Summative Assessment of the Innovate 2 Succeed (I2S) Programme

A Final Report for Exemplas Ltd
March 2019

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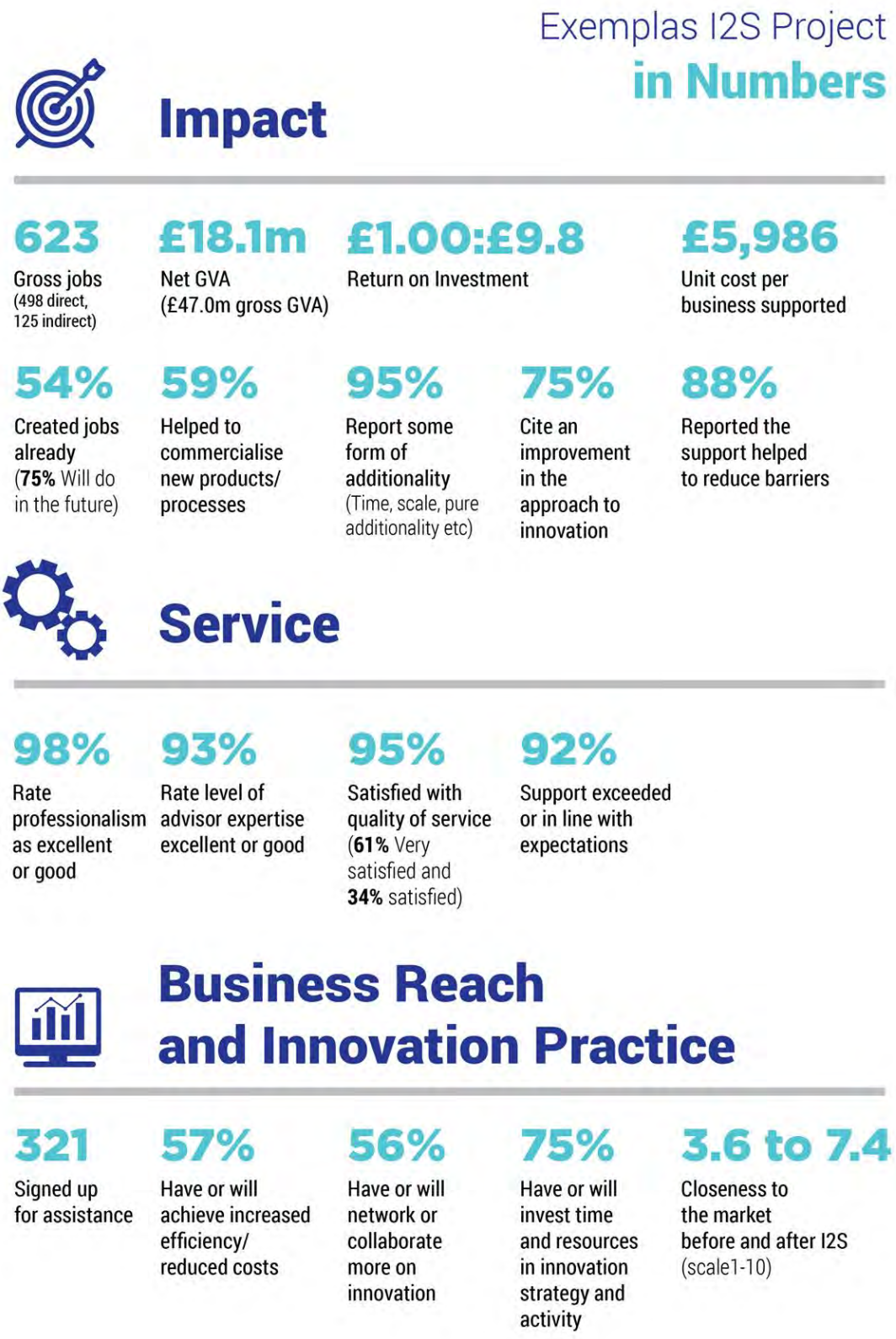
EXECUTIVE SUMMARY

The following infographic captures the key headlines.



Funded by Innovate UK (IUK) and the European Regional Development Fund (ERDF), the Innovate 2 Succeed (I2S) project provides tailored support to innovative small to medium sized enterprises (SMEs). I2S covers the Local Enterprise Partnership (LEP) areas of Hertfordshire and Greater Cambridge Greater Peterborough (GCGP[1]). This is the final evaluation for Exemplas Ltd who deliver this pilot initiative.

HEADLINES

The headlines from the company survey were as follows:

- **95% of companies who took part in the project were either 'Very Satisfied' or 'Satisfied' with it.**
- **88% of I2S participants believe that the project has definitely, very probably or possibly helped them in some way to overcome the barriers they faced against a target 50%.**
- **Over half of participants believe they have or will at a future date 'Increase efficiency and reduce costs' (52%).**
- **A noticeable decline in the innovation barriers faced before and after the project.**

Early observations against each objective are as follows:

Objective 1: Improved Innovation Management Capacity

There is good progress against Objective 1 (Improved Innovation Management Capacity). The business survey shows that 70% companies who took part in the project believe their company's approach to innovation has improved (see Chapter 3). This exceeds the project team's target of 50%. The number of out-referrals suggests that the project has been able to increase business engagement in accessing EU and national grant funding (the case studies and stakeholder interviews confirm this). In terms of improving SMEs' access to finance and resource efficiency there is less clear progress. The former remains an innovation barrier for many and only under a quarter of businesses can cite resource efficiency improvements to date. That's said there is evidence that over half the firms consulted have increased efficiency or reduced costs or will do at a future date.

Objective 2: Helping Overcome Significant Barriers to Innovation and the Commercialisation of New Ideas

In terms of Objective 2 (Helping Overcome Significant Barriers to Innovation and the Commercialisation of New Ideas) the survey shows that firms are overcoming many, but not all, barriers to innovation. Funding and lack of time remain stubbornly high. Looking at other barriers the highest percentage decrease was for 'lack of organisational prioritisation' (-61%), 'ideas not developed enough' (-57%), plus 'technical constraints' (-55%) and 'lack of knowledge for markets' (-50%).

[1] GCGP LEP is now the Cambridge & Peterborough Combined Authority (since April 2018)

Objective 3: Speeding Up the Routes to Market

Objective 3 aims to increase the speed at which new products, processes or services can be developed and brought to market by participating SMEs. It is therefore encouraging that most respondents (78%) reported time and scale additionality in relation to innovation benefits experienced, that is, I2S has help them to speed up and increase the level of benefits achieved.

Objective 4: Successful Commercialisation

In terms of Objective 4 (Successful Commercialisation), Chapter 3 indicates the noticeable difference in ratings of how close products/services were to market before, and after, working with I2S. The average rating for closeness to market (on a scale of one to ten where one is low) has almost doubled from 3.68 to 7.4.

PROJECT SUMMARY, OBJECTIVES AND RATIONALE

The overall aim of I2S is to increase the effectiveness in generating and commercially exploiting new products and services from high growth, innovative SMEs, as well as those showing innovation potential, but facing barriers to innovative performance. It prioritises SMEs in the Hertfordshire and GCGP LEP priority sectors (see Section 1.1).

The objectives of the project are as follows.

- Objective 1 – Improved innovation management capacity and assisting 300 participating SMEs to manage the innovation process.
- Objective 2 – Helping overcome significant barriers to innovation and the commercialisation of new ideas.
- Objective 3 – Speeding up the routes to market.
- Objective 4 – Successful commercialisation.

The project's rationale is to encourage (a) more innovation across a broader range of sectors, (b) more of that innovation to be captured and commercialised locally, and (c) businesses to navigate the challenges of surviving the steps towards and including commercialisation.

Following an in-depth needs analysis and jointly developed action plan, businesses are offered a bespoke package of up to seven days support. This is designed to embed innovation management capability within the company. This project forms part of a programme being delivered across 13 pilot LEP areas as part of IUK agenda to increase and enhance innovation management capacity in the UK's small businesses. The customer journey is described in Section 1.4.

STUDY AIMS AND APPROACH

Section 1.5 of the report summarises the aims of the evaluation. These include a robust assessment of progress towards its objectives; a review of its rationale and strategic fit; a quantitative impact evaluation of performance and a review of project delivery and administration. This final evaluation includes an assessment of value for money. The research involved a desk review of the project's strategic context, documentation and performance (see Chapter 2.0).

A consultation programme was undertaken with key stakeholders (See Annex Two for a list of those consulted). A workshop was also undertaken with I2S advisors in September 2017 and there was a

Management Committee Discussion (December 2018) and Advisor Team meeting (December 2018). A telephone survey was undertaken with 103 participants and 27 companies who did not proceed (this was agreed to offer the most useful counterfactual intelligence). These were done in two cohorts in 2017 and 2019. The survey included both qualitative and quantitative findings to gain a unique insight into the added value and innovation and wider benefits of the project. It explored the degree to which business investment has stimulated wider innovation benefits such as the generation and exploitation of ideas. The survey results were presented to the I2S Management Committee in October 2017 and again in March 2019. Eight case studies were undertaken (these appear throughout).

GEOGRAPHICAL, SECTORAL AND STRATEGIC CONTEXT

Section 1.7 of the report notes that the project area covers a diverse geography embracing growth corridors, and rural and urban areas. There are some similarities between the two LEP areas in sectoral terms with roots in defence, aerospace and automotive industries. Hertfordshire has strengths in life sciences, advanced manufacturing and engineering and professional, banking and finance sectors. The GCGP area is known for its global expertise in cutting edge research and advanced manufacturing, bio-tech/medical industries, life sciences, and clean-tech technology as well as being home to one of the best-known universities in the world.

I2S was developed by the EEN, originally the service was called Enhancing Innovation Management Capacity (EIMC). EEN is funded by Innovate UK (40%) and COSME[2] (60%). H2020 funding was subsequently secured to deliver a limited number of I2S/EMIC interventions. Following the success of the H2020 I2S service it was agreed that there was sufficient demand to expand it, so ERDF funding was applied for in 13 LEP areas. Ten of the LEP areas went forward to full ERDF programmes the remaining three did go forward but without ERDF funding; only the IUK funding.

I2S fits with the objectives of the ERDF Operational Programme Priority Axis 1 (PA1), which aims to increase the number of SMEs engaged in collaborative research and innovation, and the IUK Delivery Plan which highlights how IUK has been working with companies to de-risk, enable and support innovation (p2). The GCGP Priority Axis 1 call (under which the ERDF funding was drawn down) explains how important innovation and technology businesses are within the GCGP area and the extent to which the area is recognised nationally and within the European Union as a centre for innovation. The project has potential to reinforce the long-term commitment to raise the R&D intensity of the economy, as articulated in the Final Report of the Industrial Strategy Commission (November 2017) and inform the thinking around the new UK Research and Innovation (UKRI) agency. A 'new emphasis on demand-led initiatives' (p43) positions I2S well for any new business facing activity led by the new UKRI agency.

The project supports relevant objectives in the LEPs' European Structural Investment Frameworks (ESIF) Strategies. In Hertfordshire it aligns closely to Thematic Objective 1 'Strengthening Research, Technological Development and Innovation'. The Strategy recognises that innovation takes place within an ecosystem much wider that a simple support service, and concludes, *"there is a growing need to look at the whole innovation value chain and support innovation in services and the creative industries and to reflect emerging trends in open and user led innovation."*

[2] EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs). It runs from 2014 to 2020.

The GCGP ESIF notes (p9) that whilst its diverse economic base provides a strong platform for growth, it could be significantly accelerated with more innovation a) across a broader range of sectors makes it to commercialisation, and b) is captured and commercialised locally and within the UK rather than abroad.

PERFORMANCE

Telemarketing has been the key channel for client engagement leads but other channels such as advisor generated and partner referrals (including collaborative events) have built momentum. These latter channels have produced better-quality leads, with conversion rates increasing as Innovation Advisors became increasingly skilled at selling the project, more often through sharing project experience. There is a good mix of 'clients signed up' with companies covering many high value sectors. Analysis of the data shows that those clients who signed up clearly represented a more equal societal representation.

In terms of outgoing referrals there are good links to areas where Exemplas has a delivery role or expertise (Get Growing, Department of International Trade (DIT), EEN) and both growth hubs feature strongly. All outputs have been overachieved with an exceptional performance on C28 (New Products/Services to Market). Marketing activity, channels and content are currently focusing on brand awareness and showcasing of the I2S project and its impacts. Overall, there are no major areas of concern or significant barriers to I2S achieving its operational and contracted performance objectives.

BUSINESS SURVEY

The business survey found an increasing propensity to innovate amongst the I2S cohort and tangible improvements being adopted in approaches to innovation. There was evidence of firms' overcoming key barriers such as risk of failure and having ideas that are not developed enough. High levels of reported additionality[3] are encouraging, and the businesses consulted reported significant time and scale additionality. There are demonstrable improvements in bringing products to market and high ratings for the professionalism and the knowledge of the advisors.

PROJECT DELIVERY

There are several aspects that have worked particularly well including the delivery model that was fit for purpose. The programme's local reputation was strong. The high calibre of advisors is a key success factor. Business liked the 'deep dive' nature of the intervention, the delivery process and the programme's scale and duration. Exemplas has a diverse toolkit to work with businesses. Clients liked the programme's flexibility and fact they were able to revisit and fine-tune their plans. This was matched by a willingness amongst advisors to learn, refine and adapt their approach. The project was well managed by a competent and experienced team. Partnership working and incoming and outgoing referrals worked well and has improved over the duration of the project, particularly with other programmes managed and delivered by Exemplas. The filtering of leads generally worked well and the team has done a good job of gauging commitment and innovative potential.

The key barriers and constraints included the reporting procedures which were unnecessarily convoluted. Exemplas initially had to bank roll I2S and felt it was squeezed somewhat on its overhead to deliver the programme. Getting the right calibre of advisors was a challenge given the pull of the London market and

[3] Additionality refers to the extent to which an activity (and associated outputs, outcomes and impacts) is larger in scale, at a higher quality, takes place quicker, takes place at a different location, or takes place at all as a result of intervention.

mix of skills and experience required. The rigid application of 'undertakings in difficulties' state aid regulation meant the team were turning away some potentially innovative fast-growing companies which seemed counterintuitive on an innovation programme. More visible marketing of IUK I2S brand would have helped the promotion of the project and perhaps generated further high-quality leads. It was felt the programme could have higher visibility with IUK generally.

Several project enhancements were suggested. Follow-on support could be improved including further follow up visits and the identification of funding and support opportunities. It would be possible to streamline paperwork and review the effectiveness of the toolkits currently being used matching them more closely to the emerging objectives of the new programme. The Strategic Advisory Group would like to see a more systematic referral system and attendance at complementary programme meetings. There was scope to build on local professional networks. Finally, stakeholders would like to raise the currency and kudos of the programme and there are plans to exploit digital media channels more explicitly.

FINAL CONCLUSIONS OF PERFORMANCE AGAINST OBJECTIVES

Final observations against each programme objective are as follows:

Objective 1: Improved Innovation Management Capacity

There is good progress towards Objective 1 (Improved Innovation Management Capacity). The business survey shows that 76% companies who took part in the project believe their company's approach to innovation has improved (see Chapter 3). This exceeds the project team's target of 50%. The number of out-referrals suggests that the project has been able to increase business engagement in accessing EU and national grant funding (the case studies and stakeholder interviews confirm this). In terms of improving SMEs' access to finance and resource efficiency there is mixed progress. Funding remains an innovation barrier for many and just over half of participants believe they have or will at a future date 'Increase efficiency and reduce costs' (52%). IUK have recognised this and are investing in further CPD for all advisers to build knowledge and expertise in this area across the EEN as part of the I2S extension programme.

Objective 2: Helping Overcome Significant Barriers to Innovation and the Commercialisation of New Ideas

In terms of Objective 2 (Helping Overcome Significant Barriers to Innovation and the Commercialisation of New Ideas) the survey shows that firms are overcoming many, but not all, barriers to innovation. Funding and lack of time remain stubbornly high. Looking at other barriers the highest percentage decrease was for 'lack of organisational prioritisation' (-61%), 'ideas not developed enough' (-57%), plus 'technical constraints' (-55%) and 'lack of knowledge for markets' (-50%).

Objective 3: Speeding Up the Routes to Market

Objective 3 aims to increase the speed at which new products, processes or services can be developed and brought to market by participating SMEs. It is therefore encouraging that most respondents (95%) reported time and scale additionality in relation to innovation benefits experienced, that is, I2S has help them to speed up and increase the level of benefits achieved.

Objective 4: Successful Commercialisation

In terms of Objective 4 (Successful Commercialisation) Chapter 3 indicates the noticeable difference in ratings of how close products/services were to market before, and after, working with I2S. The average rating for closeness to market (on a scale of one to ten where one is low) has over doubled from 3.6 to 7.4.

Innovation Advisors and stakeholders are confident I2S has met its objectives, as evidenced in the final programme reports and client feedback. Advisors felt they had a good mix of companies in priority sectors. An IUK funded extension for three years has just been confirmed. The following recommendations are designed with this in mind.

FINAL RECOMMENDATIONS

For the next iteration of I2S Exemplas may wish to consider:

I. Incentivising more advisor generated leads.
II. Disseminating the evaluation findings.
III. Implementing process and administrative refinements freeing up more delivery time including the automation of checks and new simplified documentation to replace the current case file.
IV. Identifying additional funding for businesses to take forward identified actions.
V. Using of alumni and word of mouth recommendations to generate new high-quality leads.
VI. Implementing strong referral protocols with partner programmes and the professional community.
VII. Further enhancing the identity and profile of the programme.
VIII. Exploiting policy opportunities for innovation activity including the Shared Prosperity Fund.
IX. Potential programme flexibilities relating to the intensity and nature of support.
X. Addressing the I2S Task and Finish Recommendations on the new emphasis of the programme with needs analysis and tools tailored to the target 'life stage persona'/client maturity.
XI. Offering appropriate advisor training and CPD to achieve the above.
XII. Forge links with new innovation tailored products related to access to finance and scale-ups.
XIII. Digitising economic impacts' intelligence including current and anticipated new jobs.

LESSONS

LESSONS FOR EXEMPLAS

I. Telesales is only part of the solution and costly so you need to be clear on expectations. Advisor generated leads result in better conversion rates.
II. The filtering of leads and peer review has improved the quality of businesses supported.
III. Getting advisors to talk to each other is important for cross referral and sharing expertise.
IV. Process and administrative refinements such as automation of checks frees up more delivery time.
V. Businesses would welcome funding to take forward identified actions.
VI. The use of alumni and client recommendations exploiting the potential of company contacts is desirable and would improve the number of word of mouth referrals.
VII. Internal collaboration is essential from the bid writing stage through to delivery.
VIII. Think about how projects might link together seamlessly and complement each other.
IX. There is a need to review the case file and tools to reflect the changing shape of the programme in light of the I2S Task and Finish Recommendations.
X. A central function offers independent management and control validating and verifying decisions.

XI. Holding firm in terms of recruiting the right calibre and quality of advisor has been beneficial.

LESSONS FOR THOSE MANAGING SIMILAR PROJECTS

I. A strong and large team with depth of knowledge has helped I2S overachieve its targets. Holding firm on recruitment has paid dividends.
II. In terms of project set-up invest early on having a separate central resource and developing robust and consistent processes.
III. There is an appetite to hear success stories including case studies via various digital channels.
IV. At the bid writing stage consider how complementary projects might link together.
V. Strong management, robust processes and longevity of the intervention worked well.
VI. It takes time to establish a strong referral network. Forge strong links with your local growth hub preferably through co-location and close advisor contact.
VII. Current beneficiaries can generate new referrals through word of mouth.

LESSONS FOR POLICY MAKERS

I. Consider how the I2S extension could adopt more flexibilities for instance in relation to the length of support or in terms of streamlining the administrative requirements.
II. Find a future role for I2S or complementary innovation within emerging Industrial Strategy and Shared Prosperity Fund.
III. The adoption of a stronger national profile and identity is needed for pilots like I2S to increase awareness and generate leads.
IV. The 'undertakings in difficulties rule' is hard to apply in an innovation context – consider UK flexibilities.
V. Consider funding changes post Brexit such as the refinement of procedures and more reasonable programme delivery overheads.
VI. Consider new innovation measures in addition to product development for instance around innovation capacity, access to finance, or progress towards commercialisation.

Finally the broad categories of what companies wanted or were prioritising were as follows:

- Funding/investors for product development (18% of comments).
- Assistance in market and export development and new customers post Brexit (33%).
- Assistance with scaling up – staff, marketing, new technologies (18%).
- Support to progress in the next stage in product development (19%).
- Business management organisation and systems (12%).

1. OVERVIEW AND CONTEXT

This is the final report of the I2S Project by Kada Research Limited in association with the Innovation Partnership. Covering the LEP areas of Hertfordshire and Cambridge & Peterborough Combined Authority, the IUK and ERDF funded I2S programme, provides tailored support to innovative SMEs.

1.1. BACKGROUND

The I2S helps SMEs to enhance their innovation management capability, resulting in increased effectiveness in generating and commercially exploiting their ideas. This improved capability will, it was anticipated, provide long-term benefits to the SME and local economies.

Beneficiaries undergo an in-depth needs assessment of their business by an Innovation Adviser and a bespoke package of coaching support is subsequently designed and delivered to embed innovation management capabilities.

SMEs are entitled to up to seven days free support. It is envisaged they will gain innovation management capacity early on in the process from point of the initial strategic analysis. Support will typically be delivered at the SME's own premises. This activity forms part of a programme being delivered across 13 pilot LEP areas as part of Innovate UK's (IUK) agenda to increase and enhance innovation management capacity in UK's small businesses.

1.2. PROGRAMME OBJECTIVES

The overall aim of I2S is to increase the effectiveness in generating and commercially exploiting ideas of high growth, innovative SMEs, as well as those showing innovation potential but facing barriers to innovative performance in the two LEP areas (Hertfordshire and Greater Cambridge Greater Peterborough). It prioritises SMEs in the LEP target sectors including life sciences, bio-medical, high value engineering and manufacturing, information and communications technologies, creative industries, carbon and environmental goods, financial and business services and high-end logistics. Innovative companies working in other sectors can apply. The objectives are as follows.

OBJECTIVE 1 – IMPROVING INNOVATION MANAGEMENT CAPACITY

The objective is to assist 300 participating SMEs to manage the innovation process. I2S will encourage investment in research and innovation and in product and service development and Innovation Advisers will:

- Provide relevant, professional advisory services.
- Increase business engagement in accessing EU and national grant funding.
- Improve SMEs' access to finance and resource efficiency.
- Focus on creating impact, in terms of market access, commercialisation, cost savings, productivity.

OBJECTIVE 2 – HELPING OVERCOME SIGNIFICANT BARRIERS TO INNOVATION AND THE COMMERCIALISATION OF NEW IDEAS

The barriers enterprises face including a lack of awareness of the benefits of investing in innovation, the cost and uncertainty about the value to the company, lack of access to appropriate finance, and translating knowledge into new market products and intellectual capital. This is explored in the company survey in Chapter 3.0.

OBJECTIVE 3 – SPEEDING UP THE ROUTES TO MARKET

Objective three concerns increasing the speed at which new products, processes or services can be developed and brought to market by participating SMEs. This will be achieved by increasing their innovation management knowledge, skills and capacity through tailored consultancy support.

OBJECTIVE 4 – SUCCESSFUL COMMERCIALISATION

The objective here is to achieve the successful commercialisation of new products and business processes and initiatives. As a result of the support provided, either to bring new products to market or encouraging the development of new business models (both recognised as needed in the LEP priorities), 90 SMEs will be supported in each LEP area (180 outcomes) to introduce products/services new to business and 52 will be supported to bring new products to market in each LEP area.

1.3. RATIONALE

The project's rationale is to encourage (a) more innovation across a broader range of sectors, (b) more of that innovation to be captured and commercialised locally and (c) businesses to navigate the challenges of surviving to commercialisation. Stakeholders agreed that the project rationale was sound whilst recognising that it is not possible to capture all the long-term outcomes arising from innovation activities.

"I feel that the big challenge is to speed up the innovation cycle. If we can reduce costs/time to market, we then reduce the 'valley of death' and we get more innovative outputs". (Stakeholder)

1.4. PROJECT ACTIVITIES AND CUSTOMER JOURNEY

The customer journey for I2S is centred around understanding companies' needs through an analysis of their requirements and dedicated account management. The advisors check eligibility; match company requirements to the right team resource (product/service); adopt a 'customer first' philosophy; and follow up including aftercare. The concept is to offer a seamless service.

In practice this means:

- SMEs will be matched to appropriate Innovation Advisers depending on their location, sector and experience, who will further diagnose their needs and account manage them through the project.
- Innovation Advisers will undertake initial needs analysis and strategic analyses of SMEs' innovation management capability and will report on the innovation barriers facing the business. The Innovation Adviser will ascertain whether the company will be suitable for I2S service and the decision is confirmed by a peer group.
- The Innovation Adviser will remain the client's key contact and will review his or her client's progress. They will assess the support requirements and potential of a company. Throughout the

journey they and/or project support staff will follow up with companies to check on outcomes achieved.

After initial screening, each service package will comprise five key elements: needs assessment and analysis, foundation, programme planning, implementation and review.

NEEDS ANALYSIS

Innovation Advisers (IAs) will undertake an initial needs analysis and strategic analysis of the SMEs' innovation management capability and will report on the innovation barriers facing the business. The tool the team of advisers will use to inform and support the detailed assessment of the SMEs' innovation management capacity and innovation performance is an innovation version of the High Growth GROWTHmapper™. This tool was specifically developed for this programme. An easy to use needs assessment in the format of a firm psychometric, it is designed to assess company strengths and weaknesses and challenge management perceptions.

The GROWTHmapper™ online tool consists of ten questions covering ten areas[4] and is completed online by the Owner Manager/MD/CEO and up to six senior managers in typically 15-20 minutes. Two reports are generated one for the client, one for the Innovation Advisor, to stimulate discussions at the face-to-face interview. Detailed results, alongside the information gained directly from the interview, will then be used to inform the foundation stage of the I2S service.

FOUNDATION STAGE

The Adviser will help create a foundation for on-going innovation management by supporting the business to examine or develop their innovation strategy and identifying key barriers/opportunity areas for productive innovation and agree these for action at the planning stage.

PROGRAMME PLANNING

The adviser will work with the business to put a plan in place to address the barriers in topics such as management or resource development. A SMART action plan will be developed to document and address the weaknesses, bottlenecks and opportunities, being clear about who is responsible, accountable and who needs to be, consulted or informed so that the client and their management team are fully bought–in.

IMPLEMENTATION

The plan will be implemented via a series of business focused modules to enhance the business's innovation management capacity and growth potential. Support will fit the client's needs and will be delivered by Innovation Advisers, by specialists from within the applicant organisation or brokered out for delivery by industry experts external to the project. Examples of service modules (not in priority order) include:

- Market understanding – an exploration of markets, resources and competition.
- Staying ahead – an exploration of how a business can foster creativity and how and from where ideas are generated and how new ideas are documented.
- Working with others – an exploration of how well and effective their collaboration is with their team, networks, suppliers, and customers.

[4] Leadership, operations, change, people and skills, innovation, cash, marketing and sales, finance, sstrategy, sustainability.

Examples of expert modules include:

- People – a bespoke package assessing individuals' skills and learning needs for business development through innovation as well as recruitment needs, training and other CPD programmes.
- Access to finance – exploration with the company of the alternative forms of finance available and review as to which are most appropriate for the stage the company is at.
- Protecting ideas - review of company's intellectual property management strategy.
- Electronic communication - review of the company's use and effectiveness of all forms of electronic communication for internal purposes and external marketing including use of social media

SMEs are also signposted to specialised brokered modules outside the project in areas such as market research, design and prototyping, etc. One area that has been received well is an Intellectual Property (IP) strand. The Intellectual Property Office (IPO) have funded up to £2,600 of support to undertake an audit.

REVIEW

Once the client has completed the selected implementation stage modules, the adviser and the company will complete a review of the programme and service delivery. The Innovation GROWTHmapper™ assessment will also be re-run at this point to provide a snapshot qualitative review of the impact of I2S, providing real time evaluation alongside additional added value to the client regarding next steps. This takes place at the end of the project. Delivery may also be supplemented with small number of events or other SME interactions such as workshops on specific subjects of common interest.

The above activities offer an in depth and tailored package of support that will equip targeted SMEs with: the tools needed to improve their capability to manage the innovation process, to help them to translate their knowledge into new market products and build on their intellectual capital and facilitate the transfer, exchange and exploitation of knowledge that helps to drive the capacity to innovate. It will also introduce them to innovation processes to internationalise and exploit knowledge-intensive services. For instance, SMEs will be given intensive bespoke advice to help them adapt to market opportunities, forge partnerships with firms/universities, innovate and exploit their unique selling points.

1.5. STUDY AIMS

The specific aims of the evaluation are to:

- Undertake a robust assessment of whether the project is making progress towards achieving its objectives or not (see Section 6.1 for a summary), what has worked well and what has not, for whom and under what circumstances (see Chapters 3 and 4).
- Assess the original rationale for the project, and whether the rationale is/is not still valid including how it fits with current ERDF priorities and those of other local, regional and national strategies (see Section 1.7).
- Conduct a robust quantitative impact evaluation of the project that assesses performance including: the achievement of gross outputs and expenditure against its approved targets (see Chapter 2.0).
- Conduct a value for money assessment of the cost effectiveness in terms of input/output unit cost ratios (see Chapter 4.0).
- Assess the effectiveness of the process of delivery including management, administrative and delivery mechanisms and operational characteristics that have had a significant effect on the scale

and nature of the outcomes and impacts realised through the project. This is covered in Chapter 5.0.

- Provide recommendations to improve operational delivery, beneficiaries experience and outcomes (see Section 6.2).

1.6. STUDY APPROACH

An inception meeting was held to confirm the approach, agree the principal milestones and hear about the development of the project giving an insight into its context and delivery and the original rationale. After the meeting the project logic model (see Annex One) was refined to trace its impacts. The next stage of the research involved a review of the project's strategic context. There was a desk review of marketing and communications materials, project documentation and IUK/ERDF targets - outputs, results and impacts (see Chapter 2.0).

A consultation programme was undertaken with key stakeholders (See Annex Two for a list of those consulted). A workshop was also undertaken with I2S advisors in September 2017 and there was a Management Committee Discussion (December 2018) and Advisor Team meeting (December 2018). A topic guide was developed covering activities, alignment and complementary activity, stakeholder relations and legacy/sustainability. Some consultees were revisited for an update interview at the final stage to review the interim recommendations and remaining and future priorities.

A telephone survey was undertaken with 103 participants and 27 companies who did not proceed (this was agreed to offer the most useful counterfactual intelligence). These were done in two cohorts in 2017 and 2019. The surveys included both qualitative and quantitative findings and gain a unique insight into the added value and innovation and wider benefits of the project. They explored the nature of support and whether it was appropriate to their needs given the initial innovation barriers or market failures experienced. The survey captured the extent and nature of innovation activities and the effectiveness of action planning in stimulating innovation management capacity. It explored the degree to which business investment has stimulated wider innovation benefits such as the generation and exploitation of ideas. The survey results were presented to the I2S and Strategic Advisory Group Management Committee in October 2017 and again in March 2019.

Eight case studies have also been undertaken (these appear throughout).

1.7. STRATEGIC CONTEXT

I2S was developed by IUK, which offers tailored support and advice to business to innovate and grow internationally. Since 2015 it has been co-financed by Innovate UK and COSME – an EU programme designed to helps businesses to access markets in the EU and beyond. Following a successful Horizon 2020 project to enhance innovation management capacity, I2S was conceived as a result of recommendations from the H2020 Innovation Services Working Group. This group was drawn from experts from across UK sub-regions and in close consultation with IUK. I2S, it was perceived, could roll out the H2020 concept on a much wider basis through thirteen pilots and focus on more mature companies. Many of the H2020 companies were start-ups and it was felt under the pilot more mature firms would be better placed to exploit new product development and commercialisation support.

I2S fits the objectives of the ERDF Operational Programme Priority Axis 1 (PA1) which aims to increase the number of SMEs engaged in collaborative research and innovation. Businesses have to be able to

successfully manage innovation to succeed and be able to benefit from increasing investment in R&D. The project fits this overarching aim closely as its focus is on the business aspects of taking new products or services to market and commercialising them.

I2S also meets the IUK Delivery Plan priorities which include working with companies to de-risk, enable and support innovation (p2). The plan highlights how it is connecting businesses and helping SMEs find new markets for their products and providing businesses with hands-on support, coaching and training to increase their capability to innovate and grow (p10). The project fits well with the wide Enterprise Europe Network's service. The network offers SMEs all the services they need in one place to innovate, grow and internationalise in one individually tailored package[5].

I2S also has potential to reinforce the long-term commitment to raise the R&D intensity of the economy as articulated in the Final Report of the Industrial Strategy Commission (November 2017) and inform the thinking around the proposed new UK Research and Innovation (UKRI) agency. The report notes that across advanced economies the mechanisms for diffusing innovative new technologies, skills and business practices throughout the economy are weakening, manifested in a growing divide at the firm level between internationally competitive companies at the technological frontier, and underperforming firms (p18, citing the OECD report The Future of Productivity (2015)). It claims, *"too little emphasis has been given to the creation of new markets for innovative technologies, and mechanisms to diffuse these innovations and associated skills and business practices throughout the economy"* (p25).

The Industrial Strategy Commission recommends that the new industrial strategy should recognise the state's essential role in driving technological innovation, and focus on diffusion, as much as disruption (p29) and proposes a greater emphasis on driving the demand for innovation (p43). This 'new emphasis on demand-led initiatives' (p43) positions I2S well and any new business facing activity will be led by the new UK Research and Innovation (UKRI) agency. The new Industrial Strategy has been designed with a comprehensive understanding of the whole R&D landscape and the relationships between its different parts.

1.8. GEOGRAPHICAL AND SECTORAL CONTEXT

There is much business diversity within the target areas from the growth corridors of the A10 and M11 to the Hertfordshire new towns to the technology parks and villages in Cambridgeshire. The area also embraces parts of the Fens and rural East Hertfordshire and well as harbours in Wisbech and Kings Lynn. The key sectors are similar across the Hertfordshire and Greater Peterborough and Greater Cambridgeshire areas, but the business dynamics are quite varied. It includes a highly innovative food industry sector, bio/pharma companies through to packaging as well as strong manufacturing bases in Peterborough, St Neots and St Ives. Some of the area provides the supply chain for Formula one and includes defence, aerospace and automotive industries.

The project supports relevant objectives in the LEPs' ESIF Strategies. In Hertfordshire it aligns closely thematic objective 1 – 'Strengthening Research, Technological Development and Innovation'. The Strategy recognises that innovation takes place within an ecosystem much wider than a simple support service, and concludes, *"there is a growing need to look at the whole innovation value chain and support innovation in services and the creative industries and to reflect emerging trends in open and user led innovation."* It is in recognition of this that this project, rather than simply offering a support service, is (a) tailoring its offer to the very specific needs of individual clients, within their own sector and existing support networks, and (b)

[5] Enterprise Europe Network, Strategic Vision for 2020 and beyond, EC, October 2017.

working closely with the Growth Hubs covering the two LEP areas to ensure the development and embedding of wider support systems and value chains.

The GCGP PA1 call explains how important innovation and technology businesses are within the GCGP area and the extent to which the area is recognised nationally and within the European Union as a centre for innovation. However, it identifies three issues that are important for the growth and sustainability of this sector within the local economy, namely:

- More innovation across a broader range of sectors.
- More of that innovation is captured and commercialised locally.
- Greater leverage (of) the value and strength of the area's innovation base to help businesses navigate the challenges of surviving to commercialisation.

The project also aligns with the GCGP LEP ESIF Strategy's first thematic objective, 'Strengthening Research, Technological Development and Innovation'. The strategy recognises that *"The LEP area is world-renowned as a leading location for innovation"* and is *"one of the top 10 LEP areas for the share of employment in the knowledge economy"*.

HERTFORDSHIRE

Hertfordshire is recognised as a county with a highly skilled workforce. It was also noted by stakeholders that it would be desirable to retain a high proportion of this expertise. From a sectoral point perspective, Hertfordshire has high profile in areas such as life sciences, biotechnology, advanced manufacturing and engineering. Hertfordshire has strengths in life sciences, as well as advanced manufacturing and engineering and professional, banking and finance sectors.

The area was once dominated by industrial giants some of whom, like Glaxo Smith Kline (GSK), still prosper. The economy has restructured since large defence and aerospace contractors suffered in the 1990s due to the peace dividend. This has been matched by growth in film and media at Leavesden[6] and Elstree Studios and service sector growth elsewhere. The project is focusing on this next generation of SMEs in creative sectors as well as manufacturing firms and other service sectors developing new to the firm technologies. To summarise in Hertfordshire, whilst innovation levels are good, much of the innovation activity is happening within larger companies. This project is addressing the PA1 call by looking to increase innovation levels amongst smaller businesses.

CAMBRIDGE & PETERBOROUGH COMBINED AUTHORITY (CPCA)

This area is known for its global expertise in cutting edge research and advanced manufacturing, e.g. bio-tech/medical, life sciences, and clean-tech technology as well as one of the best-known universities in the world. The Cambridge innovation ecosystem is more developed than that of Hertfordshire, though GCGP advisors claimed whilst the area was good at attracting investment it was less successful at commercialising it. A leader in Agri-Tech, underpinned by the highest concentration of some of best quality farmland in the UK as well as equine sciences and horticulture. The areas ICT and creative industries strengths is underpinned by mature business networks. That said the GCGP ESIF notes (p9) that whilst this diverse economic base is providing a strong platform for growth it could be significantly accelerated if a) more

[6] Rolls-Royce who used this old aerodrome site as a factory for producing engines for airplanes and later helicopters until the early 1990s.

innovation across a broader range of sectors makes it to commercialisation, and b) more of that innovation is captured and commercialised locally and within the UK rather than taken abroad.

Since the Interim Report was undertaken the Cambridgeshire and Peterborough Combined Authority (CPCA) has adopted a new approach to economic growth with a greater focus on creating more jobs above living wages and a focus on innovation and scalable businesses. CPCA is working on a local industrial strategy following the Cambridgeshire and Peterborough Independent Economic Review (CPIER). The review talks about the significance of the Cambridge-Milton Keynes-Oxford Arc, and The UK Innovation Corridor/London– Stansted– Cambridge-Consortium and is exploring the idea of innovation districts. One of the Mayors ambitions is to be The UK's capital for innovation and productivity.

The next Chapter assesses project performance.

2. PERFORMANCE

This Chapter focuses on I2S progress to December 2018 including performance against contracted outputs and client engagement levels.

The information provided has been drawn from interviews with key stakeholders, and an assessment of Project Progress Reports produced by the I2S project management team for monitoring and evaluation purposes, and for submission to The Ministry of Housing, Communities and Local Government (MHCLG). The most recent report covers the period ending December 2018 and forecasts spending and outputs against agreed targets for the end of the programme in March 2019.

Initially I2S had a slow start and found recruitment of suitably qualified Innovation Advisors as a challenge. By the end of the project it was broadly on track to spend almost all of its IUK/ERDF allocation and all outputs have been exceeded.

Telemarketing has been the key channel for client engagement leads but other channels such as advisor generated and partner referrals (including collaborative events) have built momentum. These latter channels have produced better-quality leads, with conversion rates increasing as Innovation Advisors became increasingly skilled at selling the project, more often through sharing project experience. This is perhaps understandable given the volume of clients targeted by telemarketing and the fact it is cold calling a larger sample when compared to the more targeted approach from advisers.

Overall, there were no major areas of concern or significant barriers to I2S achieving its operational and contracted performance objectives.

2.1. FINANCIAL PERFORMANCE

The I2S management report confirms that the project is only slightly under profile (by £32,708) cumulative up to December 2018, due primarily to slower than forecast marketing and expenses expenditure defrayal.

	Cumulative	IUK/ERDF Forecast	Variance (£)	Variance (%)
Expenses	£35,937	£47,158	-£11,221	-24%
Salaries	£1,372,365	£1,374,750	-£2,383	0%
Marketing	£85,388	£96,614	-£11,226	-12%
Overheads	£205,854	£206,214	-£390	0%
Professional Fees	£23,485	£31,000	-£7,515	-24%
Totals	**£1,723,028**	**£1,755,736**	**-£32,708**	**-2%**

Source: I2S Project Progress Report [10 and 11], to December 2018

The projected final cumulative spend by the end of the programme in March 2019 is forecast to be £1,921,300 or circa £21,000 (-1%) underspend against the £1,942,584 allocation. To all intent and purposes therefore, the project will be fully spent.

Funding		Actual spend to date	Projected final claim	Variance (£)	Variance (%)
IUK & ERDF	£1,942,584	£1,722,800	£1,921,300	-£21,284	-1%
ERDF	£971,292	£861,400	£960,650	-£10,642	-1%
IUK	£971,292	£861,400	£960,650	-£10,642	-1%

Source: I2S Project Progress Report [10 and 11], to December 2018

2.2. OUTPUTS

Key cumulative outputs/outcomes for the end of December 2018 are presented in the following table:

Funding	Cumulative output Dec 2018	Target to end of Programme	Forecast at March 2019	Forecast Variance	Forecast Variance (%)
C01/C04 Claimants receiving 12+ hours support	282	300	320	20	6.7%
C28 New Products/Services to Market	145	104	220	116	111.5%
C29 New Products/Services to the business	169	180	224	44	24.4%

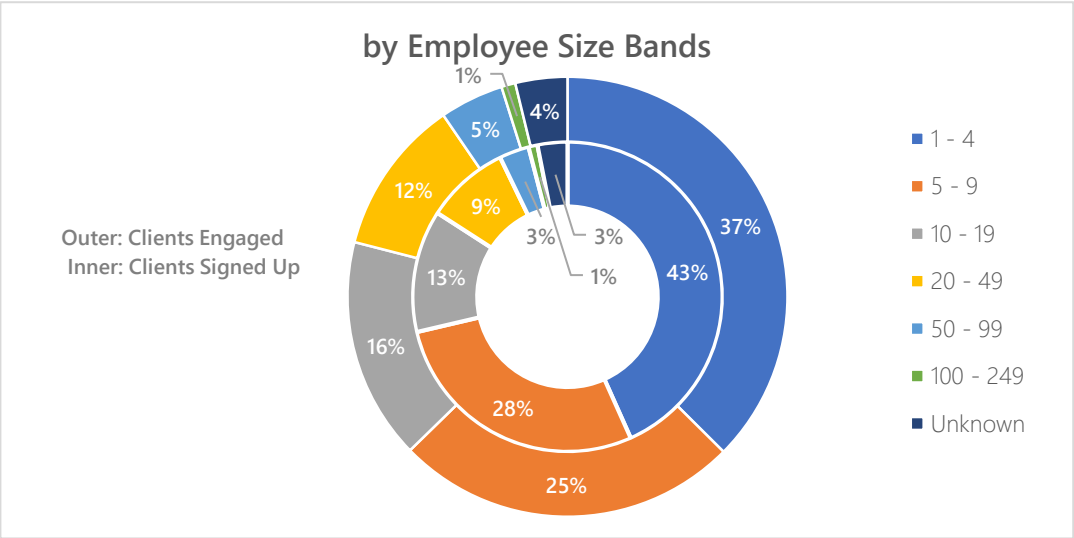
Source: I2S Project Progress Report [10 and 11], to December 2018

C01 is the key ERDF indicator of 'Enterprises Assisted', with C04 representing "Enterprises receiving non-financial support" which is comprised of two days (12 hours) of active consultancy support. The combined target of 300 for both C01 and C04 was always thought to be realistic by the delivery team. By the end of December 2018 these were closer to profile and are forecast to over achieve by 20 businesses or 6.7% above the target.

In terms of output C28 "New to the Market Products", the December 2018 performance of 145 companies has already exceeded the target of 104 and is forecast to more than double the target by the end of March to 111.5%. "New to the Firm Products" was close to profile against the last report and is also expected to pass the target by 44 or 24.4% by the end of the programme.

2.3. CLIENT PROFILE

The following chart and table show that there is a good mix of 'clients signed up' companies. Micro companies (1 to 9 employees) represent 71% of the clients (90.9% countywide) who have signed up, small sized firms (10-49) are 22% (7.4% countywide), and medium sized (50-249) are 4% of the signed-up client businesses (1.4% countywide). It is worth noting that the conversion rates for larger firms (especially those in the 10-99 bands) are harder to convert.



Source: I2S Project Progress Report [10 and 11], to December 2018, Clients Engaged: n= 681 Clients Signed Up: n= 321

Sector	Clients Engaged	Clients Signed Up
Manufacturing	230	95
Information and Communication	125	64
Professional, scientific and technical activities	118	64
Wholesale and retail trade; repair of motor vehicles and motor cycles	64	27
Administrative and support services	50	25
Construction	21	11
Other service activities	12	8
Arts, entertainment and recreation	7	5
Human health and social work activities	7	3
Transportation and storage	6	4
Education	5	4
Financial and insurance	5	1
Accommodation and food service activities	4	4
Activities of extraterritorial organisations and bodies	4	1
Agriculture, forestry and fishing	3	1
Real estate activities	3	1
Water supply; sewerage, waste management and remediation activities	3	1
Activities of households as employers; undifferentiated goods and services-producing activities of households for own use	1	1
Public administration and defence; compulsory social security	1	0
Unknown	12	1
Totals	**681**	**321**

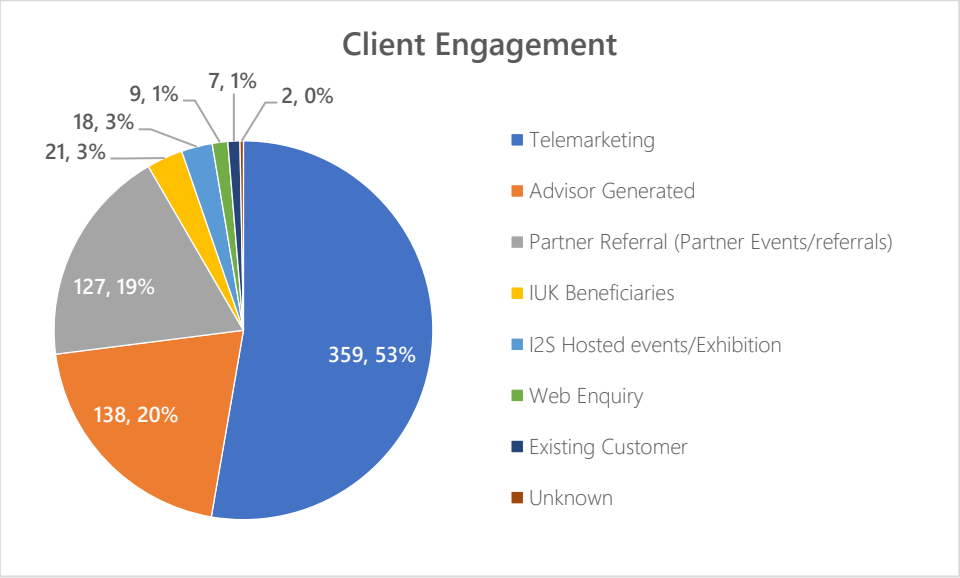
Source: I2S Project Progress Report [10 and 11], to December

Three sectors represent 70% of the 'clients engaged' and 70% of the 'clients signed up' (37% in Hertfordshire). 'Manufacturing' is 34% and 30% respectively (4.3% countywide); 'information and communication' is 18% and 20% respectively (12% countywide); and 'professional, scientific and technical' is 17% and 20% respectively (21% countywide). These three sectors are high order activities contributing more significantly than the average sector to GVA and the growth and wealth of the county.

2.4. CLIENT ENGAGEMENT

By the end of December 2018, staff had held meetings with a total of 681 client businesses. Of these, 321 clients signed up to I2S. The I2S management team monitors the source of project leads which are illustrated in the next charts (to end December).

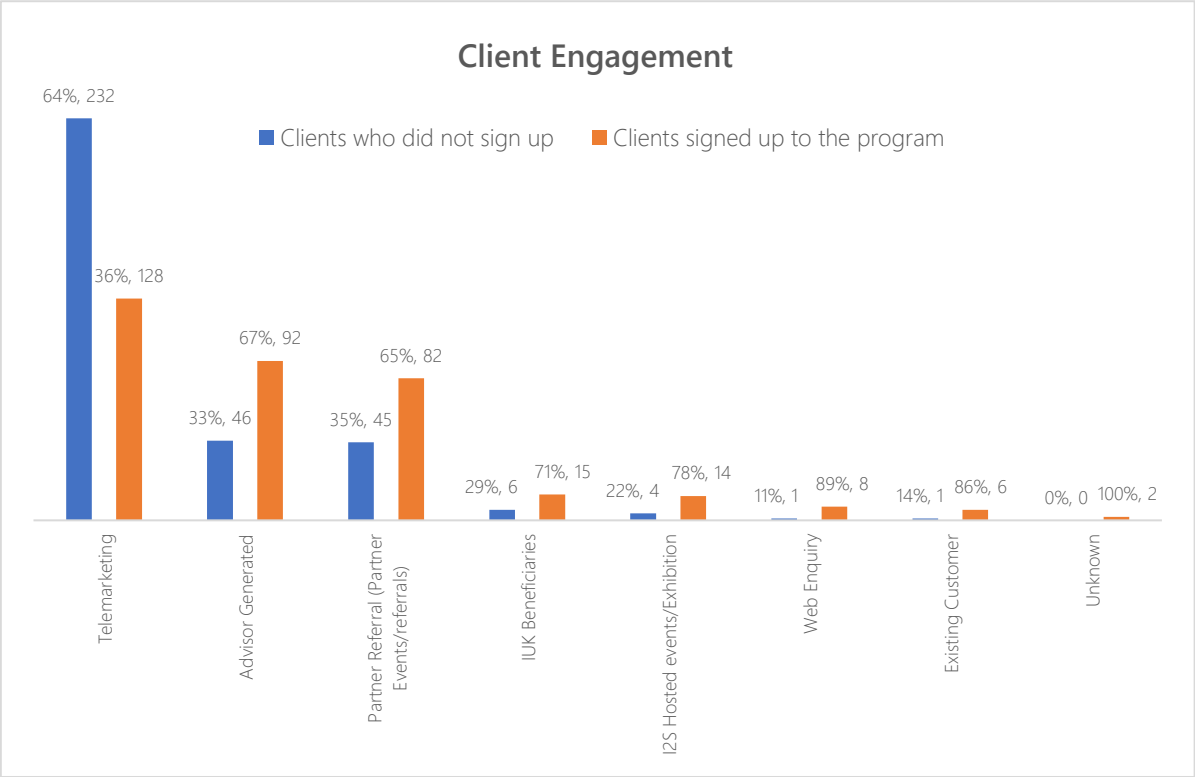
Since the project's inception, telemarketing has been the key source of leads for I2S (53% of all leads). As other outreach activities built momentum, i.e. advisor generated, referrals, networking activities and attendance at partner events took an increasingly important role in generating quality leads for the project. One in five leads is either advisor sourced (20%) or partner related (19%).



Source: I2S Project Progress Report [10 and 11], to December 2018 n=681

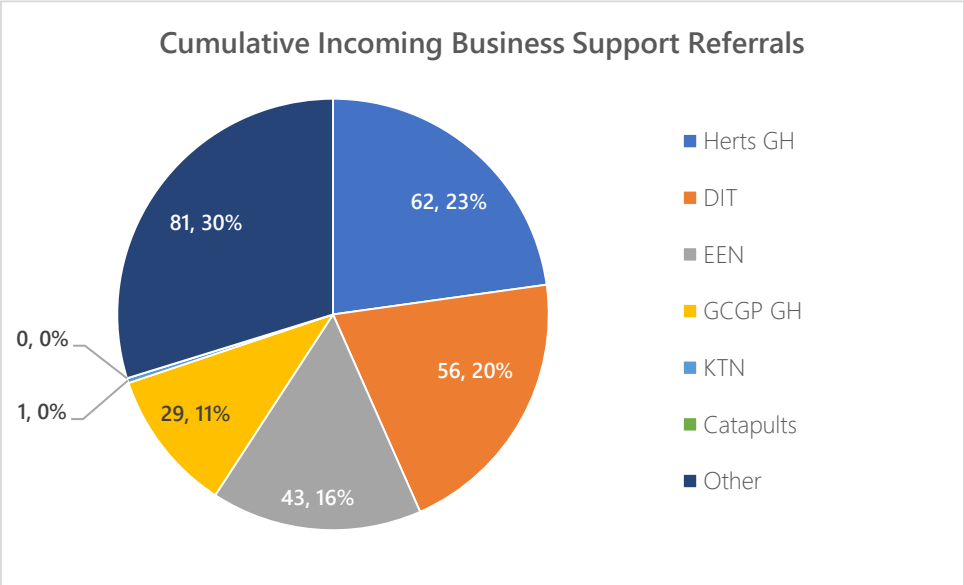
[Note that the 'Advisor Generated' category includes employee referrals, self-generation and networking]

Although more than half of the leads are sourced from Telemarketing the conversion rates are only a little over a third (36%). The other methods have more effective conversion rates which is understandable given the larger volume of clients targeted for cold calling a large sample. Two-thirds of advisor generated and partner referrals clients are converted to sign up which are clearly more targeted. As the project matured, there was a rise in the conversion rates from meetings held with prospective clients through to sign up. The research indicates this is a result of several factors, not least more efficient lead generation, i.e. the right message to the right individual/audience, an increased ability of the Innovation Advisors to sell the project, better match of resources, i.e. advisor to lead, and the increasing ability to share project experience to date.



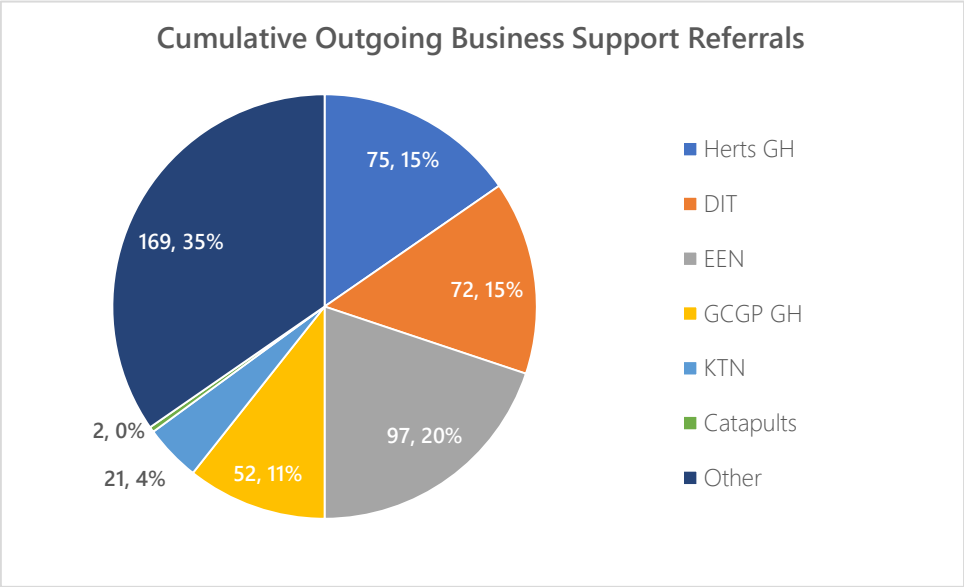
Source: I2S Project Progress Report [10 and 11], to December 2018. Clients who did not sign up: n=335; Clients signed up to the program: n=345

The two following charts show incoming and outgoing referrals at the end of December 2018:



Source: I2S Project Progress Report [10 and 11], to December 2018 n=272

The charts indicate that outgoing referrals for the project are around 1.8 times those of incoming referrals over the study period, with incoming representing circa 56% of total referrals. This is true of all the partners. There are good links to areas where Exemplas has a delivery role or expertise (HGH, DIT, EEN) and both growth hubs feature strongly. The I2S extension (see later) could perhaps do more to educate and engage other business-support stakeholders (see Recommendations).



Source: I2S Project Progress Report [10 and 11], to December 2018 n=488

2.5. EQUAL OPPORTUNITIES

I2S management statistics has continued to collect data from beneficiaries on the project's position on equal opportunities and to analyse and inform current and future marketing activity. It is accepted that without specific targets, it is difficult to evaluate performance in this area. Through discussions with stakeholders, however, they believe the flexibility in the project model was always able to facilitate a change in target marketing and approach if any area became under represented (for instance linking with women's business networks for instance). Analysis of the data shows that those clients who signed up clearly represented a more equal societal representation.

The research team compared the gender of business ownership for clients who were signed up to I2S and those clients who were engaged but did not sign up. It indicated that in the signed-up group, women were twice as likely to be in the majority in business ownership (18%) than those in the group that did not sign up (9%). The figures however are still lower than they would be if they were to more closely reflect society.

Gender	Clients Engaged but not Signed-Up	Clients Engaged but not Signed-Up (%)	Clients Signed-Up	Clients Signed-Up (%)
Male Majority	254	71%	207	64%
Female Majority	33	9%	57	18%
No Clear Majority	69	19%	52	16%
Prefer Not to Say	2	1%	3	1%
Not Provided	2	1%	2	1%
Totals	**360**	**100%**	**321**	**100%**

Source: I2S Project Progress Report [10 and 11], to December 2018 n=681

The comparisons between clients signed up and clients engaged but not signed-up indicates a marginally higher proportion of minority ethnic groups in the signed-up group. Looking at ethnicity those of non-white ethnicity account for 11% of the clients signed up. This is higher than the CPCA average (7%) who identify as from an ethnic minority background (UK or non-UK born) and slightly lower than the Hertfordshire average 14% (Nomis, ONS, April 2017-March 2018).

Ethnicity of Ownership	Clients Engaged but not Signed-Up	Clients Engaged but not Signed-Up (%)	Clients Signed-Up	Clients Signed-Up (%)
White Majority	302	84%	268	83%
Mixed Majority	0	0%	3	1%
Asian Majority	19	5%	23	7%
Black Majority	4	1%	5	2%
Chinese Majority	7	2%	3	1%
No Clear Majority	18	5%	7	2%
Prefer Not to Say	6	2%	10	3%
Unknown	4	1%	2	1%
Totals	**360**	**100%**	**321**	**100%**

Source: I2S Project Progress Report [10 and 11], to December 2018 n=681

The comparisons between clients signed up and clients engaged but not signed-up indicates a slightly higher proportion of disabled in the signed-up group. Clearly numbers here are still very small.

Disability Ownership	Clients Engaged but not Signed-Up	Clients Engaged but not Signed-Up (%)	Clients Signed-Up	Clients Signed-Up (%)
Yes	3	1%	3	1%
No	343	95%	287	89%
Prefer Not to Say	11	3%	30	9%
Unknown	3	1%	1	0%
Totals	**360**	**100%**	**321**	**100%**

Source: I2S Project Progress Report [10 and 11], to December 2018 n=681

The distribution of businesses by different age groups shows that those who went ahead and signed up were younger (under 50) than those who did not sign-up (34%).

Age Band Ownership	Clients Engaged but not Signed-Up	Clients Engaged but not Signed-Up (%)	Clients Signed-Up	Clients Signed-Up (%)
Under 25	1	0%	2	1%
26 - 49	121	34%	152	47%
50 plus	232	64%	159	50%
Prefer Not to Say	3	1%	7	2%
Unknown	3	1%	1	0%
Totals	**360**	**100%**	**321**	**100%**

Source: I2S Project Progress Report [10 and 11], to December 2018 n=681

2.6. MARKETING

The team has continued to build up organic activity through the Innovate 2 Succeed Twitter and LinkedIn channels. This includes sharing third-party content as well as sharing original content, case studies, testimonials and promoting events. Twitter engagement and website hits continue to grow. The team continues to exhibit at numerous partner events and has undertaken extensive networking.

Marketing activity, channels and content are currently focusing on brand awareness and showcasing of the I2S project and its impacts to continue to build a pipeline. New case studies are being drafted and video case studies have been filmed. The team is exploring Pay Per Click (PPC) and has promoted tweets on Twitter.

2.7. PERFORMANCE CONCLUSIONS

- All outputs have been overachieved with an exceptional performance on C28 (New Products/Services to Market). To all intent and purposes the project will be fully spent. Overall, there are no major areas of concern or significant barriers to I2S achieving its operational and contracted performance objectives.
- Whilst telemarketing has been the key channel for client engagement leads other activities such as advisor generated and partner referrals have built momentum. These channels have produced better-quality leads, with conversion rates increasing as Innovation Advisors became increasingly skilled at selling the project, more often through sharing project experience.
- There is a good mix of 'clients signed up' with companies covering many high value sectors. Clients who signed up clearly represented a more equal societal representation.
- In terms of outgoing referrals there are good links to areas where Exemplas has a delivery role or expertise (HGH, DIT, EEN) and both growth hubs feature strongly.
- Marketing activity, channels and content are currently focusing on brand awareness and showcasing of the I2S project and its impacts.
- It is important to continue to build linkages with HEIs and the wider IUK family.

3. BUSINESS SURVEY

This Chapter presents the findings from 130 company telephone interviews including 103 service users and 27 who did not proceed.

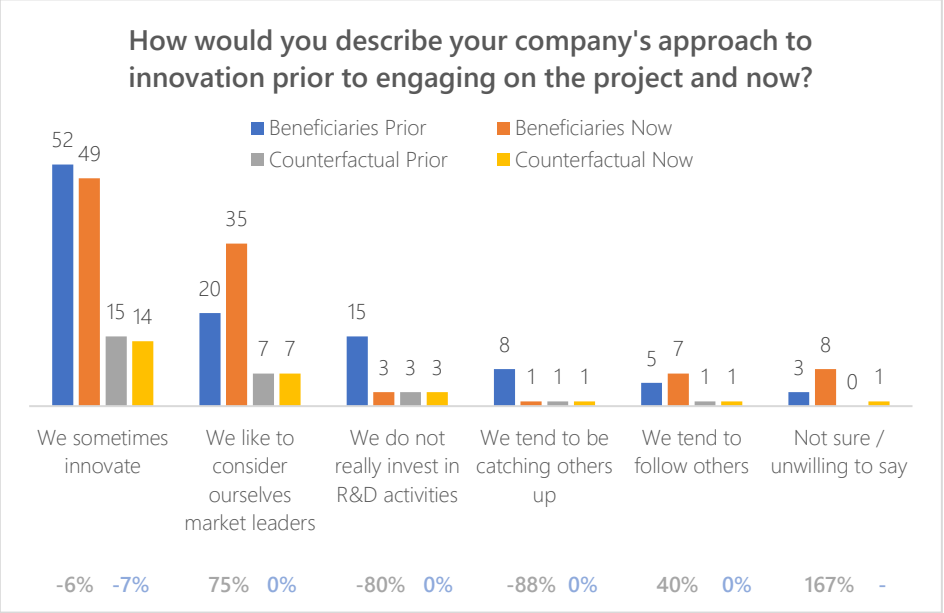
3.1. SURVEY OVERVIEW

One hundred and thirty surveys were conducted in two cohorts (2017 and 2019) by telephone (Computer Aided Technology Interviews) covering the 103 completed service users and 27 counterfactual participants. The survey collected both qualitative and quantitative data exploring:

- The added value, commercial and wider benefits of the project.
- The nature and appropriateness of support participants had received.
- The extent and nature of innovation activities.
- The effectiveness of action planning in stimulating innovation management capacity.
- The wider innovation benefits (e.g. the generation and exploitation of ideas).

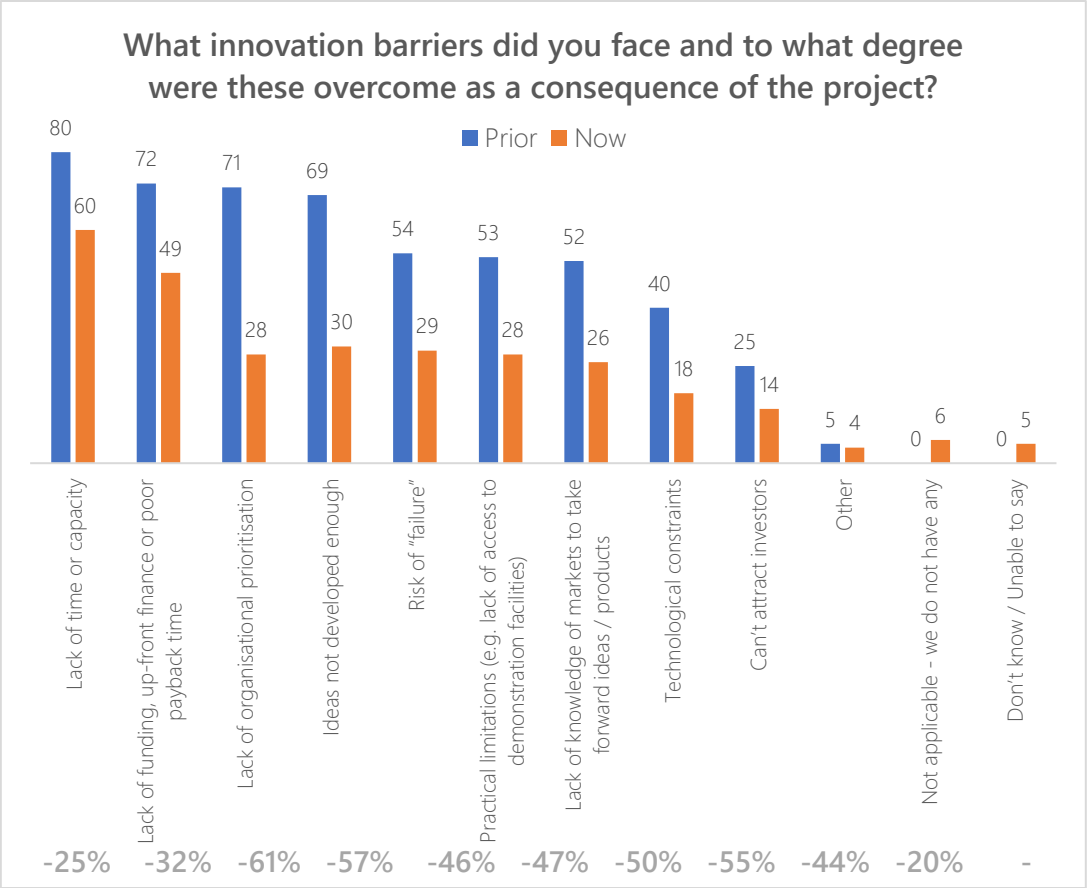
3.2. APPROACH TO INNOVATION AND BARRIERS

Respondents rated themselves based on their company's approach to innovation before and after engaging on the project. There was an 75% increase in participants who considered themselves market leaders, and a decline of 80% for those who do not invest in R&D.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103; Counterfactual n=27

There was a noticeable decline in the innovation barriers faced before and after the project. The highest percentage decrease was for the following barriers - 'lack of organisational prioritisation' (61%), 'ideas not developed enough' (57%), technological constraints (55%) and 'lack of knowledge of markets' (50%) with 'practical limitations' and 'risk of failure' being 47% and 46% respectively. Despite these declines two barriers remain stubbornly high, 'lack of time or capacity' (a 25% decrease) and 'lack of funding' (a 32% decrease). (For a Counterfactual comparison chart, see Annex Three).



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

The first case study is Tech4T, a company that helps businesses to understand its current client base and method of operation and explore new markets. Their I2S advisor analysed the client's products and services and identified a positive fit with potential customers and markets around the world.

Case Study:

Peterborough Tech Company Exploits New Global Markets

"We felt we had a strong product but could do with some validation and help in exploiting it better. Innovate to Succeed seemed a good fit in that respect".

Director Carole Barlow

Technologies for Targeting (Tech4T) based in Peterborough are experts in territory, location and field force optimisation. The team at Tech4T apply location and targeting analytics to help businesses and franchisors maximise their sales growth and increase operational efficiency by understanding current and potential markets. Clients operate in a diverse range of industry sectors in the UK and in many countries globally.

The firm builds customer profiles and granular segmentation systems using specialist analytic techniques coupled with demographic intelligence and business statistics. They use proprietary data visualisation and mapping software to bring their analysis to life, giving clients insight into their sales and operational efficiency and the ideal size for field teams and their territories. Director Carole Barlow notes "we can look at a client's customer base and historic data, then apply behavioural analysis and predictive modelling to determine buying patterns and predict sales potential". Tech4T's analysis helps firms understand their existing customers and locate new ones with similar profiles whilst taking account of assumptions such as field team locations and travel time etc.

Carole received a telephone call initially from an advisor at the University of Hertfordshire about Innovate to Succeed (I2S). When asked about her motivations she commented,

"We are a relatively small company and we typically work 'in' the company and not 'on' the company. Basically it was hard to get out of the cycle that we were in" Carole noted.

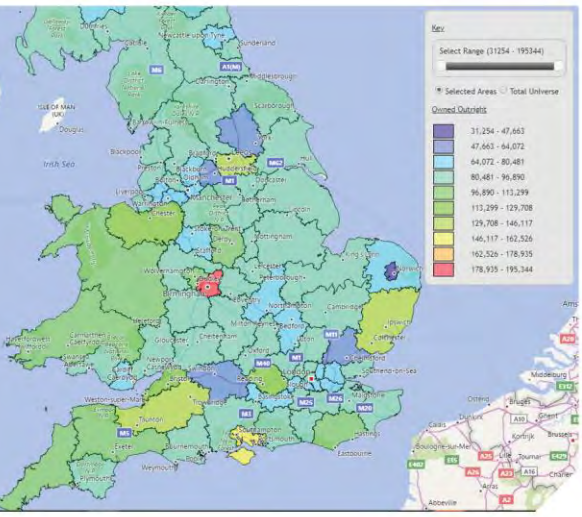
The key barrier to innovation for Tech4T was quite simply a lack of time. After an initial visit their I2S advisor thought that their new and innovative Territory Runner product 'was very exportable' and the firm could potentially capitalise much more on its capabilities and new markets. The early sessions with their I2S advisor, Simon Atack, were described as very productive and varied. They included an initial session on Time Management which highlighted where time was being spent and identified a critical gap in sales and marketing activity and related resource. This led to the appointment of a new Marketing Apprentice and Business Development Manager.

Simon used a Value Proposition Canvas with the business and other tools including SWOT[1] and STEEPLE[2] analysis, Orbit (a business reporting and analytical tool) and 8P Marketing Mix gap analysis. The 8P gap analysis[3] and Value Proposition Canvas where particularly useful in helping the business to identify the existing marketing gaps in order to create an informed strategy.

[1] Strengths, Weaknesses, Opportunities and Threats.

[2] Social, Technological, Economic, Environmental, Political, Legal and Ethical

[3] Product, Price, Place, Promotion, People, Processes, Physical Evidence and Productivity



Simon their advisor noted that:

"This included reframing the value proposition message to different client sectors and putting into place a far more comprehensive and consistent approach to digital marketing activity".

Operational processes were also scrutinised and recommendations made for process improvements such as the introduction of a CRM system along with a range of KPI's that could be employed to help better monitor and manage organisational performance.

Following the support Tech4T went on to sell many more products and have secured several contracts in the USA including the creation of an international territory system for Tutor Doctor, an expanding children's tutoring franchise. Tech4T built them a worldwide system with an interface to various countries and continents worldwide. The support has helped them achieve other export orders too including two more business wins from America including one in 2019 with an IT support company which needed better coverage to support its clients. Tech4T also recently advised a major American business coaching company and is currently building a worldwide franchise territory system for them. Carole rated the assistance as excellent and felt it had significantly improved the company's approach to innovation.

"It allowed us to bring everything together with improved planning and a better focus. Some of the effects will be felt longer term. It will affect the whole way we work".

Looking to the future the team are hoping to integrate Artificial Intelligence and further develop their system. "It has made us look more widely at potential technologies and different processes and examine much more closely how to make the building of our systems more standardised and efficient whilst still incorporating customised elements" commented Carole. The team now have greater commercial awareness of their product's market potential and plan to continue to refine its capabilities and features including new analytical functions such as a 'compare feature' to easily identify areas with similar demographics.

The support helped the firm achieve greater growth than otherwise would have been achieved. As a result of the support in addition to the two posts already created Tech4T are hoping to recruit one or two more analytical posts this year.

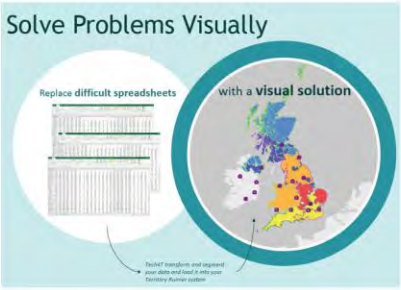
Carole said she was very satisfied with the support, noting

"I guess it was Simon who understood what was needed. I2S made us think more about innovation. To have someone external look at our product and give feedback on it was very useful. The I2S advisors thought it was definitely worth developing further which was encouraging".

The two most useful parts of the support were help with commercialising the product and a grant received for Intellectual Property (IP) advice. This included advice on IP protection to support multi-national franchising of the model as the business scales.

In terms of future priorities the firm would like to expand their volume of exports to the states and the team aim to exhibit at relevant US shows in 2020. Carole noted the US was a much bigger market than the UK and feels their recent experience with Tutor Doctor and other clients made them realise 'we have got a lot going for us'. The firm intends to continue to innovate and update their products and make a more conscious effort to take a structured approach to their R&D activity and investment.

> I2S has had quite an impact, it made us look at the value in our system and services. As well as helping us in our marketing it has helped us see where there were gaps in our product and it's now stronger as a result
>
> Carole Barlow



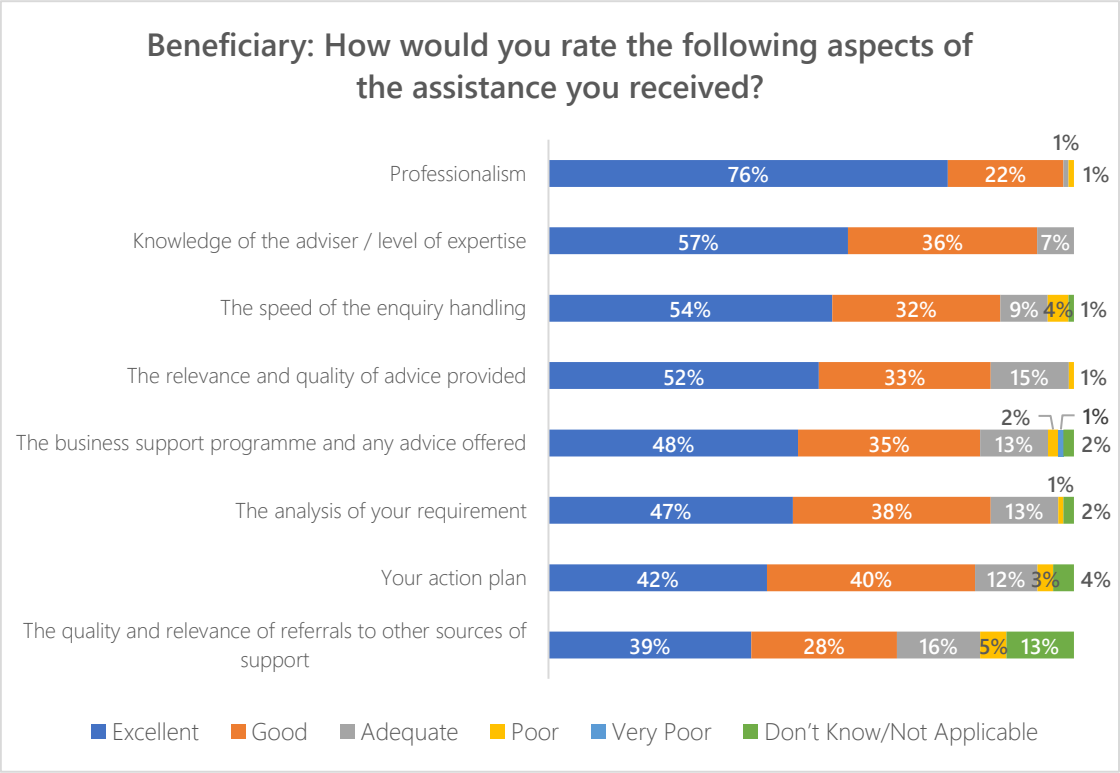
tech4t

Innovation Timeline

Innovate UK
Exemplas Realising potential
European Union European Structural and Investment Funds

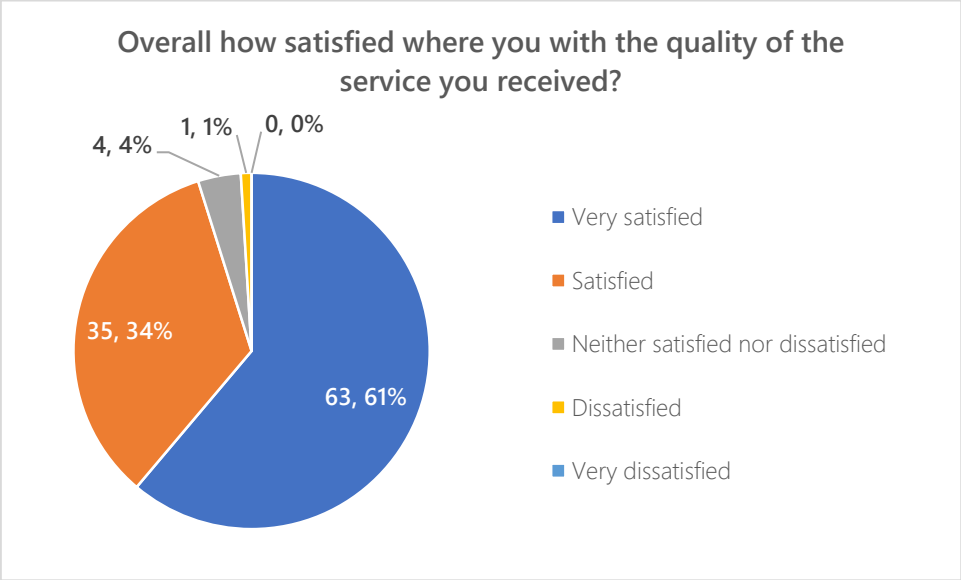
3.3. ABOUT THE SUPPORT

76% of respondents scored the 'professionalism' of the assistance they received as excellent, while 50% or more respondents scored the following as excellent: 'knowledge of the adviser', 'the speed of the enquiry handling', and 'the relevance and quality of advice provided'. (For Counterfactual comparison chart, see Annex Three).



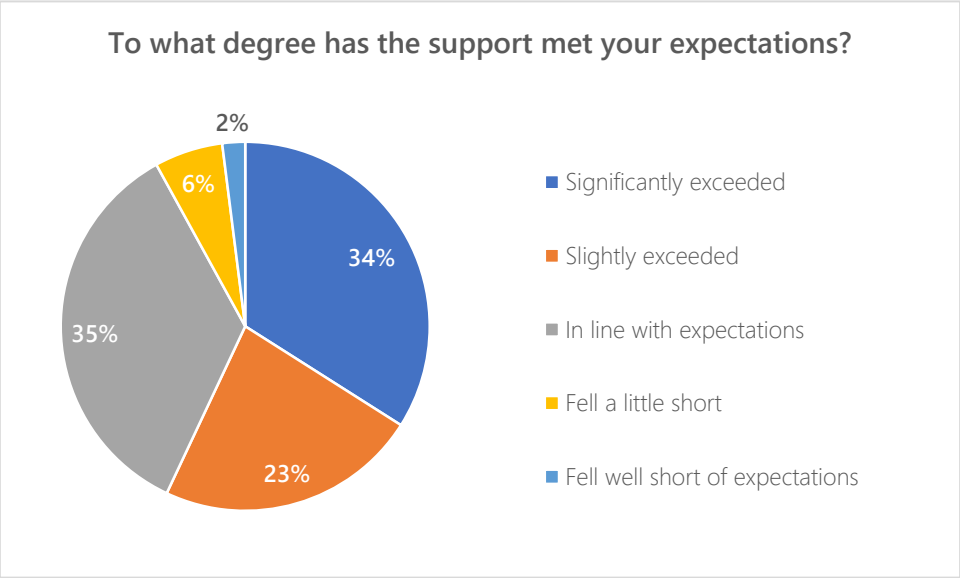
Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

95% of companies who took part in the project were either 'Very Satisfied' or 'Satisfied' with it. 'Dissatisfied' and 'Very Dissatisfied' was less than 1% of the respondents.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

57% of respondents said it exceeded their expectations (34% significantly exceeded), while another 35% said it met their expectations.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103; Counterfactual n=27

The 57% who reported that I2S significantly exceeded their expectations largely focussed on the strength and variety of the programme's flexibility in helping to see their business from a different perspective; the quality of the advice; and the increased numbers of opportunities that became available:

"The quality of advice I received opened my eyes to a lot of things - by this I mean looking at our products and services from a customer's point of view and seeing where we could improve."

"It's enabled me to advance our business faster than we would have done by ourselves and opened the door to new opportunities which we hadn't considered before."

"He helped me to look at long term goals and to see through the fog."

"Purely because I wasn't expecting anywhere near the level of support, feedback and interaction with Exemplas. Once the networking started, very quickly, people were contacting us. It opened up a lot of opportunities."

The 8% who said the project fell short of their expectations complained about the lack of follow up monitoring, lack of relevance to their needs, not being designed for services and too much paperwork:

"The standard programme model used wasn't suitable for my business as my mentor is into bringing innovative products to market. I think if I had a product it would have been more straightforward."

"We only got marketing advice and there were no real benefits from the perspective of innovation."

"It wasn't helpful, I don't feel that we got enough support. It was mostly filling in forms and signing paperwork and got very little feedback."

39% of participants thought the advice they were given could be improved, 40% said it couldn't and 21% didn't know.

Some of the reasons they gave, which could perhaps be discussed with the advisor team, included:

"More focus is needed on the particular problems of the business. We're an unusual business and can't just tick boxes. I suppose better research and preparation is needed by the advisor to start with, but I think the program is new and these are just teething problems."

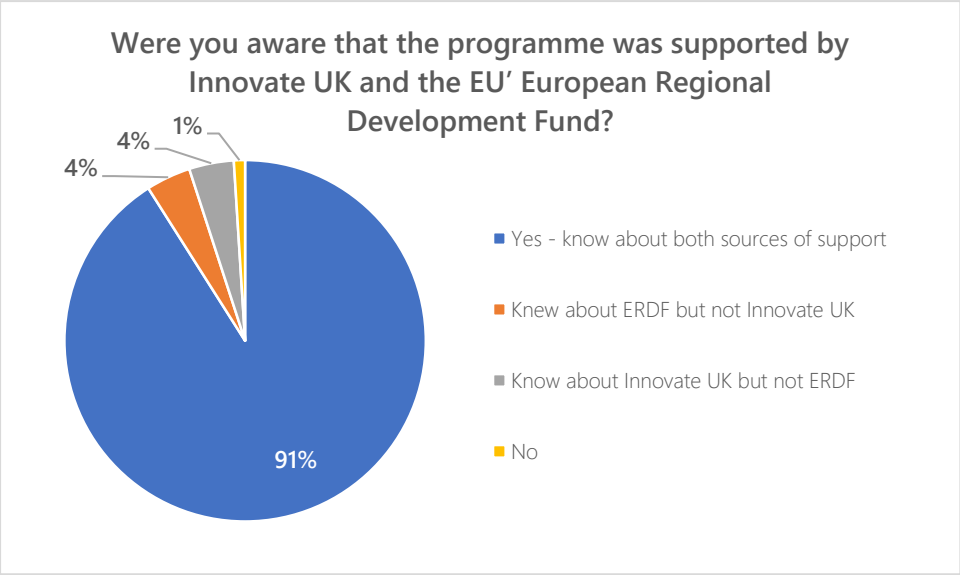
"I think less use of unwieldy business tools and more practical tools would be good. There was one called 'business growth plan' or BGP which is quite analytical and time consuming and you have to do it for each aspect of the business, so for me that loses focus."

"There could be some links to other help and support services that they could offer advice on. We've got a lack of knowledge of computer programs and things, and I know there are links to Hertfordshire college and we've asked quite a few times about putting us in touch with people there but we've not had anyone come back."

"We could do more with other businesses. There could be benefits of networking, so more events and joint meetings to get everyone together to exchange ideas and collaborate."

"They gave a lot of information, but at the end of the day we had to find out ourselves how to do it. I was looking for a little more tuition and not just the information. In the end we achieved it, with a bit more work. They pointed us in the right direction otherwise it would have taken a long time to find."

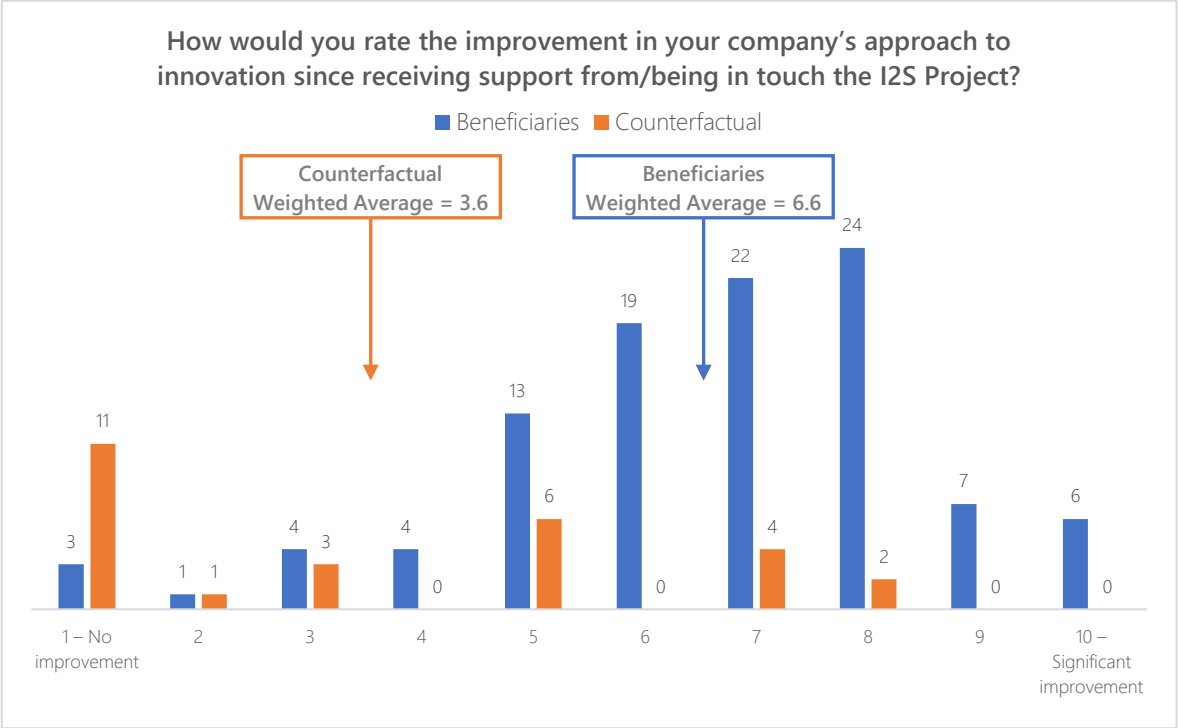
The next chart shows that most of the participants knew how the project was funded (91%). This is an important requirement for ERDF funding.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

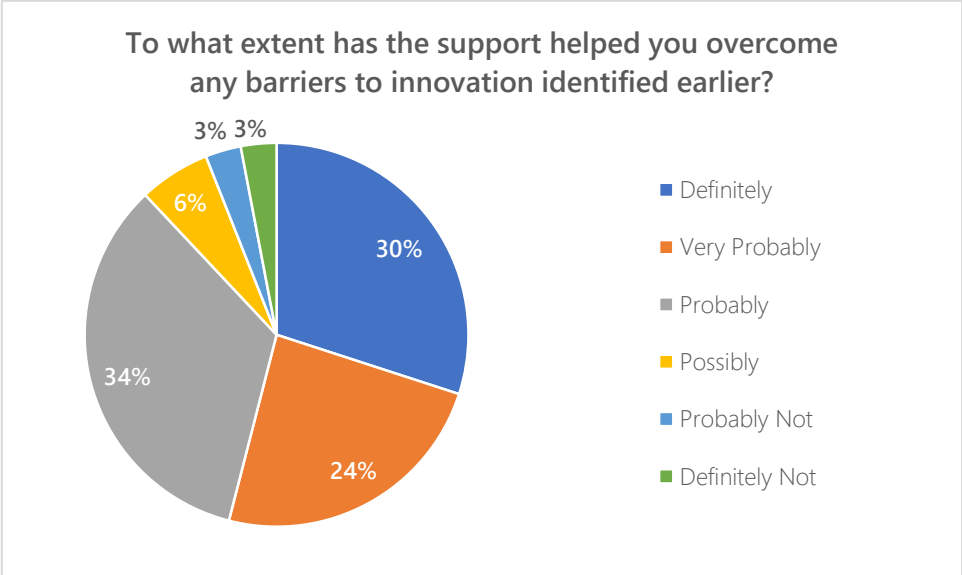
3.4. IMPACT

76% of companies (the sum of ratings 6-10) who took part in the project believe their company's approach to innovation has improved. This exceeds the project target of 50%. Each cohort average rating for improvement is quite different, with the beneficiaries scoring a weighted average of 6.6 and the counterfactual participants scoring themselves a much lower rating of 3.6 since they were contacted before.



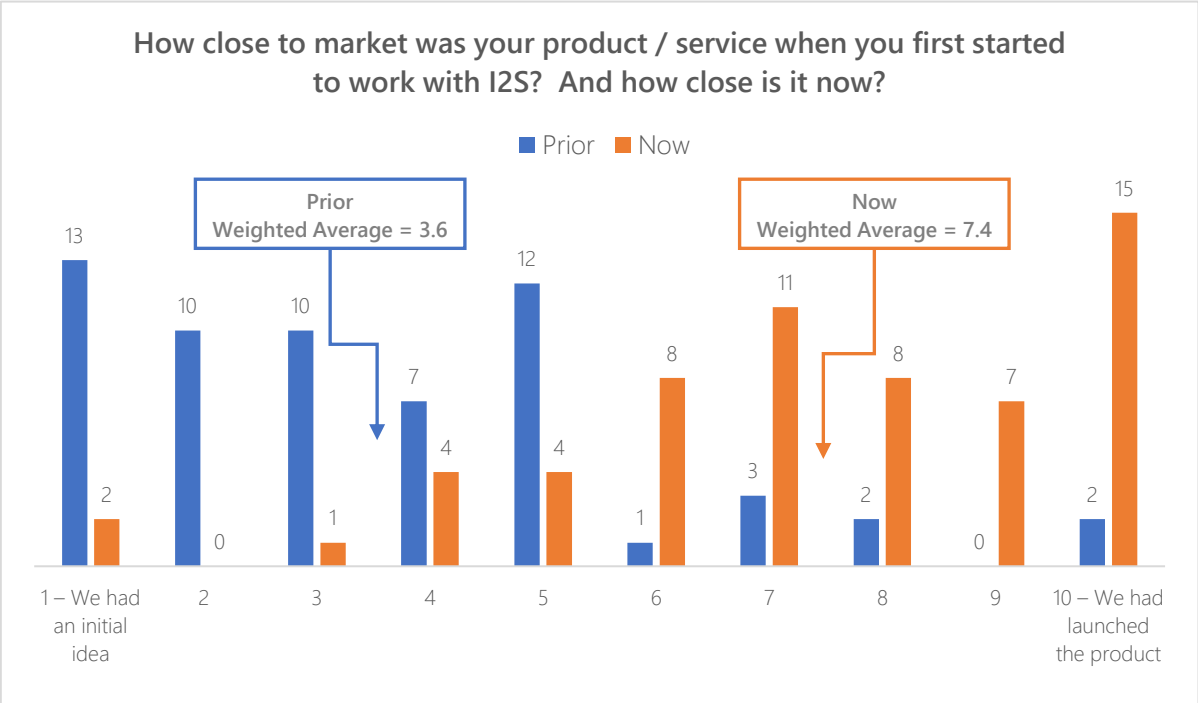
Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103; Counterfactual n=27

88% of I2S participants believe that the project has 'Definitely', 'Very Probably' or 'Possibly' helped them in some way to overcome the barriers they faced against a target 50%.



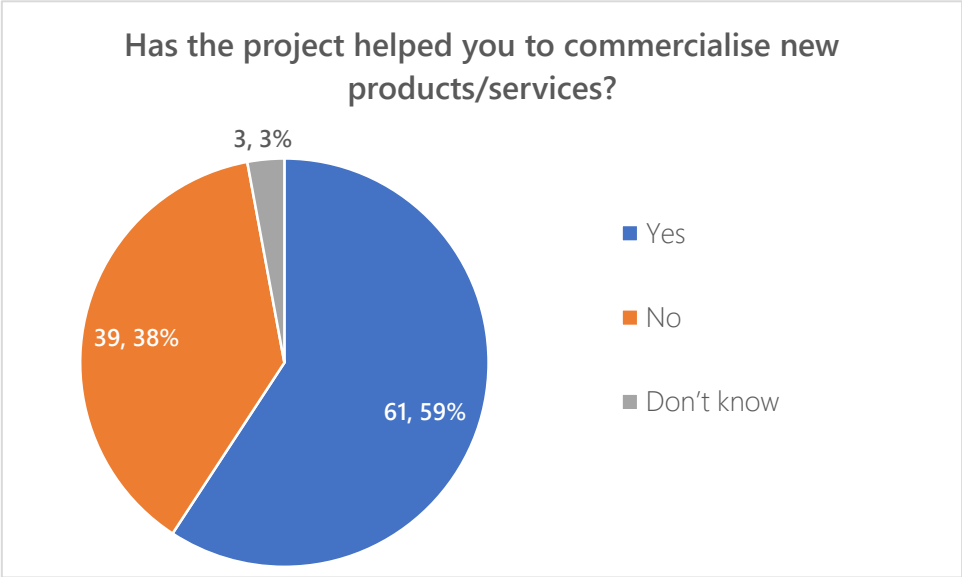
Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

The following chart shows the difference in the ratings of how close products/services were to market before and after receiving support from I2S. Visually there is a clear difference between Prior (blue) being highest between ratings 1-5 and Now (orange) being highest between ratings 5-10. The average rating has more than doubled from 3.6 to 7.4.



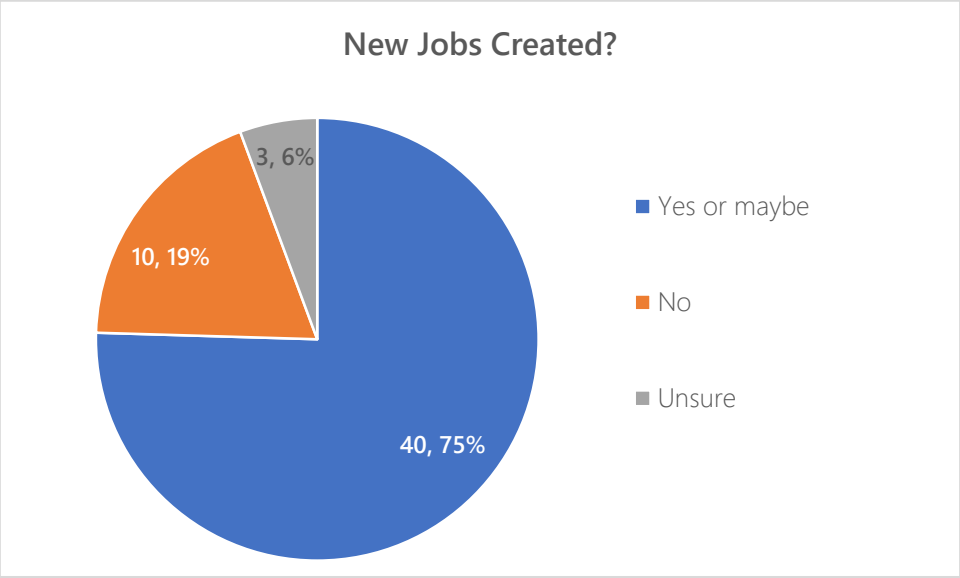
Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

Over six out of 10 (61%) of the 103 beneficiaries reported that the I2S project has helped to commercialise their product/ service.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

Three-quarters of the companies who benefited reported that they had or may have created jobs as a result of the support.



Source: Kada Business Survey, Phase 2 (2019), Beneficiaries n=53

Examples of how the project helped companies commercialise are demonstrated below:

"We had no process to start, we had the idea but not how to do it or how to research it or anything else. We have the plan in place now…"

"It went from being a 'we must really sort this out' to actually sorting it out. It brought about a new focus on the importance of innovation."

"I think it's helped us to focus and prioritise ways to enter a new market. It's more the sort of strategy of entering a new market with new products so it's more the strategy of how to do it with a new product."

Two other impact measures were identified within the logic model. The first was 'increased productivity of SMEs'. GVA is good proxy for productivity and Section 4.2 of the report notes that a total gross estimated GVA of £47.0 million (net £18.2m) was generated amongst supported firms suggesting the project has achieved this outcome. The second measures was 'improved resilience of SMEs to economic and market changes'. The survey findings suggest that the capacity of participant firms' to adapt during a time of economic change has significantly improved as a result of the support. The improvements noted earlier to approaches to innovation since receiving the support illustrate this point well.

3.5. MOST USEFUL ADVICE RECEIVED

The respondents were asked to provide what they thought was the most useful piece of advice they received from the programme. These related to business management –strategies, planning and help with systems (46%); the supply and demand side helped to identify supply chains, new markets and new customers (16%); the advisors and the provision of a third-party opinion (16%); marketing (11%); and scaling up, product development and up skilling (11%).

Business management: "*I think initially we didn't have certain things like a defined business plan. We needed vision and strategy and we didn't know how to approach funding."*

"We needed an analysis of costs. It enabled us to take a step back to work out the product costs from scratch and work out the selling prices."

"It helped me to understand the specific challenges that I was having and identified what steps to take to address them."

"Help with getting the grant, because I was struggling to buy new equipment that I needed. He pointed me in the right direction and helped me with the forms. He also helped with CRM and accounting software."

Supply side and new Markets*: "It was the networking, I think. It has introduced us to people like a professor at Cambridge University. Exemplas has helped us to take our technology further through collaborative means."*

"They introduced us to some really valid people from within the industry and we've actually outsourced some work to the referrals they gave us. We used to work with a company in India and after Exemplas we actually moved the entire outsource operation to a company in Cambridge through that introduction."

Third party opinion/adviser: "*It's helped us to get an overview. When you're a small company, having someone else's input helped me to think about the business side as we have worked one way for many years. The professional advice made us think about the future of the business as well."*

"It wasn't for a single piece of advice - it was to get an outside opinion. It's easy to get tied up with running things and not look at what could be done better or growing as a business."

Marketing: "*The marketing. It is not my area of expertise and we were trying to look at new markets - not so much developing proposals as looking at the market we are selling it to."*

"Marketing and sales. We were in a bubble and are technically minded as a company. We don't concentrate on meeting the customer's needs and only looked at the product. We received excellent support which helped us to understand what customers wanted and from the customer's point of view."

Scaling up and product/process development: *"We needed to focus, just finding and following some clear decisions, particularly around R&D and what we are going to deliver. How the money is going to be made and what the commercial justification is for doing this R&D."*

"It was the knowledge given to us. It gave us the tools and information to put projects together and to access help from out sided. We had never done this before. Previously we only supplied parts, so when we tried to move on to making new products, we didn't really know what the next steps were. They helped us with the plans and the project sheets. It was experience that we never had, and it helped us a great deal."

The next case study (Walljam) is a company that provides digital walls for sports gaming. It traces the I2S support which included the development of a new concept – the 'fan park experience'.

European Union
European Regional Development Fund

Case Study:

Mashing physical and digital worlds Walljam transforms its interactive sports wall into the ultimate fan experience and brand engagement tool

walljam

"We wanted to develop the fan park offer using the Walljam technology, albeit packaging the solution with digital outputs for fans and sponsors alike. An important part of the journey through the R&D and initial commercialisation phase was to understand who our ultimate client was.

CEO Tim Worboys

Walljam Ltd, based in Stevenage, Hertfordshire, design and manufacture interactive sports walls for the sports, leisure and entertainment sectors transforming physical spaces into gamified interactive sporting challenges. They work with sponsors, rights holders and leisure operators to offer new ways of engaging with their customers.

Walljam's core product has evolved from its original concept of a dumb-rebound wall to an innovative and interactive structure that allows gamification of most ball sports. Through a combination of hardware, software and design innovation, the wall allows full branding across its structure and digital assets making it a unique brand activation tool. Leisure operators seeking to diversify into newer and interesting experiences are embracing the technology as a means of attracting and retaining customers.

Ongoing innovation and R&D is essential to further commercialise the product and exploit new markets. This ties into the company vision of motivating more people to participate in sport through the smart use of data and a technology platform.

CEO Tim Worboys found out about Innovate 2 Succeed through the Hertfordshire Growth Hub. "It was quite timely in its offer and the direction we wanted to take the business – it helped us adjust our language and thinking towards the fan park concept, something we see as a key market opportunity". Tim added,

"I knew where we were going but I didn't know initially what path that would take and what we might get from Innovate 2 Succeed in the process. Overall I was impressed with the level of commitment, the follow up and overall support that was given right the way through".

The objectives of the project were to establish a clear value proposition - differentiating the fan park experience from other experiences available and clarifying the target markets. As part of this a structured and flexible pricing model for delivering the fan park experience to target customers was discussed. Another objective was to use technology and data to further add value to the fan park experience proposition.

Tim was very happy with the quality of the support offered and noted "they [the I2S team] always followed through on what they said they were going to and it was a good experience". After the initial meetings their I2S advisor Arun Muthirulan helped with strategy development and commercialisation of the concept.

Initially Tim thought, given its scale, the educational market would be worth targeting however protracted decision making, lack of easy to access funding put it into the "too difficult" category.

Turning back to the sports sector it quickly became evident that individual clubs, irrespective of size, lacked funding for fan experiences, something that is hard to believe given the money in the game. Walljam recognised however that the sponsors that sat behind the clubs were desperately seeking the right experiential platform to reach fans in a manner that would excite, inspire and motivate. This is where the fan park concept came in.

During the I2S support process Walljam entered discussions with a number of large rights holders across multiple sports, around the fan park concept. Tim hopes to be able to announce some exciting developments in the coming months which could be transformational for the business. He added

"The I2S support has undoubtedly helped us develop to advance discussions and the I2S report was an important stepping stone to help articulate the concept of a fan park and how it would work, bringing together the components, the suppliers and how we could convey it to customers".

Three new indirect jobs have already been created including a technology post and two consultant advisors. The next successful investment round will lead to at least three new highly skilled positions in business development, marketing, operations and technology as the business scales up its operations to meet demand.

> It was proving to be a slow journey so we turned our attention to football clubs, their brands and the wider football industry.
>
> CEO Tim Worboys

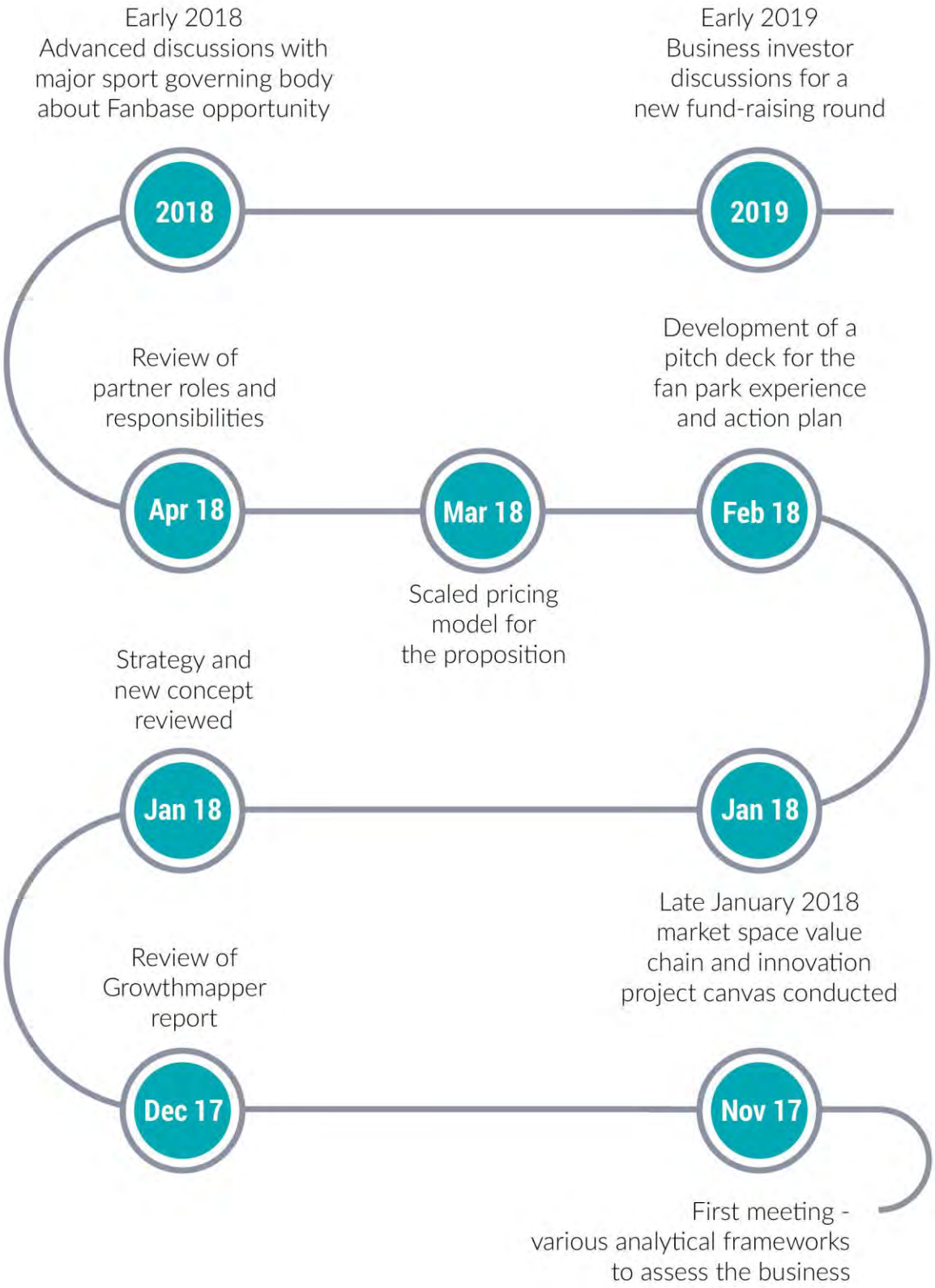
Tim maintains the I2S support has helped crystallise Walljam's thinking, "whilst it was a relatively small project, it was timely and allowed us to present ourselves in the right way at the right time". When asked about the wider benefits of the project Tim said

"It's about being able to talk the language of the young fan. We are targeting Generation Z and Millennials. Its about delivering data in a different way to the user and allowing the partners and sponsors to benefit from that".

For this to be exploited one had to effectively repackage how sport is offered, and ensure users can receive instant sharable results. "Gamification and social competition is the drive to reach individuals who have shied away from sport. Being able to play without fear of failure is an important factor for those who aren't interested in team sport or structured coaching. Who knows, Walljam might one day help the health of the nation concluded Tim.

walljam

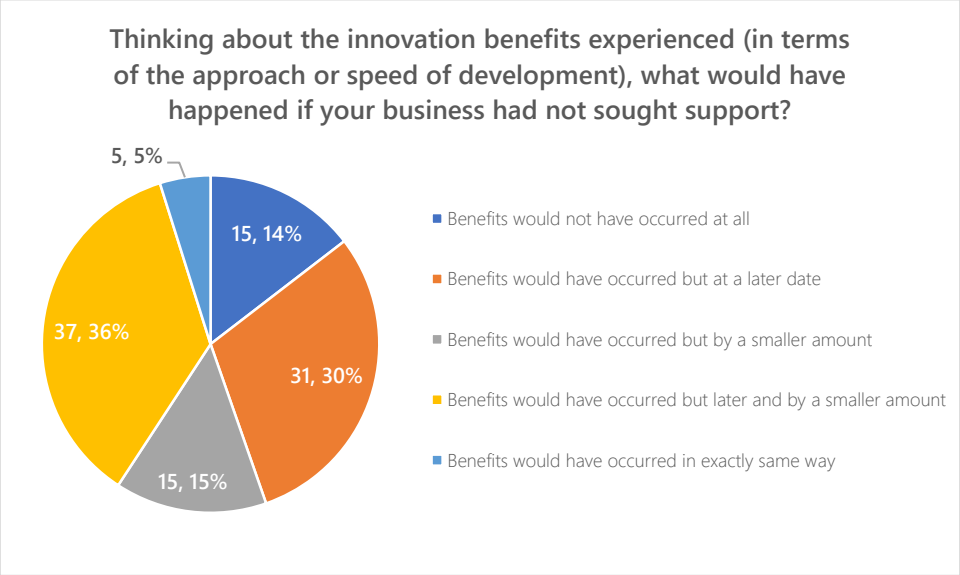
Innovation Timeline



Innovate UK
Exemplas
Realising potential
European Union
European Structural and Investment Funds

3.6 ADDITIONALITY

The following chart shows a very low level of deadweight with only 5% of respondents claiming the benefits would have occurred in exactly the same way. 14% reported pure additionality (i.e. the benefits would not have occurred at all). Most respondents (81%) reported time and scale additionality in relation to innovation benefits experienced[7].

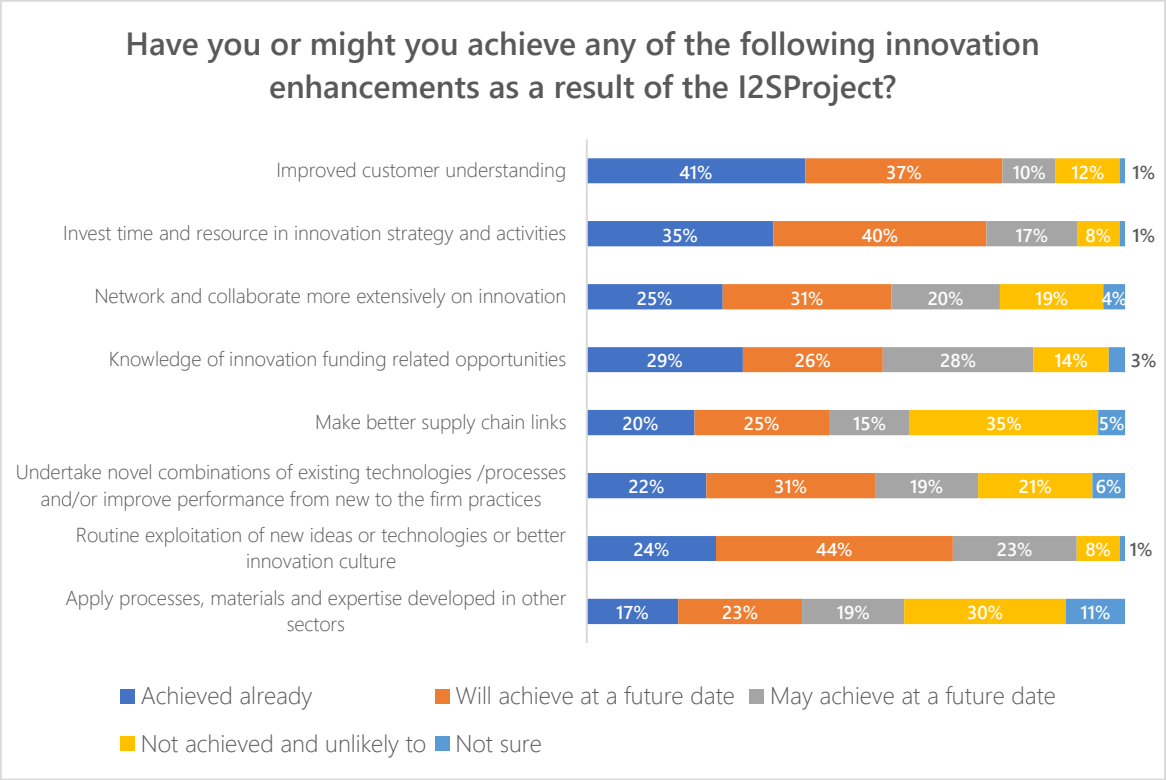


Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

3.7 WIDER BENEFITS

Companies who took part in the project have or will achieve several wider innovation enhancements including improved customer understanding (78%) and innovation strategy boosts (75%). 'Routine exploitation of new ideas was ranked high in what 'will be achieved' in the future.

[7] 15% reported scale additionality i.e. benefits would have occurred but by a smaller amount, 30% claimed time additionality only i.e. the benefits would have occurred but later, and 36% claimed time and scale additionality i.e. they would have occurred but later and by a smaller amount.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

The following case study (Excel Lasers) shows how one firm was helped by their I2S advisor to develop an action plan to implement their innovation priorities including a new market for their products.

Case Study:

I2S Helps Specialist Laser Company Improve its Commercial Direction

EXCEL LASERS

I2S has been supporting Excel Lasers in identifying its core strengths and examining its key target sectors so that the company can gain a more strategic and commercial understanding of its marketplace.

Excel Lasers Limited is a leading specialist supplier of medical laser products, services and technical support to the NHS, private hospitals, dentists and veterinarians based in Newmarket, Cambridgeshire.

The company was co-founded in 2012 by former Diomed engineers, who were responsible for the design and development of the Diomed D-series, Delta and AngioDynamics' VenaCure laser systems, plus their associated optical fibres and sterile procedure kits. Excel Lasers is UK ISO 13485 certified.

Steve Hayden, co-owner of Excel Lasers, identifies with the barriers to innovation that you would expect from a technology-centric, engineer-led SME, believing that the company was constrained by a lack of target market knowledge and a lack of time, capacity and funding to fully develop innovative ideas.

In Steve's opinion, engagement with I2S has made the company more aware of its core strengths and provided Excel Lasers with a roadmap of where they can be best exploited for company growth. Via meetings with the I2S advisor, it was acknowledged that the veterinary market had the potential to be the most commercially beneficial for the company and that increased marketing resource and activity should be channelled in this direction.

> We're all engineers and we all know how to design and develop a product, but it was doing the stuff that falls outside of the engineering, actually running and developing the company, was where we needed the support.
>
> Steve Hayden, Co-Owner

"We are a small company, and small companies get consumed by the bottom line. It was the perspective of somebody outside of the company looking in that we needed, because the thing is sometimes you don't see the wood for the trees, you're so ingrained in the detail that you lose the overall picture. This, in addition to gaining access to the commercial expertise on offer, was what was so appealing about the I2S engagement."

Steve Hayden, Co-Owner

The key outputs of the engagement between Excel Lasers and I2S Innovation Advisors include an up-to-date marketing plan, an increased emphasis on the veterinary market, and an action plan of priority activities.

The company rated several aspects of the I2S support as excellent, including the knowledge of the advisor, the relevance and quality of the advice offered, the analysis of the company's specific requirement, professionalism of the advisors and, indeed the key outputs of the marketing and action plans produced:

"We weren't aware of how much we didn't know about what we were trying to do. How to manage a company was the thing we never saw as engineers, and we'd read up about it and tried to implement without really understanding it. Engagement with I2S helped us to understand the company itself and the corporate strategies that were relevant to us that we didn't know about, or knew about but weren't implementing in the correct manner." (Steve Hayden, Co-Owner)

Steve also believes that the I2S project has already resulted in his company seeing increased efficiency or reduced costs and he is confident that the carbon footprint of Excel Lasers will be reduced in the future as a result of recommendations made during engagement with I2S. He commented that the I2S support has 'significantly exceeded' his expectations and believes that the company is now on a more sound commercial footing.

"We need more resources and skills in developing our corporate identity, sales and marketing. We've got a really good range of products and a really good customer service record so we've got the back up, we've got the technical abilities and the customers we've got are happy. What we don't have is a huge budget to market ourselves and this is where we need access to commercial acumen. You could be a non-expert and throw a lot of money at it, but we're non-experts without a lot of money so we need experts as well, and that why we are working with various organisations, including I2S.

Steve Hayden, Co-Owner

EXCEL LASERS

Ongoing I2S Support

Excel Lasers: Innovation Timeline

2012

Company co-founded by Steve Hayden, Andy Howe and David Flood

Oct '16

Acknowledgement that a more commercially-focused nature is required

Apr '17

I2S Project start date

May '17

First meeting with I2S representative

Aug '17

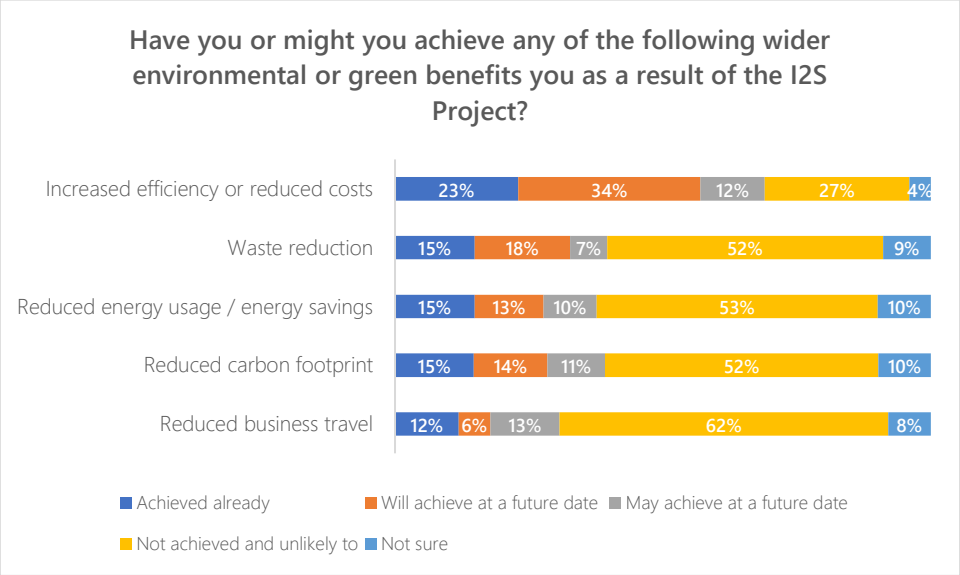
Production of up-to-date marketing plan and action plan with detailed activities, responsibilities etc

Nov '17

Marketing and product development activities adapted to place increased Importance on veterinary sector

2018

Environmental benefits of the project suggest that the highest 'achieved already' benefits are 'increase efficiency and reduce costs' (23%) followed by 'waste reduction', 'reduced energy usage and savings' and 'reduced carbon footprint' (all at 15%). However, over half of participants believe they have already or will at a future date 'Increase efficiency and reduce costs' (57%).



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Beneficiaries n=103

The case study overleaf (Flexisolar) demonstrates substantial green benefits achieved through the commercialisation of three major environmental technologies.

Case Study:

Early Stage Renewable Energy Innovator Commercialising a Breakthrough Innovation

FLEXISOLAR

I2S and Innovate UK have been supporting FlexiSolar on a 'first of a kind' deployment of large scale integrated car parking systems designed to reduce customers' energy costs and to support future requirements for the powering of electric vehicles. Dr. Robert Carpenter, Chairman of FlexiSolar said:

"With the recent announcement by the current Government to end the production of new petrol and diesel vehicles by 2040, global motoring manufacturers are switching their focus to electric only production. Ownership of electric vehicles is set to increase significantly in the next few years and powering these cars on a large scale will be essential – which is exactly what FlexiSolar solar carports will provide."

FlexiSolar is a design, manufacturing, installation and operations company specialising in the integration of solar PV, electric vehicle charging points and commercial carports and is based in Fenstanton, Cambridgeshire.

FlexiSolar is positioned at the centre of the three major technologies of the decade - electric vehicle infrastructure, battery energy storage and solar PV from solar carports. As a current market leader in this area they are at the forefront of the trend in product development to support smart city, energy efficient, sustainable infrastructure and have also authored the first UK industry guide for BRE on this subject.
FlexiSolar received an initial grant from Innovate UK (IUK) of £50,000. IUK referred the company to the I2S service to further develop the large-scale deployment of its field-tested carport technology. Following I2S support, FlexiSolar has secured a substantial further round of funding of £2.3m for commercialisation. The IUK project will demonstrate the use of solar photovoltaic arrays in combination with electric vehicle charge points to provide low carbon power to charge vehicles. In addition, a number of products will be integrated into the structures for the first time: an E-bike and E-bus charging station, intelligent LED powered under canopy lighting, and intelligent parking solutions to monitor the use of EV charge point bays.

> "The revenue streams were undefined prior to I2S.
>
> Dr Carpenter

This award was secured as a result of the "tremendous support" of I2S. After an initial diagnosis the I2S advisor used an Innovation Project Canvas. This is a visual tool developed to help businesses work through the prospects and viability of an innovation and R&D project.
The product was already reasonably well advanced and field tested when FlexiSolar worked with I2S, though some further improvements were claimed. For instance they scored their market readiness eight (on a scale of one to ten) before I2S engagement and 10 afterwards (that is when the product was fully ready for deployment).

There were several barriers that were overcome as a consequence of I2S including lack of up-front development finance and investment, practical limitations on the range of features integrated and a lack of time or capacity to consider the practical steps required for large scale deployment.

The company rated several aspects of the I2S support as excellent including the advice offered, the professionalism of the advisors and the quality and relevance of referrals to other sources of support. FlexiSolar are also receiving additional support from Enterprise Europe Network (EEN) and the Department for International Trade (DIT) following referrals from their I2S advisor, Simon Atack.

Chairman Dr. Robert Carpenter, claimed the single most important part of the advice or support received was provision of "tools and processes to demonstrate that we have analysed the market to a high degree accurately". He noted the support "allowed us to demonstrate quantitatively the assumptions we were making within our business plan". This would also allow progress to be measured. The I2S advisor used the Oxford Innovation GROWTHmapper® to help the FlexiSolar management team determine its priorities. This was done both before and after the I2S process. The GROWTHmapper® showed substantial progress in several key areas, notably strategy, cash, marketing and sales, change and operations. The firm also had an IP Audit carried out under I2S worth some £3,000. This offered a systematic review of a company's IP assets and related risks and opportunities.

> "Within less than six months, we've gone from being an interesting concept to a fully-fledged business.
> Dr Carpenter

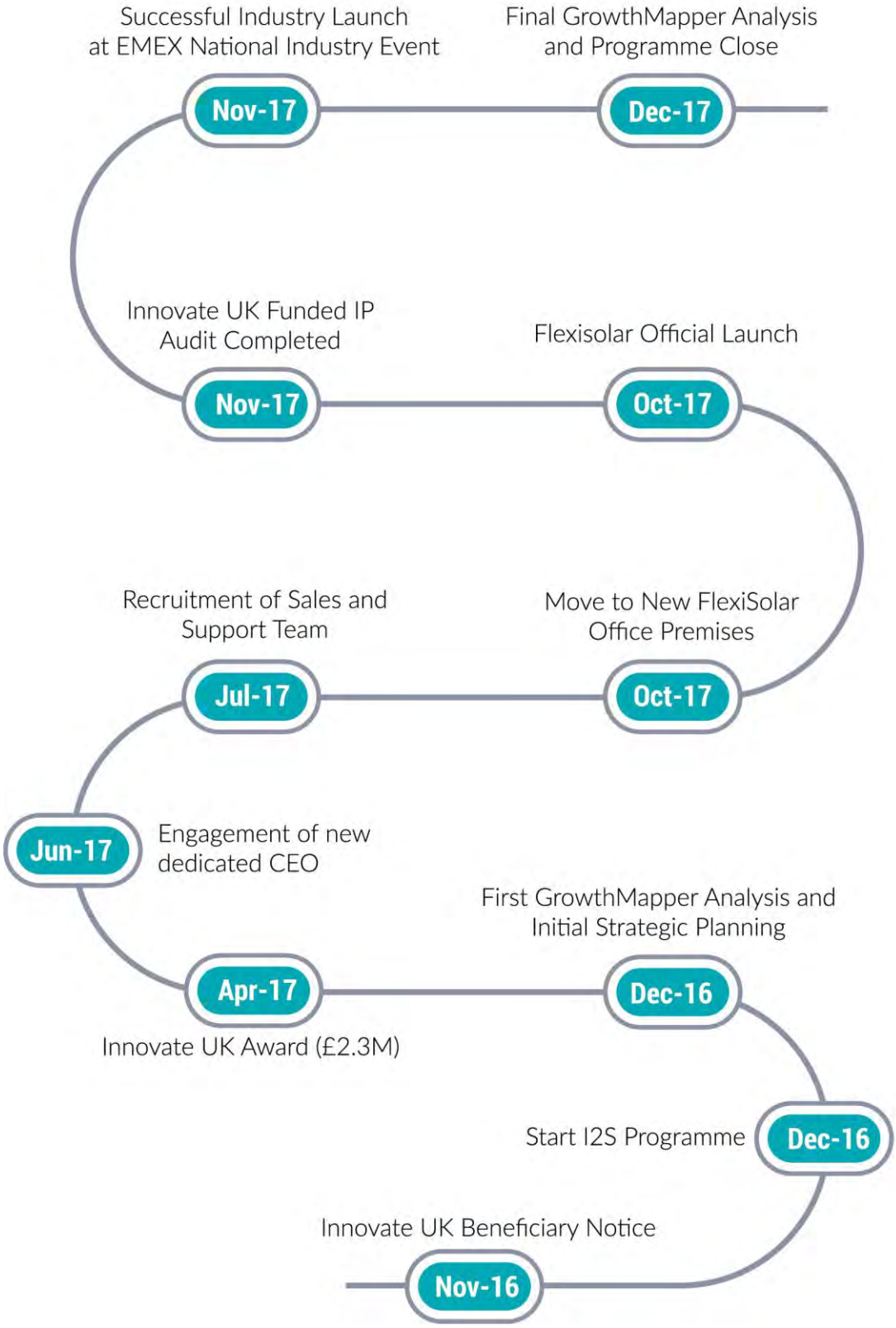
The company claim many innovation enhancements as a result of the I2S project from the routine exploitation of new technologies to improved customer understanding and better supply chain links. The firm now invests time and resource in innovation strategy and activities and collaborates more extensively on innovation.

In relation to future environmental benefits FlexiSolar could be considered an exemplar. It will result in energy savings, increased efficiency, and a reduced carbon footprint. The carports have in-built environmental technologies including solar PV, water management, LED motion controlled lighting, EV charging points, and energy storage. Chairman Dr Carpenter claimed none of these benefits would have occurred at all without I2S support. He felt the support significantly exceeded his expectations as "it allowed us to obtain substantial funding and I2S was pivotal in doing that".
FlexiSolar are now scaling their business rapidly. Since starting on the I2S program (December 2016) the number of staff has increased from 3 to 13. The firm is building a significant multi-million pound pipeline of potential orders with a range of high profile brands, with an exceptionally high profile, multi-national customer as their first installation, which should be completed by the end of March 2018. FlexiSolar have further Innovate UK bids in the pipeline working in collaboration with other partners including Universities. In terms of the future priorities Dr Carpenter noted:

"Our priorities are continuing to scale the business, finding more customers. The key measure of success for a company is to sell products. We'll do this by developing the sales and marketing strategy. I2S is already helping review our strategy and providing further tools to do that".

Ongoing I2S Support

FlexiSolar Innovation Timeline



3.8 FUTURE PRIORITIES AND SUPPORT REQUIREMENTS

In terms of where the respondents' business growth priorities might lie in the future and where they might need support next there was a broad range of answers. Many of the respondents appeared to want to take their experience from I2S to the next stage. The broad categories of what companies wanted or were prioritising are as follows:

- Funding/investors for product development (18% of comments).
- Assistance in market and export development and new customers post Brexit (33%).
- Assistance with scaling up – staff, marketing, new technologies (18%).
- Support to progress in the next stage in product development (19%).
- Business management organisation and systems (12%)

Box One: Future Priorities/Support Requirements.

Funding

- Access to finance and support to ease cashflow. *"We generally aren't short of ideas but being able to make available funds to be able to realise and capitalise those ideas is a challenge"* commented one firm. Another reiterated, *"the identification of funding sources and the securing of investments and funding for new product development". "We're looking at investment for growth, maybe for an investor to come along and have a better strategy to our business as we move forward"* claimed one firm.

Markets and Exports

- Access to markets - *"Our business growth will come from cyber security and you guys could provide ongoing assistance with getting that out to the market."*
- Retaining existing clients, obtaining new clients, and developing new products to meet client requirements. *"We just need to get connected to other users or customers who might benefit from our service. We have a nice range of products and services but it's just reaching out to customers."*
- Export support e.g. help with attending international shows and advice on new market development. *"I think breaking into those new territories especially the Far East like Japan and China is a big untouched market for us, so if we could get support breaking over there, that would be good".* Another said, *"we need exporting support and any projects to get new innovative products across to the EU."*

Scaling up/Marketing

- Another would welcome advice on *"scaling the business, finding more customers". "Our priority now is to take the innovation that we've got into market place"* claimed one respondent.
- Corporate identity, and marketing and brand awareness including on-line marketing including website functionality and social media. "
- New or bigger premises or capital support for equipment. *"To be able to extend the premises, -that is what we need next, as we don't have enough space. We would need support to find somewhere near that people who work here could get to."*
- IT support and *"looking at the latest technology and seeing how we can use that"* e.g. IT processes, cloud, e-commerce, tracking work progress through the factory, automation and smart factories.
- Recruitment to increase staffing including mentoring programs, apprentices and internships.

Product Development

- Developing new products and services including funding to bring products to market. One firm was looking for *"new software technologies and new applications to fill a gap in the market for mobile applications".*
- Another was trying to develop a prototype "*I will need support to move from a product that is a prototype into production. We will need some funding and will need help to bring that on. Outside funding was one thing we didn't have before."*
- Vision of growth – *"My growth opportunities will be in developing a platform for innovation."*

Business Management

- A better organisational structure in terms of in-house systems and processes and a stronger management structure. *"My business growth priorities are to achieve income and I have changed my model based on the advice provided, so hopefully that will increase the business turnover."*
- Others support including help with design, implementation of a CRM system, mentoring, academic links, business security, and support from innovative packaging specialists.
- Legal and copyright help *"Protecting my product and design rights. I want some input in that as this will enable me to run the company better and I want to get new ideas from the advisor."*

3.9 SUMMARY FINDINGS

In terms of the key findings there was/were:

- An increasing propensity to innovate amongst the I2S cohort.
- Tangible improvements in approaches to innovation.
- Firms overcoming key barriers such as lack of organisational prioritisation, ideas not developed enough.
- Low levels of reported deadweight and significant time and scale additionality.
- Demonstrable improvements in bringing products to market.
- High ratings for professionalism and the knowledge of the advisors.
- An appetite to take forward ideas developed through I2S and in some instance support to do so.

The next case study is a good example of a company who increased its international activity as a result of the support.

After that the following Chapter looks at impacts and value for money.

Case Study:

Enterprise Products, Lincolnshire

e badges | Supplier of Enterprise Products machines

Enterprise Products (www.e-badges.net) is a Lincolnshire-based, family-run business which has been designing and producing professional button badge making machines for over 40 years.

Over the years, the company has supplied badges and machines to a diverse audience ranging from high profile multinational mass media and entertainment conglomerates to schools, colleges, cinemas and retailers and individual crafters. Working with iconic global brand names like Disney, National Trust, V&A, Benugo and Espo, the company - which is run by Andrew Vear, one half of the successful husband and wife partnership, from their Lincolnshire base - provides a variety of different starter packs, badge making machines and components. Their badge makers manufacture custom keyrings, fridge magnets, mirrors, mirror keyrings, medals and bottles openers in addition to badges.

The Challenge – New Product Development and International Growth

Although the company originally made products in India, production was brought back to the UK in 2015 to be manufactured and assembled locally to ensure better control over the manufacturing process and to be closer and more responsive to customer needs.

As with any growing business, the company has faced a number of key barriers, including: a lack of funding to innovate; a lack of knowledge – both organisational and markets access; technological; and practical constraints – time, space, idea development. In order to help overcome these barriers, the Innovate2Succeed programme has delivered a range of business tool and analysis support, mentoring, advice and signposting to new funding streams in order to support the company's key projects around new product development, taking cost out of the manufacturing process and supporting revenue growth through new exports.

Automation to develop innovative new products was identified as a key target area for innovation as an improvement in the product portfolio would help drive more international sales. This would build on the company's initial success in export markets, where it has already secured twelve international resellers.

Prioritising for Growth

Having previously redesigned many of its products as part of the re-shoring initiative, in 2018 the company wanted to introduce a lot of new innovations, which included a software-based badge design application for the website, rectangular badges, Mini/Maxi punch cutter functions, sugar cane-based material to replace plastic content in their badges and the potential process introduction of a franchise model.

Given the scale and number of options in front of them, the support has allowed the company to be much more strategic about the options and markets it prioritises. Of particular value for Andrew was the dedicated one-to-one support and mentoring from the local adviser, Simon Atack, to help them prioritise and focus, as well as signposting to other funding sources to tap into "it was helping us to get down on paper and prioritise our projects. We had a lot of things we wanted to do, but we weren't sure where to go or where to start. It has been guidance."

> We take the business of badges very seriously and are proud to have ascended the lofty heights to achieve No 1 status for supplying badge machines across Europe and the UK. Our machines and badge components are sold in many countries worldwide via our own network of resellers
>
> Andrew Vear

"

We have found the programme to be an excellent aid to growing our business. There has been help with applications for grants (which has been time consuming in the past). Also, we have a much clearer vision for our future both for product development and new markets. Simon has been a great help with both new ideas and also with problem resolution, providing potential solutions based on his experience.

Andrew Vear

Exceeding Expectations

As a result, significant improvements in the company's approach to innovation have been made, and the support has helped them develop and nurture early ideas and commercialise new products. Whereas once they followed others, the company now consider themselves very much a market leader in the field, keeping pace with the latest trends and with an increasingly global reputation. Exceeding his expectations, a very satisfied Andrew said of the support received.

"When we first met up, we didn't really know what to expect – we weren't expecting much. It has made a huge difference to us in terms of time management and focus on particular projects, to make the projects happen...It goes back to us not having key milestones. We didn't have enough focus or direction, so it has given us the focus and direction to target specific projects."

Ensuring the business operates in a sustainable and eco-friendly way adds kudos with customers and Andrew is still evaluating various options - including metal – to find the most sustainable and cost-effective material for the badges.

Impact

Increased investment in time and resources in their innovation strategy and activities have led to creating an innovation culture which is more likely to become more embedded and thus increase the firm's capacity, capability and resilience. Success has come quickly. In March 2019, the newly developed Mini frame has been launched in Europe and is now driving new growth. Export sales now account for over 50% of the company's business and it recently recorded record monthly revenues at the start of 2019.

In term of economic impact, two new jobs are forecast to be created as a result of this engagement, and the company is already looking to recruit one new person with an interest in and aptitude for e-commerce to support further international growth.

Future Plans

The programme has already given the company a greater understanding of new target international markets and contacts to support market entry. New countries entered include France, Italy, Spain and Poland, which has led to an overall increase in market share increase and this is set to grow much further. In terms of future growth priorities, Andrew is ambitious about developing new products and potential export growth and thinks that the project will further ".... help us to develop internationally. It would give more guidance on who to get in touch with and how, in various countries."

Andrew also cites opportunities beyond Europe and is thinking strategically about how to approach markets like the US and the need for local partners to support with the supply of components for the machines.

Innovation Timeline

ebadges | Supplier of Enterprise Products machines

Apr 19

New products in pipeline – design and prototypes underway for cutting and punching

Mar 19

Second GROWTHMapper analysis undertaken / New mini frame machine comes to market and generates new revenues in UK and Europe

Feb 19

Grant funding approved for development of new app based service

Jan 19

Grant funded IP Audit secured by I2S carried out / French and Italian websites went live as part of European expansion

Dec 18

Development of strategic plan and actions acoss several NPD areas

Nov 18

First GROWTHMapper analysis undertaken / New tooling project for mini-frame machine commissioned

Nov 18

Started I2S Programme

4. IMPACTS AND VALUE FOR MONEY

This Section looks at the economic impacts of the investment in the I2S Programme as well as value for money.

It assesses the gross value added (GVA) of the Programme and the extent to which it is making a difference (compared to if the improvements had not been implemented). The analysis is based on reported outputs to date and responses to the business survey. A comprehensive assessment of economic impact was undertaken comprising:

- Net Employment and GVA NPV impacts to date (taking into account three years of persistence).
- Total public cost impacts and value for money.

4.1. APPROACH

Two tiers of effects are considered:

- Direct Employment: Employment impacts and resultant GVA from jobs created. These were based on verified records from the firms collated by the research team.
- Indirect Employment Effect: The effect on suppliers and resultant productivity / GVA. These were using a benchmark (see below).

Employment effects are considered both before (gross) and after (net) following adjustments for additionality, displacement, leakage and indirect effects (multipliers and supplier effects). The Treasury's Green Book offers some suggested guidelines in assessing the true impact of investments to adjust the effects from gross to net. In line with these several steps have been taken to assess gross and net GVA and employment impacts and net present value:

- Deadweight was assumed at 36%.
- Displacement and leakage were both assumed moderate at 19.5% and 25% respectively.
- A composite multiplier was used to calculate the indirect employment effects (from the HCA Additionality Guide Fourth Edition) using the sub-regional mean for business development and competitiveness (1.25).
- The persistence of the benefits i.e. how many years the benefits are expected to persist and the period over which benefits will accrue until they reach their full potential. In this instance, a modest three-year time frame was chosen based on experience elsewhere.
- A decay of 10% per annum has been used i.e. the proportion of annual benefits expected to be lost from one year to the next due to economic changes, other investment decisions etc.
- Calculation of the Net Present Value (NPV)[8] of the GVA benefit stream over the appropriate persistence time period by discounting back utilising an appropriate rate. HM Treasury Green Book guidance has been followed which recommends discounting by 3.5% in order to determine NPV.
- A cost benefit ratio calculated by Net Present Cost (NPC) against NPV i.e. the amount each £1 of investment generates.

[8] Net present value is a calculation that compares the amount invested today to the present value of the future cash receipts from the investment. In other words, the amount invested is compared to the future cash amounts after they are discounted by a specified rate of return.

- Kada estimates for GVA per FTE have been using BRES (The Business Register and Employment Survey) and ONS (Office of National Statistics) for Herts and Cambs.
- The employment figures provided by firms were moderated to account for optimum bias and the counterfactual responses.

4.2. HEADLINE ECONOMIC IMPACTS AND VALUE FOR MONEY

The following table shows that the I2S programme has created 623 direct gross FTE jobs (498 direct and 125 indirect) and a total Gross GVA of £47.0 million (net £18.2m). As mentioned the direct jobs are based on an analysis and collation of verified project records by the research team and the indirect jobs have been generating using a recognised multiplier (see previous section).

Economic Impacts

	Gross Jobs	Net Jobs	Net GVA	Gross GVA
Operations (FTE)	623	140	£18,150,372	£46,973,012
Direct Jobs	498	112	£14,520,297	£37,578,409
Indirect	125	28	£3,630,074	£9,394,602

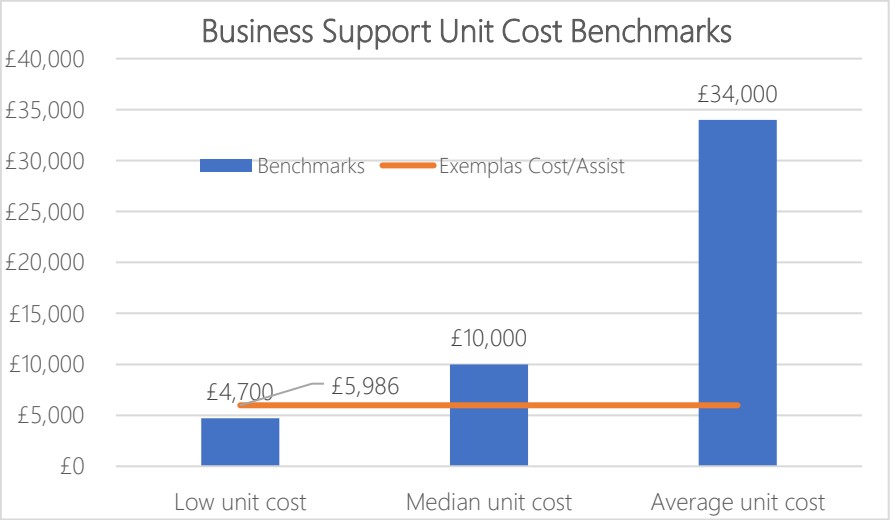
Source: Kada Research

4.3. VALUE FOR MONEY ASSESSMENT

The estimated GVA of £47.0m would result in a cost benefit ratio (CBR) of 1:9.8 i.e. each £1.00 of public investment will generate £9.80. This is at the very high end of what was expected for this kind of initiative. For instance, a review by CRESR of evidence for general business support activity cites a CBR of 1:6.0 to 1:8.7[9].

The total project cost per business assisted is £5,986 and the cost per gross job generated to date is £3,855. The cost per business assisted at £5,986 is at the lower end of what is expected for this kind of activity which ranges from £4,700 lower quartile to £10,000 (median) and £34,000 (mean)[10]. The cost per gross job generated is much lower than might be expected for this kind of activity which varies from £12,000 (lower quartile) to £26,000 (median) and £71,000 (mean)[11]. The very cost-effective nature of the project reflects the fact it was relatively inexpensive to deliver yet managed to generate a considerable number of jobs and resultant GVA impacts.

[9] Valuing the Benefits of Regeneration, 2011, Figure 4.8
[10] England ERDF Programme 2014-20: Output Unit Costs & Definitions, A Final Report by Regeneris Consulting, 2013, 96
[11] Op. Cit.p10.



Source: Regeneris Consulting: ERDF Programme 2014-20

The programme has therefore been a clear success in terms of value for money. Its cost benefit ratio; cost per business assisted; and cost per job are all much better than other similar programmes. The case study overleaf looks at a company who has grown by understanding their customers better as a result of I2S.

Case Study:

Developing the 'go to' place for scholarships intelligence

Based in Hertfordshire The Scholarship Hub Ltd is a social enterprise conceived in early 2013 by Karen Kennard. Karen's background in marketing comes with over 20 years' experience gained in a wide variety of settings, from working in large blue chip companies, small start-ups and non-profit organisations to corporate development for Bernardo's.

She developed The Scholarship Hub to fill a demand for information about scholarships. The Hub has grown to include all aspects of University funding to incorporate scholarships, grant, bursaries and degree apprenticeships. This includes a funding search tool, guides and information on student finance, advice on money management and other ways of finding additional funding for both undergraduates and post-graduates. The Scholarship Hub also offers a tailored scholarship management and administration service to meet clients' needs. This includes the planning and design of new scholarships, marketing and promotion activities and scholarship administration services. It accepts advertisements on its website and issues a weekly newsletter.

The Scholarship Hub (SH) website is the only website that provides a centralised database of all the University scholarships that are available. The vision for the business was for the Scholarship Hub to be the "go to place" and the nationally recognised destination for scholarships' intelligence. In 2017 Karen went to a Hertfordshire Growth Hub meeting where she found out about I2S. She recollected

"The word 'innovate' caught my eye because I was trying to do something that was really innovative and I'd hit lots of brick walls".

As she was a micro business she wasn't sure if she would qualify for support but after some discussion the ERDF/Innovate UK funded I2S team worked with the business from November 2017 through to September 2018. At the start of the programme The Scholarship Hub Ltd was developing new services for clients including "Funds4Uni", a fundraising tool for students to raise additional funds for their studies and a training resource pack for schools. Karen recognised that support was required to achieve her growth ambitions and maximise the commercialisation of these new offerings.

Although developments within her business were in their early stages when she approached I2S, she found having an independent advisor very useful. "The whole thing [I2S] really helped me get my head round everything I was doing" she added.

"It's really hard when you are doing something you're passionate about and really believe in, to stand-back and look at it objectively.

"

It gave me an insight about what I should be doing, it made me much more focussed and able to identify the key things that were going to drive the business forward

Karen Kennard

That was the most valuable thing for me, taking a step back and really analysing the business, what I was doing and why I was doing it. From that point of view, it [I2S] gave me such clarity."

Her I2S advisor Gary Smee initially carried out a 360° company diagnostic identifying key priorities for the support. These were wide ranging and included strategy and vision, sales and marketing, innovation strategy, finance and intellectual property. He used strategy and marketing tools including a Value Proposition analysis tool to assess company prospects.

"The Value Proposition exercise was really good and there was another tool that helped you forward plan, about where you want the business to go, which was useful".

Initially the key challenge facing the company was how to maximise current income streams through advertising, commercialise the new "Funds4Uni" service and reach more students. The aim was to increase revenues by maximising the potential growth of this innovative offering. In addition to Funds4Uni, Karen added "I've also created some new resources for teachers that helps to spread the word".

The website has been revamped to Wordpress and is aligned to differentiate the company's key market segments: students, parents, teachers, and business clients. Funding from WENTA was received towards the new website. Karen is now actively marketing in schools and developing partnerships with other organisations that can extend the firm's reach.

"We set targets and I have way exceeded those already" noted Karen. Over the programme period web traffic increased from 18,000 to 52,000 hits per month (+ 288%) with revenues from advertising increasing threefold. The membership package for students has also been revamped with a differentiated pricing policy. Over the period of support a plethora of press articles were released by Karen in national papers and media including the i News, The Guardian, The Times and the Telegraph.

Karen rated the quality of her I2S advisor, his analysis of the requirement and the support as 'excellent', and welcomed having someone else to discuss business matters with. "The thing that amazed me the most was how the advisor was there with me and understood everything really quickly even though our meetings were only about once a month. He really cared about it". On a scale of one to ten Karen rated the improvement in her company's approach to innovation since receiving support from the I2S Project as 'eight'.

She has changed the company's business model based on the advice provided and is now generating new turnover. When asked about the most important part of the support Karen felt it was gaining an objective viewpoint. Karen has recommended I2S to other people. "It is like a light came on. It makes you realise where you are going wrong and what you should be doing" she added. Looking to the future Karen noted:

"I hope the Scholarship Hub continues to grow the way it has been. It is creating a nice income for me and in three years' time could be very 'saleable'. I need to take people on, either in admin support or business development".

"

Having somebody who understands what you are trying to do allows you to discuss and explore ideas which is invaluable. It made me realise that I have different audiences – teachers, parents and students - and they all want different things. They each now have a different 'journey' through the website providing them with more tailored information

Karen Kennard

Innovation Timeline

Nov-17
Initial meeting and 360° company diagnostic

Jan-18
Agreed I2S action plan and SWOT analysis

Feb-18
Review of Growth Mapper analysis

Apr-18
Action planning and review of three year plan

Jun-18
Differentiation of partners/revenue streams

Sep-18
Review of website options

2019
Final meeting and review of actions and future revenue streams

2018-21
Web traffic and advertising revenues increased

Implementation of three year business plan

Website redesigned & Active marketing in schools and new partnerships to extend reach

2021
Possible exit from the business

Innovate UK
Exemplas Realising potential
European Union
European Structural and Investment Funds

5. PROJECT DELIVERY

This Chapter explores what's worked well, barriers and constraints and possible enhancements.

5.1 WHAT'S WORKED WELL

THE DELIVERY MODEL

"I2S can really get under the skin of the business and you can really spend some quality time with the business" Internal Stakeholder

The general view was the delivery model was working well and fit for purpose (the key elements of the process are described in detail in Section 1.4). It starts with diagnosis, self-assessment and an action planning phase. It tends to be quite an intensive process during the first six weeks or so with two or three meetings followed by specialist modules. It can take six to eight months or longer for the advisors to take a business to a point of self-sufficiency. Business and stakeholder liked the fact the programme offered 121 support with a defined outcome. Advisors will often make introductions on behalf their clients for instance to their LEP, IUK or a relevant Catapult or might highlight relevant events. The advisor is tasked with closing out the client, transferring knowledge to them and leaving them tools to use for future activities/projects. As one advisor added it is *"up to client to take next steps forward"…."we are there to increase their capabilities and de-risk future innovations"*.

ADVISOR CAPABILITIES AND PROGRAMME REPUTATION

A programme is only as good as its advisors. *"If they don't have the technical expertise it can be difficult to relate to the client…and they [advisors] are hard to find"*. The high calibre of advisors that has been recruited and retained is a key success factor of the programme. Many of the advisors recruited have experience of coaching and business advice and a senior/director-level commercial background. Advisors have been recruited with a proven track record and this credibility helps give reassurance and confidence to clients. At monthly team meetings time is dedicated to sharing good practice and stakeholders and partners are invited to present a summary of their programmes.

I2S has a good profile and partners are happy to make referrals to it. *"The Growth Hub [Signpost 2 Grow] has been keen to promote and push the service. We like to refer people to a service that is reliable and safe. We say it is our service"* noted one partner.

"It's a unique service. It's the type of support you don't get without paying for it. So, we value it and recognise that it's a valuable service. It gives presence in the market and has a fantastic reputation which impacts as us on a business" I2S Strategic Advisory Group Member

THE PROCESS AND BUSINESS TOOLS

"I would say that the period of engagement is about right with this programme. We are allowed enough time with the beneficiary companies to really deliver impact. We have been able to get companies to look at where they are and to allocate time and resources to innovation and be able to justify it." Advisor

There were several elements of the process stakeholders said worked well. Business liked the 'deep dive' nature of the programme, the delivery process and the programme's scale and duration. The timescales

allowed firms' time to plan their activities carefully. The first meeting was claimed was crucial, it involves a presentation about the process followed by a meaningful conversation.. *"We make sure get the commitment of the client up front. We minimise drop out and only get about 3-4% attrition even after approval"* noted one advisor. Another added *"it is important to get traction to get buy-in and demonstrate empathy"*.

"For those already on an innovation journey, engagement de-risks/expedites processes relating to areas such as IP protection, collaboration and open innovation and product development and launch." Advisor

NEEDS ANALYSIS BUSINESS TOOLS

"GROWTHmapper™, is generic but it does get businesses thinking about their business in a different way from very early on in the engagement." Advisor

The front-end assessment was a good means of gauging client suitability for the project and gaining trust. The on-line GROWTHmapper™, which follows this, provides a good 'ice-breaker' to stimulate discussion and offer a useful reference point. One of its strengths is it a self-diagnosis tool, completed by managers and staff with a firm. This was described as an 'inclusive format', it *"focuses their mindset and identifies and prioritises internal issues"*. The GROWTHmapper™ is 'reality checked' against the needs assessment. It is arguably better suited to slightly larger SMEs. The development of the Action Plan was effective. It is drafted by the advisor in conjunction with the client. There are other tools used too. These include a Value Proposition Canvas, SWOT[12] and STEEPLE[13] analysis, Orbit (a business reporting and analytical tool), 8P Marketing Mix gap analysis[14]. These were well received and helped firms identify key gaps in order to create an informed strategy.

CLIENT SATISFACTION

"The external and independent nature of the support provided is really appreciated by the client companies. It provides focus and clear direction." Advisor

Clients liked the flexibility of I2S and fact they were able to revisit and fine-tune their plans. This was matched by a willingness amongst advisors to learn, refine and adapt their approach. One of the key aspects that has worked well, is helping business owners to understand their business better and self-reflect.

"It is often about reassurance. Much is hand holding". I2S Client.

"In terms of added value, it's an eye opener for business. They see things they didn't know. It helps to identify key issues". Stakeholder

Project advisors also raised awareness of other support available and helped to firms to access and engage with grants and programmes including other IUK grants. There has been some good joint working sessions with the two team of growth hubs advisors.

[12] Strengths, Weaknesses, Opportunities and Threats.
[13] Social, Technological, Economic, Environmental, Political, Legal and Ethical
[14] Product, Price, Place, Promotion, People, Processes, Physical Evidence and Productivity

MANAGEMENT, GOVERNANCE AND ADMINISTRATION

"We get to know what we need to know, and it works well". Advisor

"Management and governance is exactly where it needs to be. They know where they need to be and what they need to do". Stakeholder

The project was well managed by a competent and experienced team who felt well informed. *"There haven't been any issues and things seem to be working well"* was a typical advisor comment. The Exemplas team have experience of managing a range of contracts and were *"very on top of what needs to be done"*.

"[Managers] Seem to be progressive and forward thinking and looking". Advisor Workshop

A management committee was formed to champion the project; identify, monitor and manage risks via a risk register and monitor project delivery to ensure it is in line with budgets, timelines and targets and ERDF, IUK and LEP requirements. The committee makes recommendations for practical solutions to day to day operational and delivery challenges and keeps the the I2S Strategic Advisory Group (SAG) updated on performance and challenges. The Strategic Advisory Group (SAG) meets quarterly and provides strategic and tactical support. It ensures that links are made to key programmes, performance is discussed and plans for the future considered.

REFERRAL AND PARTNERSHIP WORKING

"Exemplas' management of other contracts allows us to provide a joined-up journey of support. It reduces duplication and cross-over between programmes and has allowed I2S to focus on its specific remit, i.e. promotion and support of innovative activity." Advisor

Partnership working and incoming and outgoing referrals worked well and has improved over the duration of the project, particularly with other programmes managed and delivered by Exemplas. The referral data shows good two-way links with other projects. One stakeholder noted *"we get a stream of referrals back"* and claimed the team has strong links to complementary projects. Enterprise Europe Network (EEN) has a base in St Johns Innovation Centre in Cambridgeshire so advisors are able to make local links and their local presence is described as a strength. There was work early on with the Get Growing team to reduce potential duplication and ensure the offers dovetailed each other. *"We sat down and agreed where HGH would end and where I2S would start and advisors handed over at the most appropriate point between the two programmes"*. For HGH referrals, joint advisor visits were conducted and only one set of innovation outputs was counted. There were good links with EEN, Innovation Bridge and University of Hertfordshire programmes.

Partnerships with programmes such as the DIT and the Manufacturing Growth Programme were strong. *"The DIT partnership has worked very well for us as we have complementary skill sets."* (Advisor). This relationship has developed considerably during the course of the programme with joint advisor meetings and inward and outward referrals and strong manager links. One stakeholder added *"I would say that I2S is the best collaborative partnership we currently have. There is real substance to the relationship, which provides real impact for regional businesses."* Even more could be done to encourage additional in-coming referrals from other programmes including those run by IUK.

TARGETING

The filtering of leads, especially those received through telemarketing, generally worked well and the team has done a good job of gauging commitment and innovative potential. One advisor noted *"the challenge is finding the companies with 10+ employees, high-growth potential and the resources to dedicate to worthwhile innovative processes. These are the ones that see the real impact from engagement."*

5.2 BARRIERS AND CONSTRAINTS

RECORD KEEPING

IUK/ERDF reporting procedures were perceived to be unnecessarily convoluted. Not all the record keeping and form filling required seemed to add value and was time consuming to complete. One advisor commented, *"there is a lot of duplication with paperwork, is it all really necessary?"* More time devoted to the client might make the experience more pleasant and effective and secure greater commitment. One challenge has been the EU eligibility rules around undertakings in difficulty, which have been restrictive in some sectors where there is innovation potential, such as food and agri-tech.

PROGRAMME FINANCING

Exemplas initially had to bank roll the I2S programme and at 15% felt squeezed somewhat on its overhead to deliver the programme. The I2S Strategic Advisory Group would have preferred the flexibility to be able to deliver the outputs for a fixed budget. One SAG member commented that the only opportunity for overheads was on salaries making I2S a people resourced programme and claimed it will be hard to find providers at current financing rates.

RECRUITMENT

Getting the right calibre of advisors was a challenge for the service given the pull of the London market and mix of skills and experience required. *"We wanted someone who has been there and done it"* and we *"stuck fast to what we needed across the team"* (internal stakeholder). Having a very clear person specification was key to overcoming this challenge and recruiting IAs on flexible part-time contracts.

'UNDERTAKINGS IN DIFFICULTIES'

The SAG was concerned about the rigid application of 'undertakings in difficulties' state aid regulation excluding firms with a negative balance sheet. This regulation affects early stage companies who, on paper, are making a loss. This meant that the team were turning away some potentially innovative fast growing companies which seemed counterintuitive on an innovation programme. *"It's not a fair mechanism and affects our target demographic"* (SAG member).

CENTRAL MARKETING OF IUK THE BRAND

More visible marketing of IUK I2S brand would have helped the promotion of the project and perhaps generated some high-quality leads (EEN services are publicised centrally). The programme could have higher visibility within IUK generally. That said following the interim I2S evaluation IUK subsequently identified I2S as the central service for the EEN.

5.3 POSSIBLE ENHANCEMENTS

PROJECT ENHANCEMENTS

Several project enhancements were suggested. Follow-on support could be improved, one advisor claims it might be more helpful to think about the next stages of the journey, rather than a discrete intervention. A follow up meeting was suggested three-to-six months after the project, to find out impact to date, further develop ideas and ensure business growth/innovation aspirations are achieved. The development of a small revenue grant for specialist expertise on the next stage of innovation was suggested. Companies would like funding/investors for product development; assistance in market and export development and new customers post Brexit, assistance with scaling up and support to progress in the next stage in product development (See also Section 3.8). Another option suggested by the SAG was a more flexible intervention of between five to nine days. A seven-day programme could put some firms off.

ADMINISTRATION AND REVIEW OF TOOLS

Some assistance with administration was requested. Several advisors raised the possibility to further streamline paperwork. Two suggestions included skype meetings rather than face to face meetings combined with digital signatures and reducing the length of the initial screening tool. Advisors might like to give their reflections on the toolkits used and needs assessments undertaken. Is there scope to enhance, prioritise these or link them to the emerging national I2S priorities?

"We use a whole range of management tools. It feels like these tools have been self-assembled by each advisor. This is going to be an IUK programme and, as such, there should be much more coordination in terms of the toolkits used to support delivery. The Growth Mapper, the Action Plan etc all need to be much more innovation-focused, rather than just business growth, they need to have the same branding (IUK) and be consistent so that every advisor is using the same tools and they follow on in a logical pattern." Advisor

REFERRAL

The SAG would like to see a more systematic referral system and attendance at complementary programme meetings. Encouraging supported companies to refer others to I2S might be fruitful. *"We could have done more with marketing with alumni events and better use of recommendations"* (SAG member). There was scope to continue to deepen links with local professional networks (though Section 2.6 highlights some recent activities here).

"From a sales perspective, what works well for me is working with local introducers and put time and effort in. I visited one recently and that has led to four referrals". I2S Advisor

MARKETING AND COMMUNICATIONS

"Awareness of the brand is quite low. Once they are on the programme they recognise the name, gain a greater understanding of what is on offer and are happy to promote it by word of mouth. I would put the brand/logo in every piece of communication that goes out, whether it be from Exemplas or IUK." Advisor

The currency and kudos of the programme needs to be raised. There is a need for more marketing collateral including a stronger web presence to generate interest. This is being addressed. *"We are putting together a 10-step process which will make more use of our social media platforms and will exploit the CRM system more. This will make us more efficient at generating quality leads from these channels."* Senior Marketing Executive.

. *"We are currently doing some filming with existing clients to create case studies for YouTube. These will be three-minute videos with 30-second sound bites also created. It is all about promoting the real-world outcomes and impact of the support and raising brand awareness."* Senior Marketing Executive

There are plans to exploit digital media channels more to generate more in-bound marketing/enquires. There was a desire expressed to raise awareness of the brand further to differentiate I2S to stimulate new leads and interest. One advisor would welcome intelligence on firms that had approached IUK for support but not proceeded.

Annex Four looks at the experience from other areas.

5.4 SUMMARY FINDINGS

In relation to the project's delivery:

- The key strengths related to the delivery model, the high calibre of advisors, the process and toolkits as well as management, partnership and referral.
- The key barriers and constraints related to reporting procedures, recruitment, the 'undertaking in difficulties' ruling and the visibility of marketing.
- Suggested refinements related to administration, follow-up meetings, systematic referral and raising the kudos of the programme.
- Other pilots (see Annex four) have shown the benefits of incoming referrals from their respective growth hubs and internal referrals sharing clients with advisors. Like Exemplas they like the process but have struggled with administration and marketing.

The case study overleaf shows how I2S helped one firm develop a new product range.

Case Study:

Expert Pattern Maker Innovates to Diversify with Support from I2S

Westfield Patterns
Master Pattern Makers

I2S has been supporting Westfield Patterns in the development of an entirely new product range, with the aim of diversifying the company's offering, increasing its robustness and improving its ability to deal with the full range of market conditions.

"The company was service-led before, we realised that we needed to diversify and we wanted to produce our own products. We had started a product development process, but we were uncertain of our next step. We needed advice on commercial aspects, such as routes-to-market and pricing structures. A mentoring programme such as I2S was exactly what we required at that stage of our development" *Office Manager, Elizabeth Cooke*

"

We received a call from I2S and we were sceptical at first as it sounded too good to be true. A mentoring programme was just what we required. I did a thorough search of the information available on the government website and agreed to meet a representative of the Programme.

Elizabeth Cooke

Founded in 1988, Westfield Patterns is a Peterborough-based Master Pattern Makers that provides high quality patternmaking to a wide range of industries and to local and national clients, ranging from permanent signs for a Scottish farm trail through to pattern equipment for the automotive, aerospace and foundry industries. The Company's strength lies in its professional workforce, together accumulating over 115 years' experience and resulting in Westfield Patterns having the capability to produce complex patterns on all scales, from a single loose pattern through to large production patterns. With tough economic conditions in 2016, the Company made the decision to develop its own range of products to make best use of the expertise held within the business and to provide additional future revenue streams.

Through a stroke of serendipity, Westfield Patterns received an introductory phone call from an I2S representative in early 2017 and, after further investigation, made the decision to engage with the Programme and benefit from the support on offer.

> Simon has been there every step of the way, giving advice and building confidence that what we were doing was correct. We would have followed a very different path if we didn't have Simon and I2S and I'm sure it would have been far less successful with a product that would have been inferior. We would highly recommend I2S support to any business.
>
> Elizabeth Cooke

In May 2017, Westfield Patterns had its first meeting with I2S Innovation Advisor Simon Atack. Simon undertook a thorough review of the business, with an output of the meeting being an 'action plan' of recommended activities for the Company to undertake, with a particular focus on product/market research and brand development and protection. Monthly meetings were then arranged with Simon and I2S to review progress and to support the Company in its endeavours.

As agreed in the action plan, the Company undertook detailed market research, employing both desk research and focus group work to identify a range of 10 products that could be produced by the company using the expertise on-hand. It was agreed that the company would focus its efforts on the 'country living' sector and that the new products would be marketed under the new brand name of 'Chester & Cooke'.

CHESTER & COOKE

Since May 2017, new product development in the form of prototype production has taken place for the majority of the new products, which include a boot jack, a herb planter and a seed box, and focus-group feedback has been utilised to influence product design and aesthetics.

The firm also received an IP grant via I2S of £3,000, the Company has recently commissioned patent lawyers to complete an IP audit for the new product range. This audit resulted in a 40-page report on the Company's IP assets and related risks and opportunities. The company is currently in the process of implementing the recommendations made, ie trademarks for the brand and design protection for the products.

In terms of future priorities, the company is planning a launch campaign for the new product range in early 2018, which will utilise social media channels, Facebook in particular. The Company is also in talks with Nutscene, a Scottish traditional products manufacturer with sales channels into 23 countries, in relation to a co-branding exercise for the new products.

The Company claims many innovation enhancements as a result of the I2S project, from improved customer understanding and better supply chain links, through to applying processes and expertise developed in other sectors. I2S engagement also helped overcome barriers to innovation including a lack of prioritisation of such activities, with the Company moving from a position of 'not really investing in R&D activities' to being close to bringing products to market and establishing commercial relationships.

The firm now invests time and resource in innovation strategy and activities and collaborates more extensively on innovation.

Westfield Patterns
Master Pattern Makers

Innovation Timeline

Dec '17

Photo shoot of products with packaging

Building of the e-commerce site to link with social media

Early '18

Continued development of the dog bed range including engagement with suppliers for the inner soft bed prototypes

Co-branding relationship with Nutscene (sells to 23 countries) launched

Initial product launches to be undertaken via social media

Nov '17

IP Audit undertaken via grant from I2S

Photo shoots for all products

Packaging designed for each product - enhancing the brand focusing on first seven products'

Sep '17

Development of new brand 'Chester & Cooke' for range of 'country life' products

10 products developed since May – prototypes and focus-group feedback for each product

June '17

Market research commenced, utilisation of focus groups

July '17

Decision taken to focus on "country life" products, ie boot jack, herb planter, seed box

Development of Chester and Cooke

May '17

Initial meeting with I2S representative, business review undertaken and action plan produced

Late '18

In response to market conditions, decision made to diversify and build a new revenue stream

6. FUTURE POTENTIAL AND FINAL CONCLUSIONS

This final Chapter briefly concludes with an assessment of performance against objectives and highlights some suggested recommendations for the extension[15].

6.1 FINAL CONCLUSIONS OF PERFORMANCE AGAINST OBJECTIVES

Final observations against each objective are as follows:

There is good progress towards Objective 1 (Improved Innovation Management Capacity). The business survey shows that 76% companies who took part in the project believe their company's approach to innovation has improved (see Chapter 3). This exceeds the project team's target of 50%. The number of out-referrals suggests that the project has been able to increase business engagement in accessing EU and national grant funding (the case studies and stakeholder interviews confirm this). In terms of improving SMEs' access to finance and resource efficiency there is mixed progress. Funding remains an innovation barrier for many and just over half of participants believe they have or will at a future date 'increase efficiency and reduce costs' (52%). IUK have recognised this and are investing in further CPD for all advisers to build knowledge and expertise in this area across the EEN as part of the I2S extension programme.

In terms of Objective 2 (Helping Overcome Significant Barriers to Innovation and the Commercialisation of New Ideas) the survey shows that firms are overcoming many, but not all, barriers to innovation. Funding and lack of time remain stubbornly high. Looking at other barriers the highest percentage decrease was for 'lack of organisational prioritisation' (-61%), 'ideas not developed enough' (-57%), plus 'technical constraints' (-55%) and 'lack of knowledge for markets' (-50%).

Objective 3 aims to increase the speed at which new products, processes or services can be developed and brought to market by participating SMEs. It is therefore encouraging that most respondents (95%) reported time and scale additionality in relation to innovation benefits experienced, that is, I2S has help them to speed up and increase the level of benefits achieved. In terms of Objective 4 (Successful Commercialisation) Chapter 3 indicates the noticeable difference in ratings of how close products/services were to market before, and after, working with I2S. The average rating for closeness to market (on a scale of one to ten where one is low) has almost doubled from 3.6 to 7.4.

Innovation Advisors and stakeholders are confident that I2S has met its objectives, as evidenced in the final programme reports and client feedback. Advisors felt like they had a good mix of companies in priority sectors including biotech, smart energy and software IT. An IUK funded extension for three years has just been confirmed.

[15] Note lessons learnt have also been considered but appear only in the Executive Summary

6.2 RECOMMENDATIONS FOR I2S

For the next iteration of I2S Exemplas may wish to consider:

I. Incentivising more advisor generated leads.
II. Disseminating the evaluation findings.
III. Implementing process and administrative refinements freeing up more delivery time including the automation of checks and new simplified documentation to replace the current case file.
IV. Identifying additional funding for businesses to take forward identified actions.
V. Using of alumni and word of mouth recommendations to generate new high-quality leads.
VI. Implementing strong referral protocols with partner programmes and the professional community.
VII. Further enhancing the identity and profile of the programme.
VIII. Exploiting policy opportunities for innovation activity including the Shared Prosperity Fund.
IX. Potential programme flexibilities relating to the intensity and nature of support.
X. Addressing the I2S Task and Finish Recommendations on the new emphasis of the programme with needs analysis and tools tailored to the target 'life stage persona'/client maturity.
XI. Offering appropriate advisor training and CPD to achieve the above.
XII. Forge links with new innovation tailored products related to access to finance and scale-ups.
XIII. Digitising economic impacts' intelligence including current and anticipated new jobs.

The final case study overleaf shows how I2S help one firm scale their manufacturing volumes.

Case Study:

Precision Manufacturing Company Exploits Commercial Opportunity Via Strategic Innovation Support

Qualitetch
your total metal component solution

I2S has been supporting Qualitetch in its process of scaling manufacturing volumes in response to specific client needs. Following completion of a management buy-out of the company in 2008, owner and Managing Director Alexander Craig has overseen a process of continuous improvement, and was now keen to engage with an independent business support provider such as I2S to fully exploit commercial opportunities.

"By the summer of 2016 I felt that the business was stable enough and ready to move forward. I believed that an independent review of the business and our future direction would be highly beneficial."

"The (I2S) engagement basically focused the organisation's objectives in relation to innovation and development. It helped us clarify our innovation vision.

Alexander Craig, MD

Qualitetch is a manufacturer of precision etched metal components based in March, Cambridgeshire, currently employing 33 staff and growing at some 35% per annum. For over a quarter of a century, the company has served a worldwide customer base spread across global high-tech industries, including aerospace, automotive, defence, broadcast equipment, instrumentation technology, scientific, medical devices, telecommunications & renewable energies. Qualitetch currently holds AS9100C, ISO 9001:2008 and ISO 14001:2004 accreditation standards with NQA, as well as Rolls Royce approval for photo etching.

In September 2016 a key client of the company moved from a niche manufacturer within Formula 1 to a mass-market offering. This required Qualitetch, as a key supplier, to move to high-volume manufacturing methods. Alexander Craig recognised the potential benefit of seeking independent advice and support for this process and, to this end, the first meeting between Qualitetch and an I2S Innovation Advisor took place in October 2016.

Following further meetings, a 28-point action plan was drawn up which, according to Alexander Craig, included real-time, deliverable and measurable activities. I2S support facilitated the adaptation of manufacturing processes to convert a product that was previously only manufactured at prototype levels, and also reshaped pricing structures to make manufacture of the new product economically viable for the company.

"I2S engagement resulted in us taking stock and identifying our worth from our customers' perspective. It gave us confidence in our ability to innovate and to be developmental."

Qualitetch confirmed that I2S engagement, alongside planned company-based activities, has facilitated a 300% improvement in efficiency and a reduction in waste from 40% to less than 1%. Tolerance control limits have been reduced from 75 microns down to 25 microns. Following the restructuring of manufacturing processes and pricing points, the management team predicts an increase in net profit of 250% in the short to medium term.

In addition to the above benefits, there were several barriers to innovation that were overcome as a consequence of I2S engagement, including lack of up-front development finance and investment practical manufacturing limitations and a lack of time or capacity to consider mass production techniques. The company rated several aspects of the I2S support as excellent including the speed of enquiry handling, the applicability and quality of the advice offered, the analysis of the company's specific requirement, professionalism of the advisors and the quality and relevance of referrals to other sources of support.

Alexander Craig believed that, as a result of I2S engagement, Qualitetch had already improved its customer understanding and undertaken novel combinations of technologies/processes or improved performance from 'new-to-the-firm' practices. He also believed that the company is now better equipped to improve supply chain links, routinely exploit new ideas or technologies and invest time and resource in innovation strategy and activities, thereby improving management's knowledge of innovation funding related opportunities.

In terms of future priorities, Alexander commented:

"We will look more closely at automation, smart factories etc. As we grow we need to be more efficient and productive, we have to be at the cutting edge of factory technology otherwise we can't compete worldwide-basically lean efficient profitable growth. We may well need support with the actual technical implementation of the interactive systems between robotics and programmable logic controllers etc. Support at the technical level does exist to an extent, but it's typically not as accessible for SMEs."

Alexander Craig, MD

"

I2S made us take a more strategic outlook, planning for our medium- to long-term future. That is not always easy for a small company to do. We now ensure we have a monthly management meeting that focuses on long-term metrics and their timely delivery.

Alexander Craig, MD

Qualitetch
your total metal component solution

Ongoing I2S Support

Timeline of Key Activities and I2S Engagement:

2008
Alexander Craig completes management buy out of Qualitetch

2014
£300k investment in new plant and Quality Assurance staff

Sep '16
Key customer moves from niche production product to mass market, requiring Qualitetch to move to high-volume manufacturing methods

Oct '16
First meeting with I2S representative

Apr '17
I2S Project start date

May '17
Task list drawn up with I2S representative (28-point action plan with real-time, deliverable and measurable activities)

Aug '17
Manufacturing processes adapted to manufacture part only produced at prototype level previously

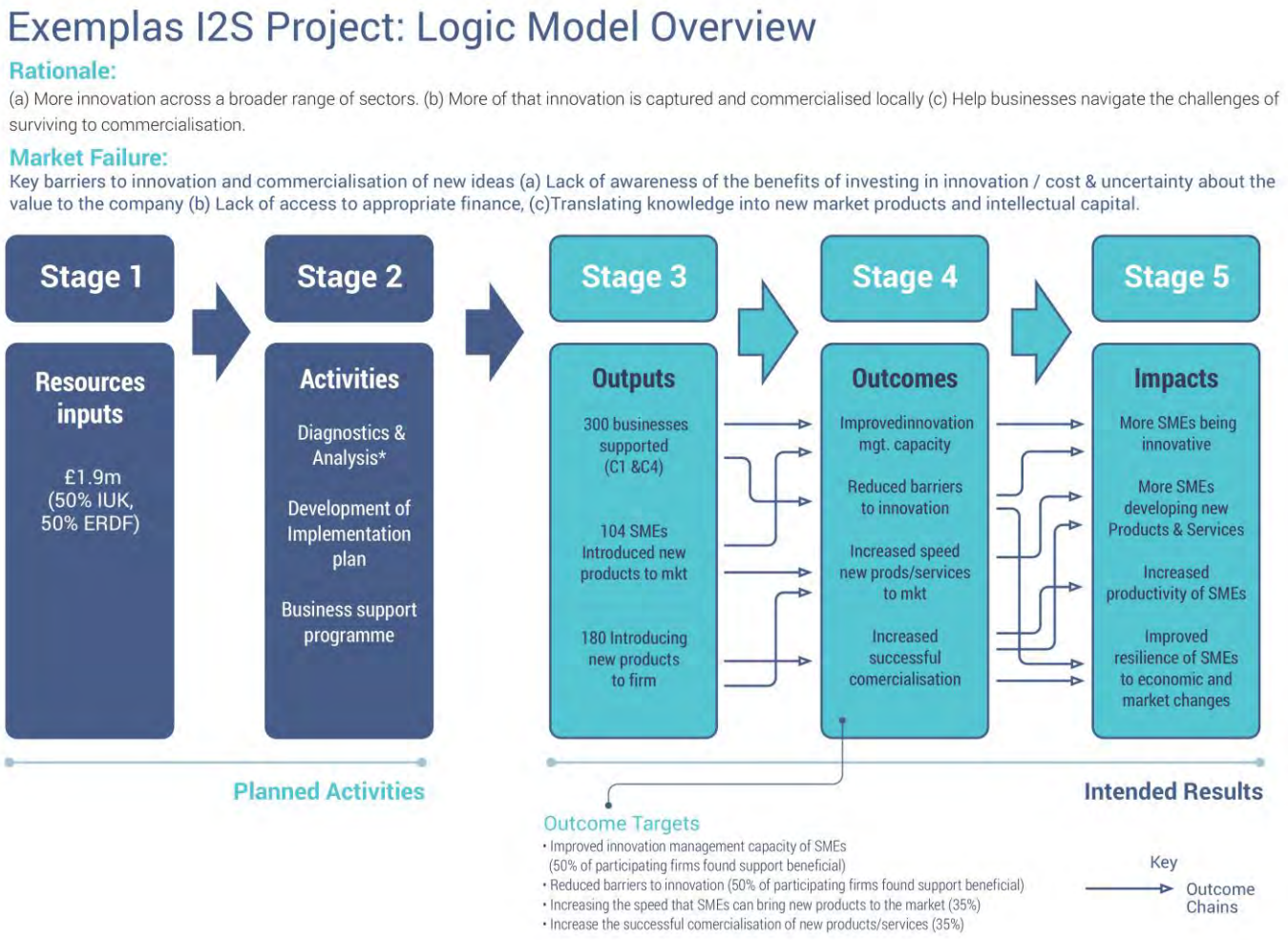
Aug '17
Pricing structure reshaped following advice from I2S

Nov '17
I2S engagement, alongside company-based activities, facilitates a 300% improvement in efficiency and a reduction in waste from 40% to less than 1%.

Nov '17
Company improves tolerance control from 75 microns down to 25 microns. Cumulative effect of these improvements makes the new product economically viable.

2018
Following restructuring of manufacturing processes and pricing points, company management predicts increase in net profit of 250% in short to medium term.

7. ANNEX ONE: LOGIC MODEL



8. ANNEX TWO: CONSULTEES

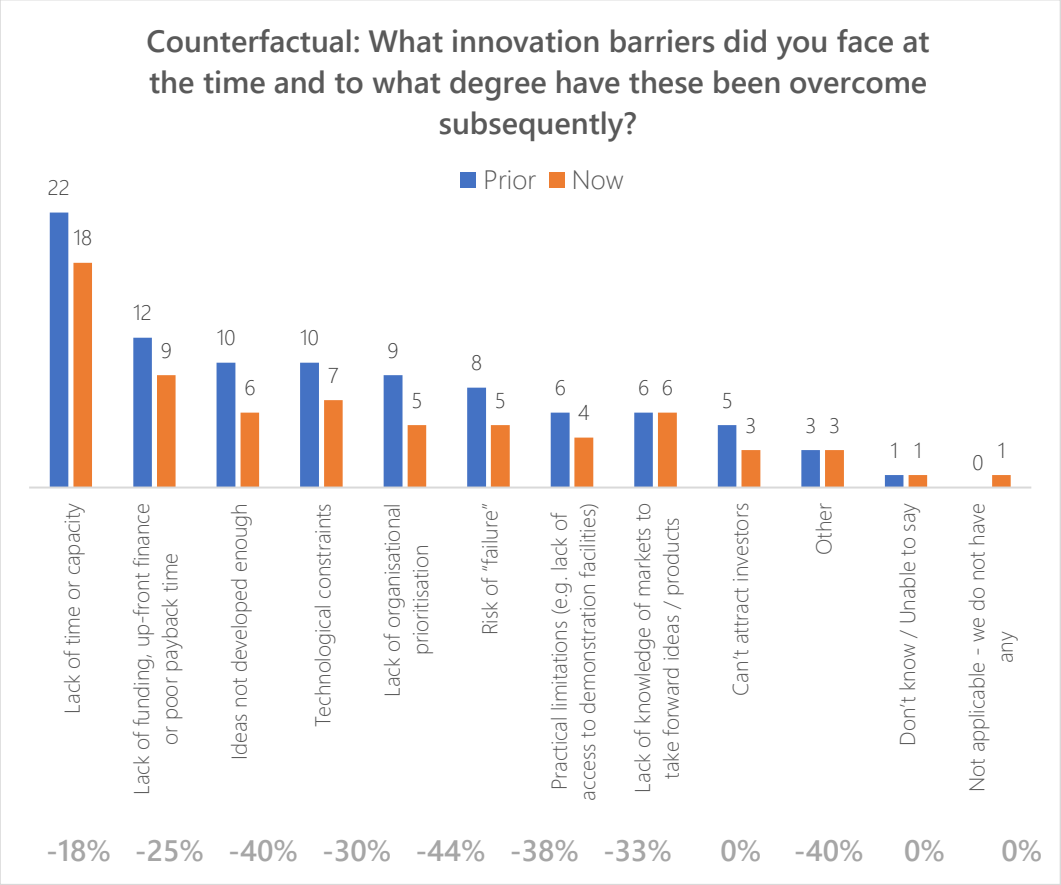
Name	Position	Organisation
Sunil Mistry*	Lead Innovation Adviser, I2S	Exemplas
John Stenhouse*	Signpost2Grow Growth Hub Manager	GCGP LEP, CPCA Growth Hub
Paul Witcombe	Enterprise and Innovation Manager	Herts LEP, SAG
Amanda Freeland	Head of Services	Hertfordshire Growth Hub
Sian Ryan*	Head of Operations	Hertfordshire Growth Hub
Andrew Goldsbrough	EEN and Innovation Services Manager	Enterprise Europe Network
Graham Coultas	Innovation and Programmes Director	Exemplas
Helen Turton*	Innovation Advisor	Exemplas
Giles Bridger*	Innovation Advisor	Exemplas
Hannah Scorey	Marketing Exec	Exemplas
Adrian Allen	Senior Innovation Advisor	Newable Innovation
Mason Sinclair	Team Leader	Newable Innovation
Elaine Kearney	Innovation Advisor and Team Leader, I2S	Oxford Innovation
Sarah Pavlou		RTC

*Interviewed at interim and final stages

In addition, SAG, Project Management Committee Discussion (December 2018) and Advisor Team meeting (December 2018).

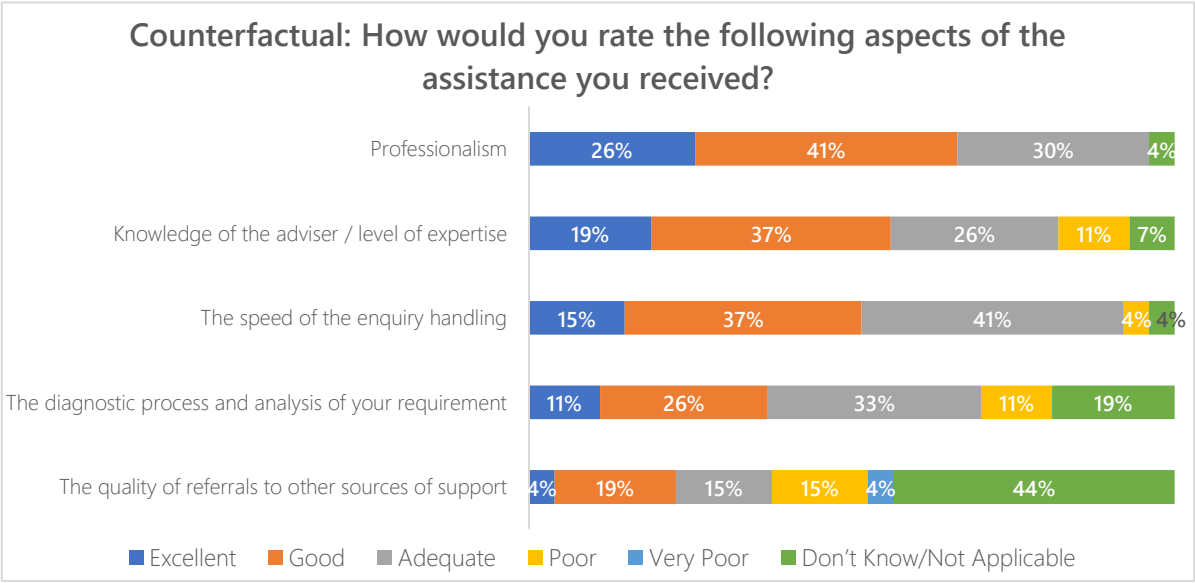
9. ANNEX THREE: COUNTERFACTUAL SURVEY

The biggest improvements have been 44% in '….lack of prioritisation' (61% improvement for beneficiaries), 40% in 'ideas not developed enough' (57% for beneficiaries)', and 38% in 'practical limitations….' (47% for beneficiaries). The I2S programme has clearly move beneficiaries further than the companies who did not opt into the programme.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Counterfactual n=27

When asked to rate different aspects of the assistance they received following contact with the programme, the counterfactual group score this lower than those who accepted or were successful in benefiting from the intervention. Although 'professionalism' on behalf of the adviser was still scored a high 67% who reported it as excellent or good (98% for beneficiaries), 58% of 'knowledge….expertise' was marked as excellent or good (93% for beneficiaries), and 'speed of the enquiry handling' was 52% (86% for beneficiaries). Perhaps it is the initial contact where future interventions of this type could be improved.



Source: Kada Business Survey, Phase 1 (2017) and Phase 2 (2019), Counterfactual n=27

10. ANNEX FOUR: EXPERIENCE FROM OTHER AREAS

"At this point I don't think that delivery could be enhanced. No doubt it will be fine-tuned, in terms of sales activity/client networking, but there is nothing with hindsight that we would suggest needs a radical rethink and change". I2S Pilot

Newable delivers I2S in Greater London. It was noted there was a large pool of potential technology companies to work with. The interviewee noted that the delivery process worked well but felt the paperwork was quite intensive and not always relevant, citing the questions at the back end of the one-page action plan. 'Deal flow' was reported to be satisfactory through a combination of telemarketing, internal referrals, attendance at regional events (theirs and others). The team also have good relationships with local accelerators and law firms. In terms of internal referrals Newable also run Department of International Trade contracts, venture capital contracts, and EEN (they get many referrals through here). Due to their breadth of coverage they have been able to offers a one stop shop approach where clients are able to access different projects and expertise which adds value to the clients offer.

In terms of lessons they reflected the could have put stronger processes in place from the outset (this took some time). They have also developed key modules within a set structure to achieve 12 hours support with four or five areas that firms need the most. They felt I2S had a low profile and was not well known (RTC also claimed this). The second interviewee noted *"profile raising was needed at an early stage we had to explain to companies what I2S was and pro-actively seek the companies".*

They felt the consortium meetings worked well.

"I get great benefit from them. The openness to talk amongst ourselves, regarding issues and best practice, is very useful forum indeed. I remind you that I have worked with universities, delivering innovation programmes and this clearly is best practice".

They have shied away from using the GROWTHmapper™ tool systematically. They find it too time consuming or effective have tended to use their own tools.

Oxford Innovation covers the Enterprise M3 area in Surrey and Hampshire. It had similar ambitions to the other pilots to target SMEs demonstrating innovation growth ambitions or potential. *"The innovation is about optimising the companies' ability to explore and manage new ideas"* they claimed. Unlike Exemplas, they do not exclude firms by size and have a higher proportion of micro businesses. Whilst they anticipate achieving their targets they acknowledged they could perhaps achieve better outcomes by targeting larger SMEs. There are less explicit links to LEP strategic priorities (there is no requirement to do so) but they are well connected to other initiatives via the EM3 network of practitioners. The network meets regularly to discuss skills, training, finance and the Growth Hub. 50% of their customers come via the EM3 Growth Hub.

"It's good to have strategic links but operational connections are vital. The practitioners' network is really useful to really understand others and refer to them. I don't want to duplicate what others are doing". I2S Pilot Area

Oxford Innovation would welcome a complementary follow-on programme to extend the I2S offer. They like the process and the GROWTHmapper™ tool which they developed. It was noted that Oxford Innovation are developing new modules covering productivity and internationalisation for the GROWTHmapper™. They described the Action Plan as a flexible process as *"an all embracing snap shot of*

what's coming out of discussions and GROWTHmapper™". They don't tie their clients to it and the actions adapt and change as they communicate with companies (similar to the Exemplas' experience noted earlier).

They like the I2S model and felt that seven days was attractive to applicants. They noted that they developed a very trusting relationship with their clients over long time frames. This did have the downside of making it hard to shut down cases. Their final report stage was introduced to assist with this process. They claimed to be spending 40% of their time on administration *"which prevents delivery of support"*. Their team is trying to keep paperwork to a minimum and didn't insist on paper signatures. The Oxford Innovation team spent some time getting the I2S process right at the early stages of the intervention through the case file (an IUK requirement) that captures the information on the client, their needs and their action plan.

One innovation they have introduced is sharing clients with advisors – with two or three advisors advising a single client. This brings fresh a perspective and can help to achieve a 12 hour assist more quickly. Oxford Innovation reported doing minimal marketing with half their clients being referred in from the Growth Hub and the balance made up from events and networking and client word of mouth. They tend to sign up a high proportion of the referrals they see (two point five out of three customers on average) suggesting a high conversion rate. The team at Oxford Innovation get some referrals from Set Squared and Finance South East but would like stronger relationships with local councils. Like Newable they also liked the consortium meetings. *"We decided to set up this group June last year we as recognised we had a lot to learn from each other"*.

In relation to cross cutting themes they record relatively low levels of interest in sustainability via the GROWTHmapper™. Both Newable and Oxford Innovation capture diversity measures but were honestly not sure if this made a difference or informed their marketing activities. Though they both did claim have a high proportion of women business owners.

RTC North cover a large I2S area from the North East to Leeds and Liverpool. One of the key barriers to innovation encountered has been a lack of aspiration. The advisor consulted claimed *"there is an appetite to start a business but people are reticent to take the next steps – they need mentoring to take the next risk"*. In the North East networking is important and they get many referrals from events and internally. Like Newable they run many programmes from start-ups to scale-ups so '*clients can pass through the programme*'. In Leeds and Liverpool they have strong links with LEPs and Universities. They don't use telemarketing as they find leads from 121 interaction more beneficial and the advisors have their own networks.

They use the GROWTHmapper™ and some advisors consider it a useful conversation starter and it gives a structure (for people new into the advisor business it's a valuable tool too). But sometimes the client has a specific need and their advisor is able to diagnose it. Also it was claimed the tool only has one element of innovation and would like it more tailored towards it.

Like Oxford and Newable, RTC claimed "*the process is long winded and has been a learning curve – it took away valuable time with clients. We have tried to limit the reporting to maximise face to face time*". That said they claimed the clients like it and they have had nothing but positive feedback and in fact had to be careful to not offer too much.

They felt they were reaching the right firms but acknowledged there were a whole host of people they were not reaching. They added *"this comes back to aspiration…we are looking at an event to change the mindset and linking with schools to understand the areas better"*.

One of their key strengths was claimed to be their advisors, *"the people are great we have a fantastic team with diverse backgrounds and passion to make a difference"*.

In terms of marketing the RTC respondent claimed, *"we don't sell it or educate people enough"* and business don't always understand the word 'innovation'. They felt they needed to convey what innovation meant to a typical business (ie something new) and how it apply to them. *"We get lots of family businesses with huge opportunities to reinvent themselves"* they noted.

The key lessons they have learnt are (a) having a USP in a crowded market (b) a team ethos - getting the advisors to work together with less ownership of targets through team targets. (c) simplifying the process – to maximise the advisor time. They concluded *"it's all about people – relationships and listening and learning"*. They would like to see more referrals across regions.

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