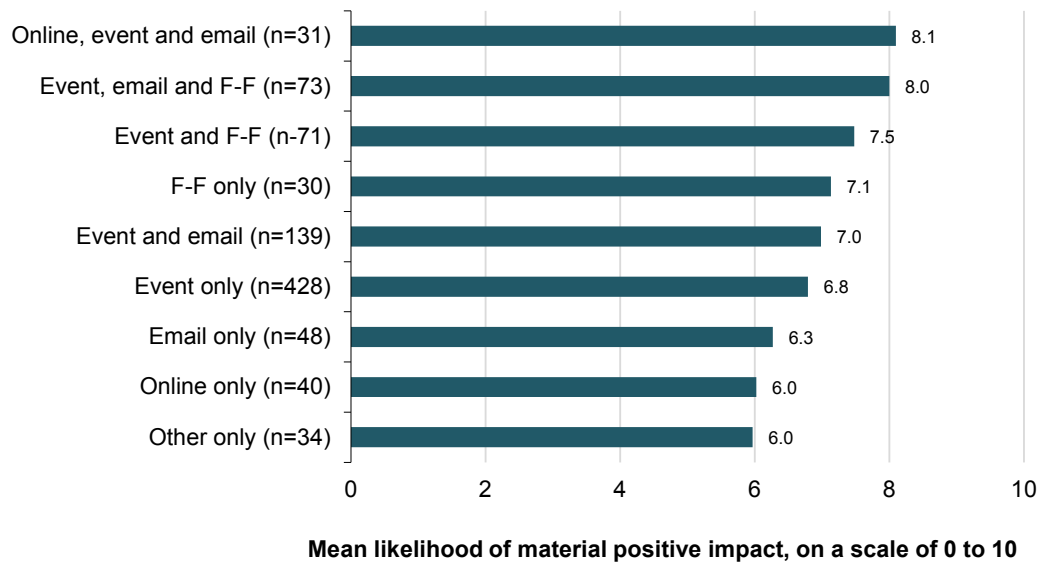
Beneficiary comments included (in response to 'What aspect of the support do you think will prove most useful to your business?'):

> *"The time spent face to face when we could ask questions and have an expert talk through Google Analytics with us."*

> *"Knowing that even when the course is finished I can still contact our course leader or other attendees to share ideas, help etc."*

Having a tool or process that gives participants an analysis specific to their business helps to ensure that beneficiaries take action

Some projects provided business-specific assessments or workbooks for the beneficiaries to complete themselves. These appear to have been very helpful. In response to 'What aspect of the support do you think will prove most useful to your business?' comments included:

> *"The very first workbook, covering the audience of your company, was the most useful. I didn't realise it at the time, but it's not about what you sell or how you sell it, it's about who you sell it to. If you understand that, you can reach your full business potential."*

> *"This is hard to pin down to one aspect as the top 3 were - 1. course handbook is an excellent reference - 2. I met some very useful contacts on the course - 3. the tutor was very good and explained things exceptionally well."*

> *"Having all the course material to refer back to, and use to educate other staff members in the business."*

> *"A combination of all - but the Digital Health Check is the most wonderful thing - I am absolutely thrilled with it. I have so much to work on but love the way I can re-play and do it at my own speed."*

Leveraging the networks and resources of digital suppliers can be very effective in strengthening projects

A number of projects benefitted from referrals from local digital suppliers who already knew of SMEs looking for support in this area, and who could help these SMEs implement their resulting action plans. For instance, the Buckinghamshire Thames Valley and Oxfordshire project noted:

> *The principle of one to many is most evident in the surge of interest once the digital suppliers became engaged. Whilst the project was able to reach end users through social networks, the digital suppliers already had prepopulated lists of potential businesses that had an appetite to do more online. With their help the project was able to effectively target these businesses and through the encouragement of the suppliers helped these businesses turn their digital plans into action.*

What could be improved?

A longer time to design, develop and deliver the projects would have helped

It has already been mentioned that the LEPs felt that a longer timescale for project design and delivery would have helped them achieve better outcomes. For example, Buckinghamshire Thames Valley and Oxfordshire project noted:

> *Reaching so many businesses in such a short space of time proved to be a logistical challenge. Not only in terms of first level engagement through social channels, but also through subsequent follow up conversations and eventual provision of support service.*

Greater Birmingham & Solihull stated that a lesson learned was:

> *Time. In order to deliver a programme of this magnitude, greater time would normally be necessary. We were only able to deliver due to existing contracts being in place. If we had to commission services from scratch, this would have taken approximately six additional months.*

Greater Manchester noted:

> *A longer programme and potentially increased budget would have allowed for varying levels of content to be created and for corporate partnerships to be developed. Perhaps with more lead time and a longer programme of events this would have improved.*

The promotion of projects could have been more effective in some cases

One of the most common beneficiary suggestions for improvement of the programme was to generate wider awareness. For example:

> *"It was only by chance that I became aware of the programme. Therefore, greater publicity for the programmes would be an advantage."*

> *"By communicating it more effectively - we stumbled across it on the council website when looking for commercial properties to rent!"*

> *"Additional advertising of the availability of the support."*

> *"More publicity! I would suggest doing some form of advertising with Linkedin to get to the business owners."*

> *"The programme was done very well, but I think that it could be better advertised or that small businesses could perhaps be approached so they know programmes like these are available."*

The challenges of raising awareness would have been exacerbated by the short timescales available for delivery. However, the feedback does suggest that there is scope for many LEPs to improve their capabilities in reaching out to large numbers of businesses in short timescales – for example, through more comprehensive databases of local businesses and their email addresses.

More specific segmentation/targeting of events would be helpful

The most frequent suggestion for improvement was to make the events more tailored to particular levels of knowledge/experience. For example, when asked how the programme could be improved, responses included:

> *"Grouping similar businesses together for particular sessions, e.g. people with an online retail need and people with a more basic communication need."*

"Have an aptitude test before hand to assess people's level of knowledge. Some companies on the course didn't have any form of online presence and others had established websites."

"Some of those attending the course were already familiar with various forms of digital marketing etc. Others, like me, were completely new to most of it and I found that answers were being given to questions I did not understand. Perhaps a pre-course session explaining the basics of the various forms of social media might have helped us dinosaurs."

"The only 'issue' that I found on the particular course I did is that everyone came with a different level of knowledge for different aspects of social media."

"More structured steps in the programmes: i.e. complete beginner, developing beginner, intermediate etc. The course I went on was billed as an introduction but was really aimed at very experienced people."

Sector-specific events were also suggested:

"As the programme caters to a very broad range of businesses, with a broad range of services & products, I feel it would be beneficial to have more industry specific programmes. For example, a bakery would not market to the same strategies as say a building company. If it was split maybe into Retail, Construction, Online etc. … with industry experts it may well be more beneficial to everyone involved."

LEPs also highlighted this issue in the project completion reports. For example, Cornwall & Isles of Scilly noted:

One of the challenges within the format was the different skills in the room. As a trainer we needed to balance the complexity level based on the people in the room so everyone got value. Everyone would get more value if their skill levels were similar to others in the room.

On a similar subject the variation on business type was also a challenge. Although I know it was not possible due to time constraints on this project but having broad categories would be beneficial e.g. ecommerce/retail, tourism, service. The sessions could then be more specific to the needs of the participants if they came to a session that was more specific to their business.

A greater emphasis on hands-on support and follow-on advice would be welcomed by businesses…

Several beneficiaries suggested that the programme would have been further improved with more hands-on support. For example:

"Perhaps by having hands-on training in the use of social media rather than only the theory."

"To have more interactive workshops, with an element of hands on work related directly to the business."

"More hands on sessions where people can be specific about their own problems and situation."

"Possibly smaller groups with hands on help and support to set up some of the things taught."

"A little more hands on would bring home the advantages."

One-to-one advice after the workshops was another frequent request:

"Follow up session(s) to examine developments made by the course attendee, advice on whether these are on the right lines and how they can be improved."

"The workshops are very informative, but as soon as the workshop is over, you are really on your own. So you have a good idea of the sort of things that you should be doing, but it is very very hard to get these going, when working on your own. There really ought to be a little hand holding to get you started. I am sure that once I have gained a little traction it would all be a lot easier to keep going. As it is I have only scratched the surface and as a result I am not unlocking the potential business that I know is out there."

"Perhaps more one to one contact but I understand there may be budget constraints and resources are scarce."

"Perhaps casual weekly/fortnightly meetings in the evening where each session you pick a business that needs help and talk about what they could do to improve, and then track the progress? I think the issue all of us will have is going away to make these changes without a regular support/encouragement system."

…and some would prefer the events to be held more locally

Distance to the event was clearly a significant barrier in some cases:

"More courses, more locations, shorter sessions perhaps for people who find it difficult to get out for the whole day."

"As a self-employed Mum, with a school age child, early sessions or far away [ones] are hard to get to."

"Some of the workshops were only available in parts of the region that were 40+ miles away. Moving them round a little more would help."

"Try to keep the events as local as possible so as to avoid too much travel time which can put people off attending."

More extensive use of webinars was suggested by some

Some beneficiaries suggested that webinars would make it easier for more businesses to participate, and would also have the benefit of businesses being able to re-visit the course content afterwards:

"Provide training by webinars, which could then be accessed later as recordings. For example, we actually attended training on Google Analytics a year before we implemented it, so it would have been good to be able to revisit the training."

"I have been trying to attend a digital workshop but am struggling to find the time to attend one that is close to me. Maybe online webinar training that you can access in evenings / or more workshops at different times where people find it hard to leave the office (like me!)."

As the costs of webinars are predominantly fixed, with very small variable costs, it may be most cost-effective to offer webinars on a national basis (promoted locally). This would increase beneficiary volumes per event, and also allow them to be more tailored to particular levels of ability and/or sector.

Ensuring good quality internet connections at event venues

Some events had clearly struggled with the quality of internet connection at the venue:

"Pick a venue with good broadband."

"Internet connection is too slow."

There were also issues when the event relied on beneficiaries bringing their own laptops. For example, South East Midlands LEP noted:

Although it was not mentioned on the feedback in the future I would prefer if the online workshops took place in a computer suite rather than a normal conference room so that everyone has access online rather than people bringing their own laptops/tablets. As not every delegate had access to one.

Embedding IT security issues into events focused on other topics may be the best way of diffusing information on security

Worcestershire LEP made an interesting point about training/advice on IT security:

Social media training was clearly the most sought after; we did feel it was irresponsible to deliver training to businesses with little to no social media experience without teaching the basics of online security. We did segment this training into separate workshops and unsurprisingly that aspect of the workshop was not as well attended. In future we would merge online safety into all of the digital training that we delivered to businesses where there are potential online threats.

6. Conclusions and policy considerations

Conclusions

The Challenge Fund of the Small Business Digital Capability Programme was a relatively small-scale programme delivered to a tight timeframe. That limitation inevitably shaped the nature of the programme, imposing significant constraints on the options available to the bodies chosen to deliver it: the LEPs and their partners.

The programme's designers had hoped to encourage LEPs to propose genuinely innovative approaches: however, the timeframe meant that only a handful of LEPs were brave enough to go down that road. The majority of the successful bidders fell back on adapting tried and tested methods and familiar branding approaches.

Yet despite these drawbacks, the programme has in many ways been a success. The demand from small businesses for support in improving their digital capacity remains very strong, and the rate of technological change means that few such businesses feel fully on top of the digital knowledge they need. The sense of what businesses need to know is constantly shifting.

The responses to the evaluation's online survey suggest that the projects have achieved many of the goals set out for them. They have engaged smaller businesses and sole traders across a wide range of industries. They have delivered support largely through 'offline' methods – workshops and events, face-to-face support and phone advice – yet have succeeded in emboldening most participants to go on and take action in the digital sphere. The evidence suggests this action is primarily at the more basic end of the spectrum – social media and website development – but this reflects the aim of engaging firms with little or no online presence. The projects seem to have been warmly received by those who took part in them; respondents were very satisfied with the projects, and were confident their participation would lead to material economic gains for their business.

The flexibility built into the programme allowed LEPs to adapt their approach to meet local needs: to pay attention to issues facing the retail sector, for example. The need for digital capabilities support is likely to continue; many projects reported that events were oversubscribed.

Despite the time constraints, most of the LEP projects exceeded their 'touch' and 'engage' targets – some by huge margins. Measuring 'shifts' in behaviour is harder, as these may take time to come through, but where it has been possible to gather evidence, it too has been very positive. The online survey suggested that most of those who have been engaged have already gone on to take action. Reported achievements versus targets were as follows:

- Touch target: 89,855. Touch achieved: 782,671 (though this is a particularly difficult metric to measure, and the reported value is not considered by the evaluators to be reliable or meaningful)

- Engage target: 7,745. Engage achieved: 31,402

- Shift target: 2,839. Shift achieved: 3,696

The online survey (of more than 1,100 respondents) gave a sense of some of the positive effects generated by the projects:

- 88% either agreed or strongly agreed that they felt more informed about digital technology.

- 64% had already taken action since finishing their training, while another 29% intended to soon.

- 92% were either satisfied or very satisfied with the help they had received.

- More than three-quarters said they would recommend the programme to other businesses.

There is much in this programme that it would be good to be able to sustain. However, there are considerable challenges too. Many of these could be remedied by a longer timeframe for delivery, but there were others too. In particular, the need to find match-funding for projects posed problems for some LEPs, especially in addressing the different administrative requirements associated with various funding strands.

This evaluation was a formative one, focused on assessing the success of the delivery of the programme rather than on its longer-term impacts. In SQW's judgement there would now be limited benefit in trying to keep recording the impacts of the 2014/15 activities, given the modest levels of funding per project, the short timeframe for delivery, the variety of approaches adopted, and the fact that some of the activities – such as the ones involving online delivery – are 'slower burn' initiatives dependent on the availability of further funding.

While the precise form of any future support is still to be determined, the evidence of this evaluation clearly suggests that further action in the area of digital capabilities for small businesses would be an effective use of public resources. The demand for such support remains strong, and changes in technology (and hence in the nature of the skills needed to use it) continue. This form of support is popular with beneficiaries and leads to a high percentage of them taking concrete action.

Lessons learned

The evaluation's key conclusions on 'what works' are as follows:

- The programme has helped to address an information-related 'market failure' which will persist for the foreseeable future as technology is moving so fast.

- Events appear to be a particularly effective form of support, especially 'Goldilocks' workshops (ones that are neither too big nor too small), when they are held at times which suit businesses.

- The networking aspect of workshops is particularly highly valued.

- The effectiveness of events is enhanced by follow-on support.

- Having a tool or process that gives participants an analysis specific to their business helps to ensure that beneficiaries take action.

- Leveraging the networks and resources of digital suppliers can be very effective in strengthening projects.

The key lessons for improving the programme were:

- A longer time to design, develop and deliver the projects would have helped.

- The promotion of projects could have been more effective in some cases.

- More specific segmentation/targeting of events would be helpful.

- A greater emphasis on hands-on support and follow-on advice would be welcomed by businesses.

- Some would prefer events to be held more locally (i.e. with less need to travel).

- More extensive use of webinars was suggested by some. These may be most cost-effectively delivered on a national basis given that the

variable costs associated with webinars are negligible, and this would provide more opportunity to tailor them to particular levels of ability and/or sector.

- Ensuring good quality internet connections at event venues.

- Embedding IT security issues into events focused on other topics may be the best way of diffusing information on security.

In terms of the technical monitoring and evaluation arrangements for the programme, two 'learning points' stand out:

- The nature of the touch/engage/shift targets made them difficult to measure in a consistent way.

- A programme-wide method of gaining beneficiary perceptions (such as the online survey used here) can be a powerful and efficient way of gathering information – provided it is coordinated with local projects to avoid beneficiaries being asked several times for their feedback.

Sustaining a legacy

One of the LEPs observed that the Challenge Fund had been a catalyst for strategic discussions to develop a longer-term model for digital skills support. A number of the LEPs noted that participants would have liked the support to continue, and especially to have the opportunity for one-to-one follow-up. Some LEPs were thinking about ways they might find other sources of funding to help them do this.

For many of the LEPs, however, any legacy will take a digital form. In addition to those like Manchester and Lincolnshire which have developed portals especially for their project, others were putting in place online resources to sustain their project's legacy.

Policy considerations

In the light of the study's findings, the following points should be considered when developing policy in this area:

- **Consideration 1**. There would be value in investing further resources in ongoing support for small businesses' digital capabilities, as this appears to be a particularly popular, practical and effective way of improving business productivity.

- **Consideration 2**. Any future programme should take account of the 'lessons learned' during this evaluation.

- **Consideration 3**. While support such as events and one-to-one advice are best delivered locally, BIS should consider the options for linking local delivery with a national brand (such as *Do More Online*) in order to help raise awareness of the support available, and to provide it with increased credibility. Co-branding, involving both local and national brands, would appear to be appropriate for support of this nature.

- **Consideration 4**. If another programme is initiated in this area, BIS should ensure that the plan for evaluation (including of the longer-term impacts) is built in from the outset, and preferably before any targets are defined or agreed and before monitoring requirements are specified.

Annex A: Summary descriptions of funded projects

The table below shows the successful projects and the approach they took.

Table A-1: Winning bidders and their approach

LEP	Approach
Buckinghamshire Thames Valley and Oxfordshire (joint bid)	Mix of online support, clinics and workshops, with small voucher scheme to spend on establishing or strengthening an online trading presence.
Coast to Capital	Targeted retail sector, working with Association of Town Managers to roll out Digital High Street across key locations within LEP area. Training programme equipped small retailers with the confidence, skills and tools they need to develop their business online.
Cornwall & Isles of Scilly	Plugging a gap by extending current digital capability support offered to businesses to the retail sector. Events and training modules delivered in the LEPs Business Improvement Districts and in partnership with Cornwall Chamber of Commerce and network of Town Chambers.
D2N2 and Leicester & Leicestershire (joint bid)	Online platform and peer support community, complemented by events, workshops and a dedicated team of expert practitioners providing 1:1 advice and support over 2 LEP areas.
Dorset	Project will extend the reach of current EU scheme to areas currently excluded. Events programme with follow up bespoke support packages. Target sectors include Advanced Manufacturing, retail, property and construction and creative industries.
Enterprise M3	Extend plans for rolling out digital high street skills programme in Enterprise M3 area to include an additional 14 locations. Training programme equipped small retailers with the confidence, skills and tools they need to develop their business online.
Gloucestershire First	A diagnostic tool, online resources and access to sessions with expert practitioners. Cyber security is at the heart of the proposal with selected businesses supported to achieve a cyber security standard.
Greater Birmingham & Solihull	A high profile programme launched with a conference which included a series of taster sessions on a range of digital capability support available, followed by a programme of business support events delivered by private sector partners/experts.
Greater Lincolnshire	Online learning developed by specialists and covering key topics including search engine optimisation, e-commerce, website design etc to reach Lincolnshire's hard to reach rural businesses, complemented by extending current ERDF initiatives to retail and other sectors
Greater Manchester	Developed a digital TV channel to provide easily accessible and cost-effective advice to a high volume of businesses. To be complemented by events, face to face advice, networking

LEP	Approach
	sessions.
Heart of the South West	Development of a knowledge hub, supported by intensive digital review sessions and a programme of specialist events.
Leeds City Region	Extended existing EU funded provision to businesses currently excluded. Support included master classes, workshops, peer support.
Northamptonshire	Developed a diagnostic tool to assess need, a programme of events and workshops delivered by industry specialists. Also an additional round of Northamptonshire's local INV-ENT fund, which will be aimed specifically at helping businesses strengthen their digital capabilities.
Solent	Grant scheme for small businesses to support digital skills training. Grants will be match funded by private sector applicants.
South East	A three part programme supporting SMEs to trade online by offering support packages; web-access workshops; and web-consultancy surgery sessions for business.
South East Midlands	Online expert and peer support, complemented by briefings, seminars and workshops and promoted via growth hub advisers.
Swindon & Wiltshire	A programme of in depth workshops delivered by ICT experts, providing hands-on support. Complemented by development of a knowledge hub to include a peer support forum where issues and challenges can be posted and shared.
Tees Valley	Proposal for a programme of events, face to face support and e-masterclasses covering key skills including cyber security.
West of England	A programme of in depth workshops delivered by ICT experts, providing hands-on support. Complemented by development of a knowledge hub to include a peer support forum where issues and challenges can be posted and shared.
Worcestershire	Targeted rural and new businesses. It enabled firms to develop their digital skills, together with an understanding of how to operate online securely through a mix of workshops and mentoring.

Source: BIS

Annex B: Case studies

This annex includes case studies of eight of the projects. They were chosen as it was felt they represented particularly interesting responses to the challenges associated with the programme. In each, a key theme has been identified for further examination. It should be stressed that this theme does not represent the totality of each LEP's programme; rather, it provides a lens through which to view the LEP's overall approach.

Buckinghamshire Thames Valley and Oxfordshire LEPs: getting to 'hard to reach' businesses

Programme outline

The digital capability campaign in Buckinghamshire and Oxfordshire is run as a partnership between two LEPs: Buckinghamshire Thames Valley and Oxfordshire. The programme is being delivered by NGage Solutions through the vehicle of Buckinghamshire Business First (BBF), an organisation with 6,000 members. The project was designed by Buckinghamshire Thames Valley LEP, in consultation with their partners, and was deliberately designed around a voucher model, in an attempt to harness the sales capabilities of a whole range of intermediaries and partners and achieve the widest possible market reach.

BBF's reputation has been key to the success of the project. It started its business support programme in 2011 in the wake of the abolition of the Regional Development Agencies (RDAs) and has built up a relationship of trust with its members and the wider business community. This trust has allowed it to promote the scheme without encountering the suspicion that grant-offering schemes often encounter, despite the very short timeframe they have had in which to deliver the project.

Key theme: 'getting to 'hard to reach' businesses

Marketing lies at the heart of BBF's activities. They have drawn on this to market the digital capabilities scheme. The programme was designed to reach 'hard to reach' sole traders and businesses with only a basic or no web presence. They have used a wide range of channels to do so, from flyers, local radio, local newspapers, other business networks such as the Chambers of Commerce, as well as email and social media. (LinkedIn has been a particularly effective channel.) Respondents have included jewellers, accountancy firms, florists and a 'doggy day-care' firm.

Once people are aware of the programme they contact BBF by phone or visit its website. If it is by phone, they will be talked through their options and steered towards the BBF website to register their interest. The telephonist will talk them through the registration page while they are on the line if necessary, helping them to gain familiarity with some basic web navigation. They will then be able to read about possible workshops to attend and the GoTo voucher scheme.

The workshops offer basic (but not beginner-level) advice with a strong commercial focus – workshops stress the need to think about where digital fits in to your overall strategy, and to plan carefully. At a workshop attended by the evaluators, only around half the 25 or so attendees said they had a website, for instance. BBF was keen to encourage people to think beyond just having a basic website, though; it feels that the emphasis is shifting towards social media. However, the workshop is just a taster: the GoTo voucher is really the heart of the Buckinghamshire Thames Valley/Oxfordshire scheme.

Once a company or sole trader has identified a need, and assuming it is eligible, it is able to claim a £150 grant (if it spends at least £350 in total) towards receiving digital support. BBF has a list of around 70 digital suppliers which it has validated for the quality and relevance of their services, but grant recipients are not restricted to these – if they wish to spend the money on, say, Google AdWords, that is fine. The BBF team see this building of a relationship between the business and the digital supplier as an important part of the scheme. £350 is not a huge sum in the wider scheme of things, but if a good working relationship can be developed it may lead to further work, to the benefit of both parties.

Challenges faced by the programme

The tight timeframe for the project has imposed some practical limits on the scheme. The voucher has to be spent before the end of March so, for instance, re-working your website may not be feasible in such a short period. Instead, the typical use of the voucher is for a day's training. One company that has received a voucher, *Auberge du Chocolat*, which makes hand-made chocolates, is using its money to try and improve the effectiveness of its online shop, which brings in few sales at present. One of BBF's verified trainers is working with them to improve the effectiveness of their tweeting and use of searchwords to do this.

Achievements of the programme

The scheme has had some other limitations. BBF is not as well-known in Oxfordshire, and fewer firms from there have accessed the scheme. However,

the scheme overall has generated huge goodwill for BBF, much more so than many bigger grant schemes have. BBF puts this down to a combination of the demand for such support and the simplicity of the application process – it is a painless way to achieve rapid results for a 'hard to reach' audience. BBF is very keen to continue the scheme in some form, preferably operating over a longer-time-frame.

Cornwall & Isles of Scilly LEP: adjusting a programme to broaden its reach

Programme outline

Cornwall and the Isles of Scilly LEP's digital skills programme was originally designed to support the high-street retail sector, recognising the lack of provision under existing ERDF funding for that sector and the wider importance of vibrant high streets. The programme, which was delivered on behalf of the LEP by Cornwall Council and Cornwall Development Company, was targeted at seven Business Improvement Districts (BIDs) across Cornwall.[6] The programme content had three key elements:

- **Launch events** – Engagement events inviting SMEs from across Cornwall, which outlined the opportunities for developing their digital capabilities and showcased the impact of going digital on business performance.

- **Delivery of Digital High Street modules** – Delivery of three digital high street skills training modules (using the Digital High Street skills training materials from People 1st) in each BID town.

- **Digital High Street Challenge Fund** – A small-scale grant fund for SMEs who had attended the Digital High Street training sessions, to help develop their digital marketing activities further through, for example, website design, email marketing, social media, Google Analytics and Google+.

Key theme: adjusting a programme to broaden the reach

Attendance at the initial launch events in the BID towns was not as high as expected. Cornwall Council believed that, whilst the email marketing campaign to promote the programme through Chambers of Commerce, local councils, the Federation of Small Businesses and Superfast Cornwall had generated interest, the scope and reach of the programme needed to be extended.

Cornwall Council therefore took the decision to expand the programme to include non-retailers, and delivered events and training in other major towns across Cornwall: Redruth, Penzance, Saltash, Liskeard, Bodmin, Helston, Bude and Launceston. The location of subsequent training events (stage two of the programme) was then based upon attendance at each launch event. In

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[6] Truro, Newham, Camborne, St Austell, St Ives, Falmouth and Newquay

addition, a more substantial and targeted marketing approach was adopted to raise programme awareness. It had three main elements:

- **Use of the Tweet Bus**[7] – a local Community Interest Company offered to advertise the Digital Capabilities programme on its bus. The group travels around major towns in Cornwall and has a broad remit to raise awareness of social media and promote the use of the internet.

- **Flyers** – developed in December 2014 and distributed by hand to major retailers and town centres across Cornwall.

- **Programme Twitter page**[8] – the programme manager from Cornwall Development Company set up and managed a Twitter page showcasing the training events. This served two purposes: to raise awareness and engage more businesses across Cornwall, and to encourage businesses attending the training events to actively use Twitter and other forms of social media.

Challenges faced by the programme

Tight timeframes resulted in no 'thinking time' for the programme, which was obliged to focus purely on delivery – 90 training courses and 19 launch events were delivered in January and February 2015. This meant there was no opportunity to tailor the programme to local needs after the decision was taken to broaden the programme's remit. The lack of time also caused problems in recruiting trainers to deliver the Digital High Street modules, some of which required the trainers themselves to undergo some initial training.

Achievements of the programme

The broadening out of the programme after the initial events and the re-thinking of the marketing strategy worked well. The wider range of towns hosting events was better suited to Cornwall's elongated geography, which tends to deter Cornish businesses from travelling too far from their home town to attend activities.

Feedback from the training events held to date has suggested that the flyer distribution and the tweet bus were instrumental in attracting businesses. This more 'old-school' approach appears to work well in Cornwall, catering as it does for non-active internet users. The programme's Twitter feed complements this by extending the online reach of the programme.

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[7]See: the Tweet Bus twitter feed for more details
[8] See: this twitter feed for information

Despite the broadening of the remit, Cornwall Council was still able to use the Digital High Street materials. They are sufficiently generic to be applied to a range of small business types. The re-scoping of the programme has therefore increased its effectiveness without requiring a fundamental re-design.

D2N2 and Leicester & Leicestershire LEPs: action planning workshops

Programme outline

The Digital Capability Programme in Derbyshire, Nottinghamshire and Leicestershire was delivered on behalf of two LEPs (D2N2 and Leicester & Leicestershire LEP) by East Midlands Chamber through its eBusiness Club. The eBusiness Club is a specialist department which has a long track record of successfully delivering bespoke digital and broadband-related business support projects including a range of events, full-day workshops and consultancy. It also provides grant funding to businesses across the East Midlands through the ERDF-funded Transformational ICT project. The Challenge Fund money has allowed the Chamber of Commerce to extend the geographical remit of its support and fund specific digital skills, advice and training which ERDF eligibility criteria had earlier restricted.

The Digital Capability workshops were delivered by nine carefully selected expert practitioners, some of whom have been delivering eBusiness Club support for over ten years. As a result the Club has earned a strong reputation and established a locally recognised brand, and it was a logical choice to deliver this programme. Indeed, the Chamber was instrumental in initiating the joint working between D2N2 and LLEP on this to meet the demand not currently delivered through its Transformational ICT project.

Key theme: Action planning workshops

One of the distinguishing features of the eBusiness Club workshops is its delegate strategic action plans. Each workshop has an associated – and tailored – action plan for attendees to complete. The idea behind this is to stimulate further engagement with the material delivered at the workshop, recognising that it may be hard to fully absorb the broad range of subject matter covered in one go. The plans are designed to help delegates take proactive steps to improve their business digitally. In addition, attendees receive a workbook containing the slides from the training session and explanatory notes. These resources are developed by the trainers to ensure a consistent message across presentations and programme materials. As part of their contract, trainers are responsible for updating these resources and the action plans to reflect the rapidly changing landscape of digital technologies and capabilities.

Early evidence collected through feedback suggests that delegates have already engaged with their action plans. A post-workshop survey (286

respondents), carried out by the Chamber, revealed 49% of delegates had already taken action, while 42% were confident of doing so.

Challenges faced by the programme

One of the key challenges faced by the Chamber is programme administration. The different funding packages for the eBusiness Club (from local, national and European sources) all have different eligibility criteria and assurance frameworks. This means that, for example, workshop attendees have to be recorded and monitored separately for each funding stream, often duplicating the burden on delegates and programme staff.

The workshops were free of charge to make them accessible to anyone who might benefit from them. However, this sometimes means delegates did not feel obligated to attend and cancelled at short notice. The Chamber ran a waiting list system to try and ensure all places were filled even at the last minute.

Achievements of the programme

The Challenge Fund supported the delivery of 22 awareness-raising events and 131 full-day workshops, in which 1,582 delegates from 886 businesses took part. Early results indicate that 107 businesses have now moved online; 466 have started to promote online and 19 are trading online for the first time.

It is clear that the Digital Capability Programme in D2N2 and LLEP has been a great success. Given the building blocks of strong partnerships to promote and run workshops, and commitment from partners to deliver, the Programme had a good starting point. This, coupled with latent interest in a wide range of ICT skills and recognition from businesses that they need to upgrade their knowledge, meant that the workshops were heavily oversubscribed. This suggests that the Club is meeting a genuine need, and doing so in a way that local business can relate to.

The programme managers identified three main success factors:

- Having an established and clearly branded digital programme that was recognised locally and offered a quality assured programme delivered by experts.

- Having an existing eBusiness Club programme delivery infrastructure, allowing the LEPs, Chamber and its delivery partners to be proactive and develop the programme quickly.

- Delivering a quality programme of digital support which met the needs of delegates; from firms with low levels of digital infrastructure through to early adopters who have embraced technology throughout their business.

Enterprise M3: extending the reach of the Digital High Street skills programme

Programme outline

Enterprise M3's programme was designed to support the high-street retail sector. Enterprise M3's geographic area (mid to north Hampshire and south-west Surrey) includes several medium-sized towns that face competition from the likes of London and Southampton. A successful independent retail sector is thus an important part of maintaining the vibrancy of those towns. The support from BIS enabled Enterprise M3 to extend the remit of the Digital High Street skills programme in its area to cover 'growth' and 'step-up' towns in all 14 of its local authority areas – a list that includes Basingstoke, Guildford, Camberley, Andover and Farnborough. The programme was delivered by the Association of Town and City Management (ATCM), one of the original developers of the Digital High Street skills courses. The programme was delivered in two phases: 1) an organisation and marketing phase and 2) the delivery of the training programme.

Participants were recruited through the ACTM network via email, through Twitter and through the LEP's networks, which allowed them to reach around 12,000 businesses. The LEP contracted ATCM to deliver its three-module training programme in each of the towns with the objective of taking 15 independent retailers through each module in each place. ATCM itself funded some additional places for a number of other small businesses which fell outside the remit of the programme but who could nonetheless benefit from the course. At the workshop the evaluators attended, participants ranged from a butcher's shop to an image consultancy.

Key theme: extending the reach of the Digital High Street skills programme

The Digital High Street skills programme requires a degree of commitment from its participants. Each of the three module sessions lasts four hours and ideally a retailer attends all three. The course has been designed as a series of building blocks: each module builds on the one before. The three are:

- Understanding your Customer and Digital Marketing

- Develop your Business Online

- Grow your Business through Social Media

Attendees varied in their pre-existing level of digital knowledge. The trainer at the case study visit asked people to assess their knowledge on a scale of 0 to

10, and attendees' responses varied from 0 to 7. By taking (most of) the same group through all three modules ATCM aim to build up a sense of camaraderie and shared learning between the participants. People were encouraged to share their experiences in the sessions, and to follow each other on Twitter and LinkedIn to help build up their digital presences.

The course material is standardised but the trainer aimed to use examples and references drawn from the local area, or which relate to a participants' circumstances, to show what is possible. The emphasis is on making progress from whatever point they are at, rather than aiming for a 'complete' digital offer. The trainer also emphasised the importance of measuring the impact of the things the businesses implement from the sessions, so that they could decide for themselves what works well.

Challenges faced by the programme

The major challenge for ATCM was the organisation and delivery of the programme. Although the course material had already been developed and used successfully, ATCM had to organise and deliver 84 sessions in a little over two months. (It was doing so for more than one LEP.) Scaling up to this level of activity so quickly was demanding: the trainers delivering the events themselves had to undergo training (by People 1st) and venues had to be secured for meetings, all at short notice.

The time commitment to attend three modules – lasting up to 12 hours in total – is significant, and the trainer worried that some of the retailers most in need of help might not be able to afford to take off this amount of time. The four-hour chunks were thought too long by some who did attend, though others thought it too short. There were few opportunities in the sessions for one-to-one work or advice, although the trainer was keen to maintain links with participants (for instance, through Twitter) after the formal end of the course.

Achievements of the programme

Despite these difficulties, the reactions to the programme from participants have been positive – participants were finding the sessions informative and practical. By working with relatively small groups in each town the programme has built up a fledging network of independent retailers which know each other and are willing to share experience. The Digital Capability funding has also allowed the scheme to be spread much more widely across the Enterprise M3 area to towns where independent retail could do with support.

Greater Birmingham & Solihull LEP case study: using the 'wow factor' to kick-start a programme

Programme outline

Greater Birmingham & Solihull LEP chose to use its funding under the Digital Capability Programme to put on a big event for SMEs at the International Convention Centre in Birmingham. It was designed to create a splash and to introduce a new brand – The Digital Academy – to local businesses. The Academy had been devised after consultation with local SMEs and is intended to continue throughout 2015, using ERDF money as well as BIS support. Its logo is of a mortarboard and it is to be used as an umbrella brand for its various activities. The funding from BIS allowed the LEP to have a much more high-profile launch for the project.

Key theme: using the 'wow factor' to kick-start a project and raise awareness

The conference was a free one-day event attended by around 300 representatives of small businesses, organised under the auspices of Digital Birmingham. It was carefully designed around three elements. First, there was a strategic overview of the challenges facing businesses in a digital age, from a range of perspectives: those of a politician (Chi Onwurah MP, a Labour shadow cabinet minister), a major institution (Lloyds Bank) and 'big players' from the digital sector: Microsoft, Google and LinkedIn. As part of this overview, the conference was also used to launch a related piece of research, the Greater Birmingham Digital Audit, which attracted wider media coverage.

Second was the presence of more than 30 business support agencies at the event's Marketplace. Digital Birmingham's research had identified ease of access to business support as an issue; the Marketplace is an opportunity for delegates to discuss their issues and find support from a range of providers all brought together under the Digital Academy brand. The Marketplace was free for most of its stall holders to attend (only commercial broadband providers were charged) and included the likes of Wolverhampton University, the KTN and the Jewellery Quarter BID.

The third element was a series of practical workshops on specific issues, such as digital marketing or social media. These were intended to be taster sessions for a series of one-day events on those issues being run later in the year. (If a business attended the conference and a subsequent one-day workshop it will have received 12 hours of support, thus qualifying as a business assist for ERDF purposes - the match funding came from ERDF.)

Challenges faced by the programme

The organisation of the event was not straightforward. The ICC normally has to be booked months ahead – the Digital Academy therefore had to take whatever rooms were available on its preferred date, resulting in its activities being spread out across the building. Digital Birmingham lacked access to an up-to-date business database, which meant it had to work to attract an audience. The marketing, though, was carried out by a young, hungry company which worked hard to make the event a success.

Digital Birmingham believe that with a bigger marketing budget and more notice they could have attracted a larger audience. (As an example of the pressure they were under, a highly-regarded company they hired to produce a video for the event had just seven days to do so.) The need for match funding is also a growing constraint on such activity: "it's getting harder to find and the match is rarely 'clean', complicating things". The conference itself seemed quite Birmingham-focused, with other parts of the LEP area being less visible. This, though, is a perennial problem in the West Midlands.

Achievements of the programme

That said, the event seemed to achieve the hoped-for 'wow factor'. Digital Birmingham regards it as a great success in its own right, even before the follow-up events have taken place. It enabled them to reach far more people than would have come to a standard Digital Birmingham event on the same theme, and provided a platform for making connections between SMEs and the service providers who could help them develop their digital presence. More than that, though, it has helped change Digital Birmingham's understanding of the issues small businesses face. The organisers had expected the event to appeal to digitally 'immature' firms, to use Lloyds Bank's terminology – those with little or no online presence. The conference made clear, however, that things are changing so fast in the digital world that even digitally 'mature' firms risk finding themselves overtaken or outwitted by shifts in technology and taste. The demand for the kind of help the programme offers is thus likely to be even greater than had been thought.

Greater Manchester LEP case study: using online TV to reach businesses

Programme outline

The digital growth team, an integral part of the Greater Manchester Business Growth Hub, backed by the Greater Manchester Combined Authority and Greater Manchester LEP, used its funding from the Challenge Fund in part to launch an online TV channel. It is designed to supplement and extend the existing suite of one-to-one support and event programmes already being delivered through the Business Growth Hub. Match-funded by Business Growth Hub revenue funding (staff and running costs), and with input from private sector partners, the TV channel is designed to be an ongoing resource, sustained beyond March 2015, that acts as a single place for SMEs looking to develop their digital presence.

Key theme: the TV channel

The online portal is an innovative delivery mechanism. For the digital growth team it adds another string to its bow in terms of the digital support it can offer to SMEs. The primary rationale was to provide an open, flexible resource that can be accessed by SMEs at any time, from anywhere. Feedback from clients had led the digital growth team to believe that an online TV channel was the most appropriate support mechanism for local businesses, for the following reasons:

- **Business time constraints:** micro-businesses often cannot afford to take time off to attend half-day events or face-to-face training, either because they are a sole trader or their presence is needed on site. It was essential, therefore, to offer support outside of trading hours.

- **Digital inertia:** some businesses attending digital growth team events were said to suffer from 'digital inertia'. Many were afraid to publicly admit that they do not understand new platforms such as Twitter and LinkedIn. The TV channel allows such businesses to privately access information and self-diagnose gaps in their digital capability.

- **The need for a referral resource:** businesses attending the face-to-face training and skills events were often inundated with new information, techniques and processes. Clients highlighted the need for follow-up sessions and opportunities to reinforce learning. The how-to and learning modules sections of the TV channel were viewed as an effective way to provide this follow-up service.

Strong branding was recognised as a critical ingredient for the success of the TV channel. Private sector partners secured through both Growth Hub and digital growth team networks include Microsoft, Santander, Barclays and Virgin. The reputation of these global brands was deemed important for the credibility of the TV channel and building business trust and engagement.

Microsoft's involvement in the portal is especially important. It currently provides around 50% of the TV channel's content, including guides for Microsoft-specific software programs. While the portal would have gone ahead in the absence of such partners, their involvement adds weight to the concept by increasing its credibility and strengthening the brand. The digital growth team viewed the relationship with Microsoft as entirely positive and emphasised that TV channel content was driven by business need identified in-house.

The TV channel offers a broad range of video content, varying in complexity in order to accommodate businesses from the bottom to the top end of the digital adoption 'ladder'. The content is relevant, up-to-date and is designed to move small businesses along their digital journey. There are over one hundred videos in five key sections: 'how-to' videos with step-by-step guides; case studies showcasing the impact of digital services on business performance; learning modules for specific areas such as social media; expert opinions; and content from the key partners promoting their business support services.

Figure 0-1: Screenshot of page from Growth Hub TV channel
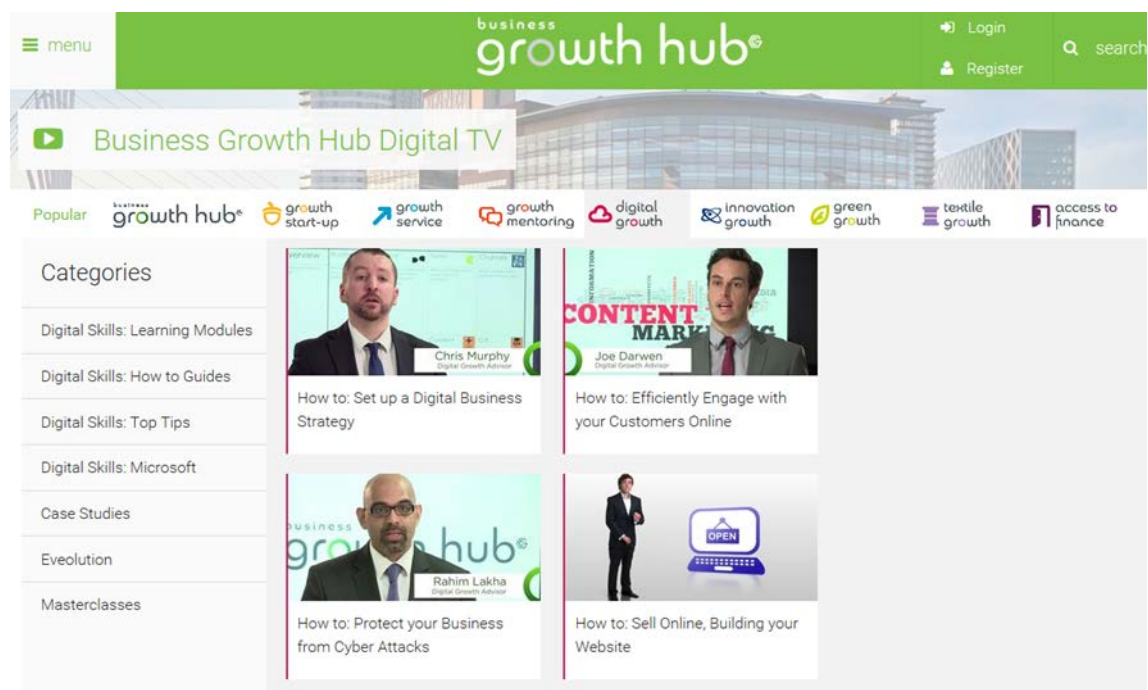
Source: GMLEP Business Growth Hub

Challenges faced by the programme

Time constraints for delivery of the TV channel have been acute: it only went 'live' in February 2015. The Growth Hub has had to rely on existing delivery infrastructure and the team's expertise in digital support to ensure the channel's delivery. The pre-existing strong, established relationship with the Growth Hub's web agency was fundamental in this respect.

Achievements of the programme

It is still early days for the TV channel[9] but it is intended to become a user-friendly resource which complements and extends the reach of existing digital support activity. Future running costs will be covered by the digital growth team, which intends to make the TV channel a sustainable resource over the medium to long term.

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[9] http://www.businessgrowthhub.com/business-growth-hub-digital-tv/digital-growth?category=Digital+Skills%3a+How+to+Guides

Greater Lincolnshire LEP: using e-learning to reach across a largely rural area

Programme outline

Greater Lincolnshire LEP chose to place its Digital Capability Programme under an existing brand: *OnLincolnshire*. This is an established programme delivered by Lincolnshire County Council that offers a range of broadband, digital and technology support across the county. The Digital Capability funding has been matched with ERDF money to develop an online e-learning platform[10] and a suite of training events.

Lincolnshire is a predominantly rural county with a low population density. Although superfast broadband is rapidly being rolled out across the county it still lags behind other more urban parts of the UK. In the more rural areas businesses and residents still complain of low download and upload speeds. This means that awareness of what digital platforms can do for businesses is still low in some areas. The Enterprise Growth Team within the Economy and Place Directorate (Lincolnshire County Council) believes there is strong demand for faster broadband, and by extension a demand for digital skills. Despite this, attracting businesses to training events has traditionally been an issue in Lincolnshire, due to:

- **Travel difficulties**: There is a general lack of willingness – and in some cases ability – to travel long distances to training events delivered in Lincolnshire's major market towns.

- **Business viability:** There is a high incidence of micro-businesses and sole traders in Lincolnshire. Feedback from previous training events has suggested many could not afford to take time away from their business to attend day-long events.

- **Business inertia:** Many of the sole traders and microbusinesses across Lincolnshire are family-run. In some cases they were said to lack strong ambitions for growth, seeking rather to serve purely local markets.

The development of the e-learning portal was designed to address these challenges by providing a way for businesses to gain access to the learning and training they need without having to travel to a particular place at a specific time.

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[10] http://elearning.businesslincolnshire.com/

Key theme: using e-learning to reach across a largely rural area

Lincolnshire County Council has developed a close relationship with Northumberland County Council, which is currently delivering a similar programme. Drawing on that experience Lincolnshire put the contract for the e-learning platform and content development out to tender, with it eventually being awarded to the providers who successfully bid for Northumberland's programme: Skillset (a specialist e-learning provider). The project has a licence to run the portal for two years and also has the e-learning materials developed for the Northumberland project until the end of 2015.

Lincolnshire LEP contracted a local PR company to market the programme through a variety of channels, including local TV, radio, newspapers and magazines with a combined estimated reach of 30,000 businesses across the county. Firms were also contacted by emails distributed through the networks of the Chamber of Commerce, the Federation of Small Businesses and the Growth Hub. Businesses from a wide range of sectors were targeted.

The e-learning portal offers a broad range of digital courses, of varying complexity. It covers topics such as social media, search engine optimisation, cloud computing, website design and digital marketing. (Some of the topics are repurposed from material used as part of an existing digital skills programme). Businesses are awarded virtual badges for each course they complete.

Challenges of the programme

Many of the challenges the programme faced stemmed from the tight timetable and budget for delivery of the programme, and the limitations this has put on the actions of the LEP. While the contracting stage for the e-learning portal ran smoothly, for instance, the project team would ideally have liked more time to consider a fuller range of e-learning providers. The team also thinks that e-learning works better when combined with specialist trainers who can help with specific issues – this was simply not an option for them in this case. Attendance at the early events was lower than had been expected and perhaps there was an over-reliance on e-marketing. In future, more innovative forms of marketing will be considered.

Achievements of the programme

At the time of the case study visit the e-learning portal had only been 'live' for a short while. Nevertheless, by the time of the evaluator's visit (10 March 2015), 90 courses had been completed, with the website receiving approximately 1,000 hits. Initial feedback from businesses attending the

Lincolnshire Digital Conference – where the e-learning site was demonstrated – was positive, with representatives of the farming sector being particularly keen.

Perhaps the most valuable aspect of this programme is the learning it will provide for rural SMEs. The Economy and Place team sees e-learning as an effective way for businesses to upskill in a challenging environment. It aims to use the Digital Capability Programme as a springboard to help it deliver more of its business support programmes through e-learning in the future. The experience gained from this programme will thus help to improve the design of future ones.

Swindon & Wiltshire LEP: developing a Digital Hub to offer extended support to businesses

Programme outline

Swindon & Wiltshire LEP's programme was delivered by Business West, an independent business leadership organisation based in the South West. It had two key elements:

- A series of day long workshops delivered by local ICT specialists. These provided hands-on support to help businesses use ICT in innovative ways.

- A knowledge-sharing website called the Digital Hub, which offers additional support by providing information and user guides as well as tips and hints on ICT best practice.

Key theme: developing a Digital Hub to offer extended support to businesses

The Digital Hub is an online resource integrated into the Business West website that aims to direct SMEs to credible sources of information on digital skills. Business West has created similar portal sites in the past for smaller projects and therefore recognised the added value such tools can bring. The Digital Hub content includes presentations from the digital capability workshops, advice guides, a blog and links to useful advice websites. The site is continually being updated, with the blog in particular being a good way to engage with SMEs' concerns and issues on an ongoing basis.

The digital team at Business West monitors trending topics to make decisions about which digital skills need to be promoted on the Hub. They are careful to select services relevant to the needs of SMEs: for example, they recognise that small businesses are often interested in measures that can boost profits in a relatively short timeframe, so offer advice about international trade and social media.

Figure B-1: Screenshot of the Digital Hub's blog page

Source: www.businesswest.co.uk/blog

One of the website's key services is the 'advice hub', where businesses can submit queries relating to digital skills. The digital team at Business West answers these queries if it can – if not, businesses are directed to other resources accessed through the Digital Hub. These queries in turn can influence the future shape of advice programmes: SMEs seem to want to know more about SEO (search engine optimisation), for instance, so Business West is thinking about workshops on this theme in the future.

Figure B-2: Screenshot of the Digital Hub's expert advice forum

Source: www.businesswest.co.uk/digital-hub

Challenges of the programme

Although it was relatively easy to set up the website, some challenges arose when designing more technical aspects of the resource. In Swindon & Wiltshire LEP's original bid they had proposed creating a 'lounge area', or discussion forum, for SMEs seeking digital advice. However, the website capabilities would not allow this. Instead, Business West adjusted its approach by creating a simpler online query form. Although this was not as interactive as originally intended, it meant Business West was still able to provide a timely advice service for local businesses.

Feedback from Business West's marketing department also suggested that the digital resources, guides and 'thinking' pages were not generating the levels of traffic that had been expected. The digital team is looking at ways to tweak the layout and structure of the website to raise the profile of these pages, and to drive additional traffic towards the blog.

Achievements of the programme

Swindon & Wiltshire LEP, through Business West, has designed a programme structure to support and sustain the learning achieved in the face-to-face workshops. Responses received to date suggest this approach is working: overall, delegates have been very satisfied with the workshops, and were therefore pleased to be able to continue their learning online afterwards.

The Digital Hub team is determined to ensure the information it provides for SMEs is timely and relevant; this should help to build support for sustaining the service in future. The marketing team has already identified changes they would like to make to improve the website, and they are actively bidding for further funding given the high take-up rate they have experienced from SMEs.

More generally, Business West also intends to improve its links with ICT specialists; they have already identified hundreds of contacts through their programme. It does not, however, want simply to become a brokerage or employment agency. It feels there is a need in the local area for an independent provider of effective business advice. The Digital Capability Programme has been an important opportunity to strengthen its role in that regard.