KADA RESEARCH

European Union
European Regional Development Fund

Herts Growth Hub (HGH) ERDF Get Growing Programme Evaluation

A Final Report to HGH (October 2018)

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EXECUTIVE SUMMARY

Funded by the European Regional Development Fund (ERDF) and Hertfordshire Local Enterprise Partnership (LEP) the Hertfordshire Growth Hub Get Growing programme aims to enhance the competitiveness of small to medium sized enterprises (SMEs). It covers the area of Hertfordshire LEP. This is the final evaluation for Exemplas Ltd who deliver this initiative via the Hertfordshire Growth Hub (HGH).

PROJECT SUMMARY, OBJECTIVES AND RATIONALE

The overall aim of HGH Get Growing is to support SMEs in the Hertfordshire LEP area that are currently making a smaller contribution to the County's employment and economic growth than they might do. The project, targeted at non-micro SMEs, aims to enhance their competitiveness and to support their capacity to grow in regional, national and international markets, and to engage in innovation processes.

The project has 3 core objectives:

- To seek out, target, identify and engage non-micro SMEs with the potential to create wealth and jobs for the Hertfordshire economy, but which are currently insufficiently growth-oriented and therefore not eligible for national Business Growth Services.
- To provide participant SMEs with an integrated programme of business support through a team of specialist advisers, backed by individual SME Growth Plans, so as to refocus them onto growth and realise their potential as creators of wealth, innovation and jobs.
- To complement, streamline, promote and add value to the services of the HGH, and the County's wider business support ecosystem. 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.

The programme involves a programme of actively targeted outreach to identify the client group followed by a diagnostic health check and action plan to engage and focus them on growth. Attention is then focused on providing tailor-made personalised advisory support via an integrated programme with workshops. This is followed by the development and promotion of a core business support facility with a clear customer journey. 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. 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 the team in March 2018. A telephone survey was undertaken with 95 participants and 7 companies who did not proceed (this was agreed to offer the most useful and practicable counterfactual intelligence). Eight case studies have also been undertaken which appear throughout the report.

CONTEXT

Section 1.7 of the report notes that the project area covers a diverse geography embracing growth corridors, and rural and urban areas. Hertfordshire has strengths in life sciences, advanced manufacturing, engineering and professional, banking and finance sectors. The project aligns well with Thematic Objective 3 of the Hertfordshire European Structural Investment Framework (ESIF) Strategy, 'Enhancing the Competitiveness of SMEs'. The Strategy references the Enterprise Research Centre's 2013 report (Firm Dynamics and Job Creation in the UK) which shows that some 90% of new firms in the UK have fewer than 5 employees and 10 years later, it continues, 75% of the 20% odd that still exist, still only have fewer than 5 employees. The Strategy concludes that the county requires a targeted programme of support for the 'non-high growth SMEs' to become more prolific job creators. "*There is a pressing need to target support for businesses or SMEs with the maturity, capacity and capability to grow*".

PERFORMANCE

The highest concentrations of businesses supported have been in St Albans, Welwyn Hatfield and North Hertfordshire. Some local authorities are under-represented compared to their business bases and these are all located in the south and east of the county. Just under half of the SME beneficiary businesses (45%) employ less than 5 people.

Female or 'female majority' accounted for over one in four businesses (21%). This is higher than the national average business ownership figures for women which according to the Women's Business Council was 17% (reported in 2016). Manufacturing, professional, scientific, information and communication, real estate and wholesale/retail represent 75% of all businesses in this ERDF project.

100% of businesses had one or more referrals (554 total referrals). Of these the percentage of businesses referred to national agencies/programmes was 29% against a Programme target for SMEs accessing national programmes of 5%. The team has undertaken numerous marketing activities including client acquisition events, e-mail campaigns, marketing collateral and web and social media activity including LinkedIn and twitter.

The C1 business assist target (211) has been achieved. 92 FTE posts have been created against the employment supported target (C8) of 80 (+15%). This output was a real challenge for the team though it is clear from the survey businesses do have plans for future job creation. 25 firms have been supported to introduce new to the firm products against a C29 target of 23.

BUSINESS SURVEY

Clients are accessing the service using a variety of available channels and a mixed approach to marketing worked well. The business survey found an increasing to propensity for growth amongst the HGH Get Growing cohort and tangible business improvements. There was evidence of firms overcoming key barriers to growth such as difficulties in accessing information or advice, lack of funding/up front finance, plus 'doubts

about business support benefits' and a 'lack the growth focus'. The businesses consulted reported significant time and scale additionality.

There are high ratings for the professionalism and the knowledge of the advisors but there is a small minority of customers who were not satisfied with the service or say it didn't meet their expectations. This related to the quality of the advice offered, added value or the support being too generic, or understanding of the business. This issue was identified prior to the interim evaluation and the team put in place measures to address this. These include the introduction of a more structured package of the twelve-hour support and a new diagnostic and action plan tool including a radar plot which provides a before and after view of where the business was in terms of six key areas of the business. Clearer messaging was introduced in new marketing and promotional material describing the service, its objectives and those was aimed at. Those that scored the support as exceeding expectations felt this was down to many reasons including the quality of support or advice and/or the fact it met or transcended all their requirements.

71% of companies who took part in the project believe their company's approach to growth has improved and the rate of improvement in growth was higher for HGH Get Growing supported companies compared to the counterfactual sample. It is impressive that 86% of respondents have already fully (33%) or partially applied learning (31%) from the workshops/events or will (11%) or may do so (11%) at a future date. Of the 58% of firms that have brought products or services to firm their average weighting for 'closeness to market' had noticeably improved on a scale of 1 to 10 from 5.20 prior to the project to 7.65 afterwards.

One of the impact targets within the logic model was for 20% of SMEs to be recruiting and expanding their workforce. The survey showed that 36% percent of firms surveyed reported they had already created new jobs.

In terms of where the respondents' business growth priorities might lie in the future and where they might need support next, marketing, funding and exports came top. Whilst the project has met its contracted job creation target, businesses claim there is potential for many more future jobs to be created. Extrapolating these figures to the full sample indicated the creation of an additional 252 future jobs.

PROJECT DELIVERY

Partners generally agree that the rationale for the project and market failures it was seeking to tackle, remained valid (see Section 1.3). The general view was the delivery model worked well and was fit for purpose, mixing diagnosis with in-depth interaction and workshops and events. The various networking and speaker events organised by the HGH Get Growing team were thought to be professionally organised, well attended and highly worthwhile offering learning-based content. HGH was claimed to offer an impartial brand that businesses could trust and approach without receiving a hard sell.

The project had a slow start, with bidding and contracting taking some time, which meant the programme struggled to get mobilised. This had a knock-on effect on early delivery and outputs resulting in project change requests. One external partner noted the restrictions of the contract and the requirement for hours deployed. It would have been good, they suggested, to be able to add more advisors to the team, or have a contract that was sufficiently flexible, to be adapted to meet business needs more fully.

There were several potential enhancements suggested by stakeholders including refinements to paperwork and administration with greater use of technology and perhaps a shift to more specialist advice. Some would like to see more one to many support, combined with an elite programme for more substantial scale-ups.

Early on the Programme reached some businesses that were too immature or small suggesting targeting from the outset is important. In terms of alignment there was a general feeling that HGH Get Growing integrated well with the local business support landscape and there was good evidence of cross-referral between programmes.

It was noted that the website was well embedded within the main HGH site and there was an opportunity in the future for similar services to offer more dynamic features such as optimised content.

Partners believe the Programme administration has been thorough and organised and Exemplas was thought to run Programmes effectively. It was felt the LEP had sufficient oversight of this Programme alongside other ERDF business support measures.

For some, the added value of the Programme was demonstrated by the fact that businesses were informed about a range of support on offer to meet their requirements. The good attendance at events demonstrates an enthusiastic response from business.

There was a general feeling the Programme should continue on least at the same scale or be expanded, building on the momentum that it has gained. Any future iteration of the HGH Get Growing Programme will link with whatever national support infrastructure is designed, though it is possible that EU funds could be drawn down to 2023. This changing landscape provides an opportunity to reflect on some further enhancements to the current model (see recommendations).

ECONOMIC IMPACT AND VALUE FOR MONEY

The HGH Get Growing Programme has created 190 gross FTE jobs (92 direct and 98 indirect) generating a total Net Present Value (NPV) Gross Value Added (GVA) of £12.2 million which would result in a cost benefit ratio of 1:8.3, that is each £1.00 of public investment will generate some £8.30. This is slightly higher than might be expected for this kind of initiative. The cost per business assisted is £7,200 and the cost per net job generated to date is £19,800 which is within the range expected for this kind of activity which varies from £8,000 (low) to £26,000 (high).

CONCLUSIONS OF PERFORMANCE AGAINST OBJECTIVES

Two out of the three project objectives have been achieved with the third (Objective one) partially achieved.

The essence of the first Programme Objective was to seek out, target, identify and engage non-micro SMEs with the potential to create wealth and jobs. There has only been partial success against this measure as when the programme started the management information shows it did accept micros onto the Programme (45% of all participants employed less than 5 people). The acceptance of micros onto the programme was a pragmatic decision taken due to the delayed start and the need to demonstrate contractual progress. The situation has subsequently improved with virtually all companies accepted during the last quarter of the programme representing the target 'missing middle'. This final tranche of activity redressed this balance somewhat (though see recommendations).

Evidence shows that the programme has succeeded in its Objective to provide participant SMEs with an integrated programme of business support through a team of specialist advisers, backed by individual SME Growth Plans, so as to refocus them onto growth and realise their potential as creators of wealth, innovation and jobs. The delivery model and client journey were designed to achieve just that (see Section 1.4). The business survey shows there was a noticeable decline in the growth barriers faced before and after the project.

There is also evidence of respondents acting on their growth plans and realising growth through job creation, improvements to turnover and profits and wider benefits.

There is consensus amongst the stakeholders that Objective Three (to complement, streamline, promote and add value to the services of the HGH, and the County's wider business support ecosystem) has been achieved. HGH Get Growing links well with the local business support landscape and there is evidence of cross-referral between programmes. The key area of added value was the fact that businesses, through HGH Get Growing, were well informed about a range of support on offer to meet their requirements.

RECOMMENDATIONS

The HGH Get Growing Programme management team may wish to consider the following operational recommendations:

I. Future programmes should focus on the 'missing middle' from the outset. Experience has shown that this can take longer but results in more substantial impacts.
II. Whether business engagement measures to boost representation in under-represented districts in the south and east of the county is desirable in future programmes.
III. How the web presence can be enhanced, for instance through content optimisation, should any future iterations of the programme be developed.
IV. How it might disseminate the evaluation findings for instance via a dissemination plan setting out what will be targeted to whom, how and when.
V. Whether process and administrative refinements and the use of technology could be used in future business support programmes to free up more time for delivery.
VI. Whether it is worth managing the referral process more systematically for instance tracking outcomes.

The HGH Get Growing Programme management team may wish to consider the following strategic recommendations:

I. Whether it is feasible to secure additional EU funds during the current programming period to continue to support growth aspirant businesses from the 'missing middle'.
II. Whether the next and future iterations of the project should be adapted to expand the one to many element and work intensively with credible scale-ups using a team of specialist advisors.
III. How to position the project to meet the requirements of the UK Prosperity Fund post 2021.

The infographic overleaf summaries the impact and performance of the programme.

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

HGH Get Growing Project in Numbers

Impact

190
Gross jobs (92 direct, 98 indirect)

£12.2m
NPV GVA

£1.00: £8.30
Return on Investment

£7,200
Unit cost per business supported

36%
Of firms created new jobs already

34%
Have increased profit already

82%
Report some form of additionality (Time, scale, pure additionality etc)

71%
Cite improvement in approach to growth

1 in 5
Have developed new to firm products or services

Service

91%
Rate professionalism as excellent or good

88%
Rate speed of enquiry handling as excellent or good

84%
Support met or exceeded expectations

Business Reach

214
Enterprises receiving IDB support

21%
Female or 'female majority' owned (national average 17.3%).

100%
Of businesses had one or more referrals

95%
Awareness of EU support

86%
Fully or partially applied learning from the workshops /events

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1. OVERVIEW AND CONTEXT

This is the evaluation report of the HGH Getting Growing Project by Kada Research Limited in association with the Innovation Partnership. Covering the LEP area of Hertfordshire, this ERDF and LEP funded Programme aimed to identify and engage with SMEs offering tailored support to help them achieve their growth potential.

1.1. BACKGROUND

The programme provided comprehensive support to SMEs with latent potential to grow. HGH Get Growing consisted of business advice, delivered by a team of specialist advisers, and integrated with a series of business workshops. Specialisms covered included sales and marketing, inward investment, finance, productivity and business planning, with advisers working as a team to implement SMEs growth plans. The intention was for the project to target SMEs who form part of the 'missing middle', those which were ineligible to access national business support programmes, and which could be considered the 'gazelles' of future growth.

The programme operated from the Hertfordshire Growth Hub (HGH) and was presented to the market as a Growth Hub service. This ensured full integration with the Growth Hub's systems and processes, cross-referrals where appropriate, though the programme did maintain separate records and a separate audit stream.

1.2. PROGRAMME OBJECTIVES

HGH Get Growing aimed to support non-micro SMEs in Hertfordshire that were making a smaller contribution to the County's employment and economic growth, than they might do. The project had the following three core objectives:

- Objective One – To seek out, target, identify and engage non-micro SMEs with the potential to create wealth and jobs for the Hertfordshire economy but which are currently insufficiently growth-oriented and therefore not eligible for national Business Growth Services.
- Objective Two – To provide participant SMEs with an integrated programme of business support through a team of specialist advisers, backed by individual SME Growth Plans, so as to refocus them onto growth and realise their potential as creators of wealth, innovation and jobs.
- Objective Three – To complement, streamline, promote and add value to the services of the HGH.

1.3. RATIONALE

The project was conceived in response to the ERDF call to simplify the client journey for SMEs and enhance access to the most relevant business support. This fits with Business Simplification review recommendations by integrating and reducing confusion across the business support landscape – 'the Growth Hub is the place for established growth potential businesses to go'. It also meets the need for adviser support for SMEs looking to grow but not accessing business support services.

The target market was those SMEs with the potential to grow, but for whom that potential had not been realised or had not been the core of their focus. The Exemplas ERDF application claimed that this group:

- Faced multiple issues within their business,
- Lacked the capability to identify or address these issues, and/or
- Had little experience of, or drive to go out and seek, professional business help and support.

The target market for this project was non-micro SMEs which were not realising their growth potential. The evidence was that Hertfordshire was experiencing an under-performance in the middle of its SME band. According to the ESIF strategy, *"local units in the employment size bands 5-9, 10-19, 20-49, 50-99, were proportionally less in Hertfordshire County than in the East of England region"*, indeed the table of ONS data 2012 shows that only some 25.6% of Hertfordshire firms were in the 5-99 employment band compared with 30.6% for the UK.

Furthermore, the application refers to evidence that the percentage of employment in mid-sized businesses dropped between 2009 and 2012 while other bands grew. As well as their size, the target group was characterised by firms failing to realise their growth potential, which reflected a lack of interest in, or commitment to, growth. It is this growth potential that needed to be stimulated to create the jobs and wealth that the Hertfordshire economy needed to grow, when compared with its neighbours. As the ESIF Strategy pointed out, "*in the run up to the 2008-2009 recession (Hertfordshire) would appear to have lost out relative to those in other areas in the UK, London in particular. The cost in lost output relative to what would have happened, had Hertfordshire maintained its 2000 performance relative to the UK, has been spectacular – over £5 billion in today's prices, indeed its rate of growth has been … well below that of its near neighbours (London, Greater Cambridge-Greater Peterborough, Buckinghamshire Thames Valley, etc.).*"

The ESIF strategy acknowledged that *"non-micro SMEs and large firms are still the main drivers of employment growth accounting for more than three quarters of all employment"* in the county. The target market for the project therefore consisted of those mid-sized SMEs with the potential to grow, but for whom, because of poor organisation, low investment, weak management, or little ambition, that potential had failed to be realised.

Ideally, they would also be within sectors which were growing or due to grow in Hertfordshire, such as life sciences/advanced manufacturing/engineering/IT, film and media, sport, leisure and cultural activities, financial and business services and high-end logistics. In addition, the project would target SMEs locating within the county with the capability to create jobs and wealth. The Operational Programme pointed out that even among SMEs that wish to grow, the actual rate of growth is very low: "*while a large proportion of small and medium enterprise employers (68%) say they want to grow in the next two to three years, most will not actually show growth in any given year.*"

Hertfordshire LEP identified five market failures of business support/growth. The table overleaf summarises these and highlights how the HGH Get Growing Programme sought to address them (where it was able to).

Market Failure Identified	Evidence	How HGH Get Growing will Address
Business support.	The Operational Programme points out that "*less than half of UK SME employers use business support due to: difficulties in accessing information or advice; doubts about the benefits of business support and; concerns about the competence and trustworthiness of support providers*". In Hertfordshire the SEP found that fragmentation of support (as identified through a Business Support Simplification analysis) was a major contributor to low levels of uptake, which was in turn hindering access to services, when compared with equivalent counties.	Offering a streamlined integrated and accessible service, delivered by competent advisers, which is easy to use, and will work with clients to identify when benefits are realised.
Access to finance	Typically, larger businesses dominate bank financing, while micro businesses are funded by start-up or grant finance, but mid to large SMEs face greater difficulties accessing finance, with five out of six SMEs worldwide claiming a lack of access to sufficient capital. This global scenario is compounded in Hertfordshire by its science economy based where, as the ESIF Strategy reports, *"firms fail to make their case appropriately"* and investors are put off by the high risk.	Providing an adviser team with a strong finance and business planning focus combined with investment readiness support to participant SMEs, including that which is tailored to science and innovation.
National programmes	The SEP identified that Hertfordshire has suffered from a low take up of national business growth programmes. The 'missing middle' are less likely to seek support from national programmes such as the Business Growth Service and those run by DIT, typically falling short on eligibility due to a lack of focus on growth and confidence in the potential investment returns.	Focus on the skills necessary to plan for growth generating increased demand for, and take-up of, national programmes, leading to an increase in exports, business growth and employment.
The lack of a Hertfordshire economic centre.	The ESIF identified the lack of a *"strong network of inter-relationships across Hertfordshire"* due in part to the lack of a clear economic centre or dominant urban area and reflecting the fact that key relationships tend to exist outside of county (London and Cambridge).	Aligning with, and adding value to, the HGH service, so that it is increasingly seen as the place for established businesses to go for support.
The London factor	The Hertfordshire economy is not able to offer the salaries or opportunities of its near neighbour, and as a result 20% of its workforce commute daily to London. *"Hertfordshire's firms are reluctant to invest as much as they might in training because as soon as workers are qualified and experienced, they can command much higher salaries in London"* (ESIF).	This market failure was beyond the scope of this project. But it does focus on those SMEs that could be growing more strongly and build the capacity of their people.

1.4. DELIVERY MODEL AND CLIENT JOURNEY

The delivery model contained 5 core elements. Each is described below. After this section the flow diagram shows the client journey in full.

DIAGNOSTIC AND ACTION PLANNING

Advisers carried out a diagnostic health check of each business to determine their growth potential and aptitude and agree an action plan of support to grow the business. The health check builds on a Business Link model tailored to this target group. It is a fairly high-level diagnostic which has the advantage of being quite flexible rather than following strict protocols. Advisors typically spent two to three hours understanding the business and looked at key aspects such as cash flow, the profit and loss account, marketing etc.

The rationale was that an initial health check would help to enhance the firm's management and strategic capabilities and put in place strategies which would help them achieve growth by addressing any identified barriers. The action plans were quite varied and relatively light touch, for instance covering a new idea, marketing approach or technical expertise that was required. This helped the advisor to make an appropriate referral. The business survey in Chapter 3.0 touches on the clients' perceptions of the diagnostic and action planning processes.

TAILOR-MADE PERSONALISED ADVISORY SUPPORT

The project included a team of specialist advisers to provide tailor-made advice to SMEs and support the implementation of their growth action plans. Exemplas has undertaken previous evaluations of its Business Link activity which showed that such support was broadly welcomed by businesses. This did vary depending on business needs and requirements but common areas requested included finance, sales and marketing.

AN INTEGRATED PROGRAMME INCLUDING BUSINESS SUPPORT WORKSHOPS

Within the programme the advisory support element sat alongside workshops, events and networking, together with other elements of support. This was modelled on the 'Intensive Assist' programme that was successful within the Business Link portfolio. Exemplas in their application cite the Acuigen review which found that 56% of 'Intensive Assist' customers had received a *"notable or significant (6 or more out of 10) benefit"* from the service they received. 73% confirmed they had acted upon the advice given, indeed *"when the change in profitability, turnover and number of employees each business reports is compared, customers who recognise and take action can be seen to be consistently outperforming the average on all measures"*.

A CORE BUSINESS SUPPORT FACILITY AND CLEAR CLIENT JOURNEY

A key part of the HGH Get Growing delivery method was its alignment with the services of the HGH, and the creation of a single and integrated client journey, which continued to engage clients as they progressed through the available provision. Exemplas noted that The Middlesex University Business School 'Mystery Shopper Assessment' found that 70% of business owner or managers referenced the ease with which they could pass through the Business Link service, with 57% finding this above satisfactory. "*The level of satisfaction increased as the customer journey progressed. The further participants progressed through the early stages of contact, the higher the level of satisfaction with both service outcomes and service delivery*".

The client journey is illustrated in the figure on page six.

The advisor monitored progress, engaging with clients regularly. After 12 hours support was provided a report was be completed and the client asked how it has benefitted them or helped with different aspects of the

business. Advisors typically followed this up with a referral and/or a three month catch up. Beneficiaries were always welcome to attend HGH Get Growing events and workshops.

THE ACTIVE TARGETED OUTREACH.

The delivery model for client engagement comprised close working relationships with key intermediaries, including local authorities' economic development units and targeted local relationship building and networking events. Advisers attended events likely to attract target clients and undertake local market research to identify target clients. Former clients who understood the Programme's benefits were also encouraged recommend the service and participate in promotional activities such as case studies.

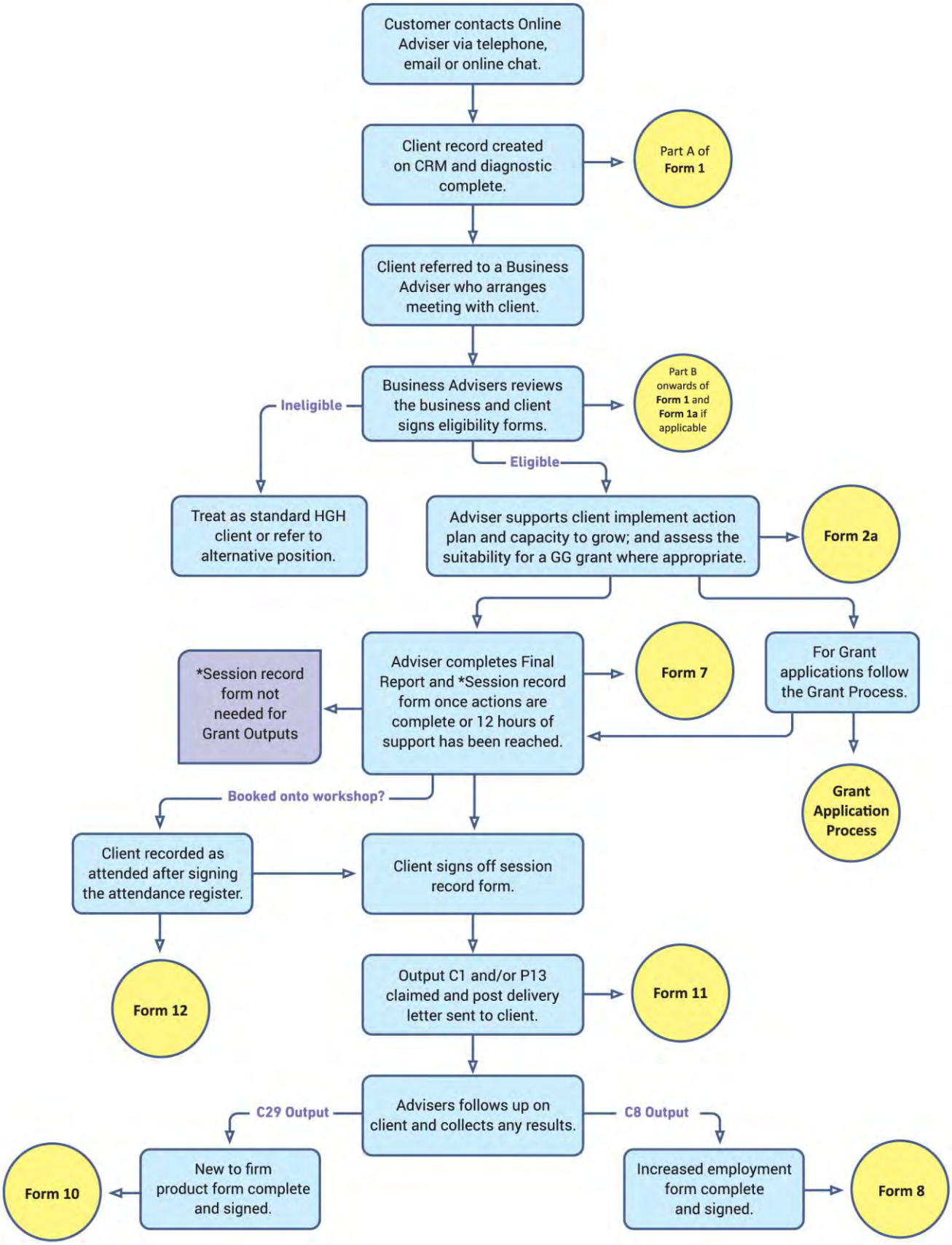
FEATURES OF THE DELIVERY MODEL

It is with this in mind, a delivery model was designed incorporating the following features:

- Initial independent diagnosis resulting in a clear individualised growth action plan, to identify and prioritise the issues in the business.
- High quality, professional and integrated delivery, to build capacity through advice and workshops, and create an excitement about, and focus on, growth.
- A clear and progressive client journey, under the Growth Hub banner, to make it easy for clients to stay, backed by effective marketing and outreach to make it easy to engage.
- Forward referral to additional services as appropriate once they are committed to growth.

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Get Growing Client Journey



Source: Exemplas Ltd. Get Growing Client Journey Illustration 2017

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1.5. STUDY AIMS AND SPECIFIC QUESTIONS

The specific aims of the evaluation were to:

- Undertake a robust assessment of whether the project was making progress towards achieving its objectives or not (see Section 4.8 for a summary), what worked well and what had not, for whom and under what circumstances (see Chapters 3.0 and 4.0).
- Assess the original rationale for the project, and whether the rationale was still valid including how it fitted with current ERDF priorities and those of other local, regional and national strategies (see section 1.3 and 4.1).
- 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 (Section 4.6).
- 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 4.0.
- Provide recommendations to improve operational delivery, beneficiaries experience and outcomes (see Section 5.0).

Project specific questions to be addressed:

- To what extent has the project succeeded in increasing the supported SMEs to recruit and expand their workforce? (see Section 3.5)
- How successful has the project been in addressing the market failure of SMEs accessing national programmes such as DIT and EEN? (See section 2.6)
- How successful has the project been in improving growth rates among the Hertfordshire "missing middle" SMEs? (see Section 2.2 and 4.8)
- To what extent has the project been successful in addressing the market failure of business support to SMEs? (see Section 3.3)
- To what extent has the project been successful in addressing the market failure of access to finance to SMEs? (see Section 3.3)
- How successful has the project been in helping SMEs to commercialise new products and business processes and initiatives? (see Section 3.8)
- To what extent has the project helped to raise awareness of the support the European Union and the ERDF offers? (see Section 3.4)
- Does the impact from the project's delivery evidence the need for further support? (see recommendations)
- How successful has the project been at integrating HGH Get Growing with the HGH service, from a client's perception? (see Section 4.8)

The proposed methodology followed the ERDF Summative Assessment Guidance.

1.6. STUDY APPROACH

An inception meeting was held to confirm the approach, agree the principal milestones and hear about the development of the Programme 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 and a project initiation

document was developed with a workplan and topic guides etc. The next stage of the research involved a review of the project's strategic context. There was also a desk review of marketing and communications materials, project documentation and 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 consultees). A workshop was also undertaken with the team in March 2018. A topic guide was developed covering activities, alignment and complementary activity, stakeholder relations and legacy/sustainability.

A telephone survey was undertaken with 95 participants and 7 companies who did not proceed who were agreed to offer the most useful counterfactual intelligence. The surveys included both qualitative and quantitative findings and gain a unique insight into the added value and wider benefits of the project. They explored the nature of support and whether it was appropriate to their needs given the initial growth barriers or market failures experienced. The survey captured the extent and nature of growth activities and the effectiveness of action planning in stimulating business growth.

Eight case studies have also been undertaken which appear throughout the report and an economic impact and value for money assessment undertaken (see section 3.7). This is the final report which supersedes the interim evaluation undertaken July 2018 and updates the management information and business survey results.

1.7. STRATEGIC CONTEXT

A blended Growth Hub service formed a key plank of Herts LEP's 'Foundations for Growth' package in the Strategic Economic Plan. There is much business diversity within the target areas from growth corridors to the Hertfordshire new towns. The area also embraces parts of rural East Hertfordshire.

The project aligns with Thematic Objective 3 in the Hertfordshire ESIF Strategy 'Enhancing the Competitiveness of SMEs'. The Strategy references the Enterprise Research Centre's 2013 report (Firm Dynamics and Job Creation in the UK) which shows that some 90% of new firms in the UK have fewer than 5 employees and 10 years later, 75% of the 20% odd that still exist, still only have fewer than 5 employees. The Strategy therefore concludes that the county required a targeted programme of support for the 'non-high growth SMEs' so that they could become more prolific job creators: "*there is a pressing need to target support for business on SMEs with the maturity, capacity and capability to grow*".

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 perspective, 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 as a consequence of the peace dividend. This has been matched by growth in film and media at Leavesden[1] and Elstree Studios and service sector growth elsewhere. The project focused on this next generation of SMEs in creative sectors as well as manufacturing firms and other service sectors developing new to firm technologies.

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

To summarise in Hertfordshire, whilst innovation levels were good, much of the innovation activity was happening within larger companies and there was a failure of many start-ups to grow into the larger business of tomorrow. This project addressed the ESIF call enhancing the competitiveness amongst SMEs.

One of the consultees claimed that Hertfordshire was *"a great place for new entrepreneurs"* noting that St Albans was particularly good, with one of the highest local start up rates. He noted there were many women returners starting businesses in consulting or exploring an interest. He continued

"We have a highly educated population [of women returners] who don't want to be doing nothing. There are quite a few social enterprises too. Our problem is that we have thriving small businesses and large firms but the bit in the middle is less developed".

The case study overleaf tells the story of a local entrepreneur that fits the picture described.

The next chapter assesses project performance.

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Luxury Children's Towel Manufacturer seeks Advice on Scaling her Business

hooded owls
large hooded towels for children

"

It was the first time I told someone external about the business. They were fantastic, both supportive and encouraging, and that reassured me. They helped me plan the business and talked me through more of a process and I felt my confidence grow.

Charlotte Howie
Founder

Hooded Owls was set up five years ago by Charlotte Howie to sell luxury hooded towels for children. Her story is a typical entrepreneur's tale. Charlotte couldn't find what she needed so decided to make a hooded children's towelling product herself with her mum. She then started selling to friends and acquaintances. Working from a bedroom initially, her husband suggested Charlotte could start her own website to see if she could sell any products on the open market. She had intended to retrain once her children started school but found she enjoyed starting her own business as it fitted with her lifestyle.

The business did better than expected and her husband offered Charlotte some space in his warehouse. After about two and half years the time was right to take on her own office and hire someone to help dispatch orders. With a growing order book and new overheads Charlotte began to think she should take the business more seriously and after about three years had her first meeting with two Hertfordshire Growth Hub advisors to get some advice on marketing, accounting and business planning.

Charlotte commented: "I have met with the advisor a couple of times, and attended some of the Growth Hub Events, and have been blown away by the support. Having started a business on my own, I found it tricky to know if I was progressing on the right lines, but the advice and knowledge has made a huge difference to my thinking". She reiterated:

"A lot of the support is about encouragement. It can be lonely running your own business when you have no reference points. The support was a massive boost for me. They encouraged me to come to seminars and courses and taught me new ways of looking at things. I met lots of new people and learnt lots of skills".

www.hoodedowls.co.uk

Her growth manager noted "Charlotte aimed to get a marketing strategy agreed so that all of Hooded Owls growth activities supported the commercial objectives of the business". Charlotte feels she can now do more business planning and gets less involved in day to day operations. She has written a marketing plan about where she wants to take the business. "Rather than drifting along I have put down timescales, budgets and resources and mapped the whole process out".

Looking to the future Charlotte says:

"The business has grown but I would like it grow more. There are now three staff in the office including one in marketing. Generally, sales have remained constant in a tough retail market and our ambitions are to grow by finding new markets".

"

We are now looking at branding and packaging. To date our products have not been appropriately packaged or branded to sell in to retailers. We are looking at sustainable recyclable packaging which will be easier to sell to retailers as they will look more professional and it also allows us to present ourselves to the hospitality market.

Charlotte Howie
Founder

When she first met the HGH team Hooded Owls just sold items through its website and another marketplace website. The business has since been launched on Amazon. The team has now started to look at corporate markets including bespoke versions for private schools (for school swimming teams). The school is offered the products at a discount rate, they can sell it on to the parents making a small margin. Charlotte is also looking at new markets such as boutique and family hotels and spas.

When asked about a final reflection on the support Charlotte noted: "I will be really gutted when it stops. The courses are really useful, but I know that if I was really stuck I could call the Growth Hub and they would be more than willing to give advice. They have been proactive at phoning to tell us about new opportunities. Having people looking out for you is lovely".

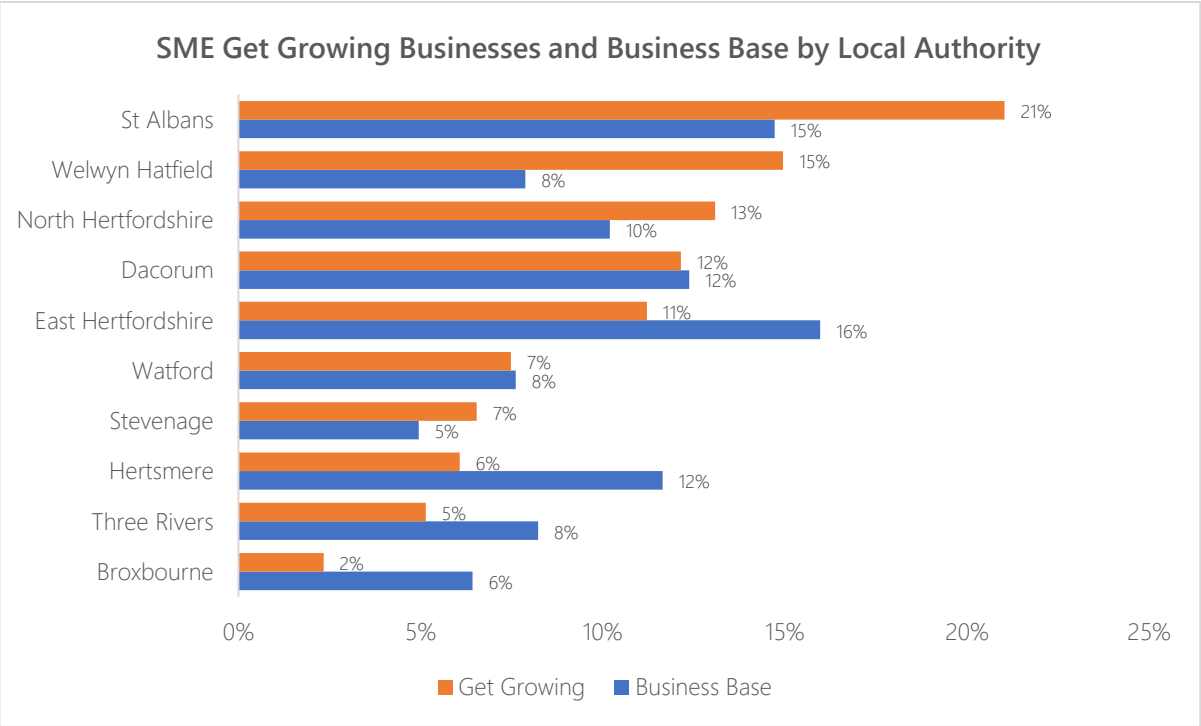
University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union
European Regional Development Fund

2. PERFORMANCE

This chapter focuses on HGH Get Growing final progress including client engagement levels and performance against contracted outputs.

The information provided has been drawn from interviews with key stakeholders, our own analysis and an assessment of Project Progress Reports produced by the HGH Get Growing Programme management team for monitoring and evaluation purposes, and for submission to MHCLG.

2.1. LOCAL AUTHORITY

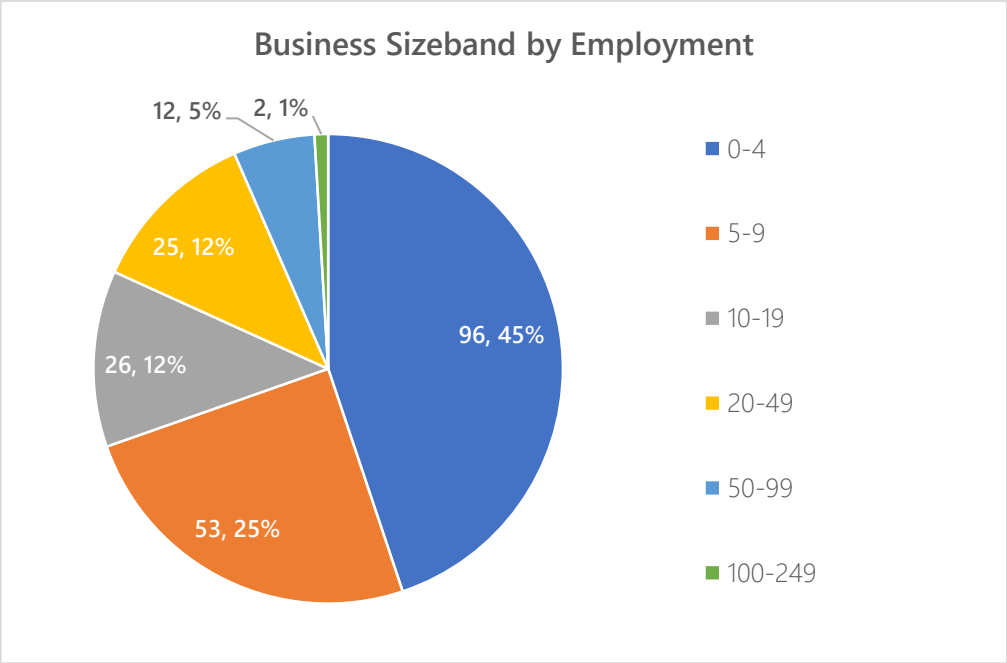


Source: HGH Get Growing Database, Business Count, n=214

The highest concentrations of businesses supported by the project have been in St. Albans (45, 21%), Welwyn / Hatfield (32, 15%) and North Hertfordshire (28, 13%). The local authorities which are under-represented in the project compared to the size of their SME business base are Broxbourne (5, 2%), Three Rivers (11, 5%), Hertsmere (13, 6%), Watford (16, 7%) and East Hertfordshire (24, 11%). These under-represented districts are all located in the south and east of the county which may suggest a need to conduct more work in engaging business these locations in future activities should an even spread be desirable.

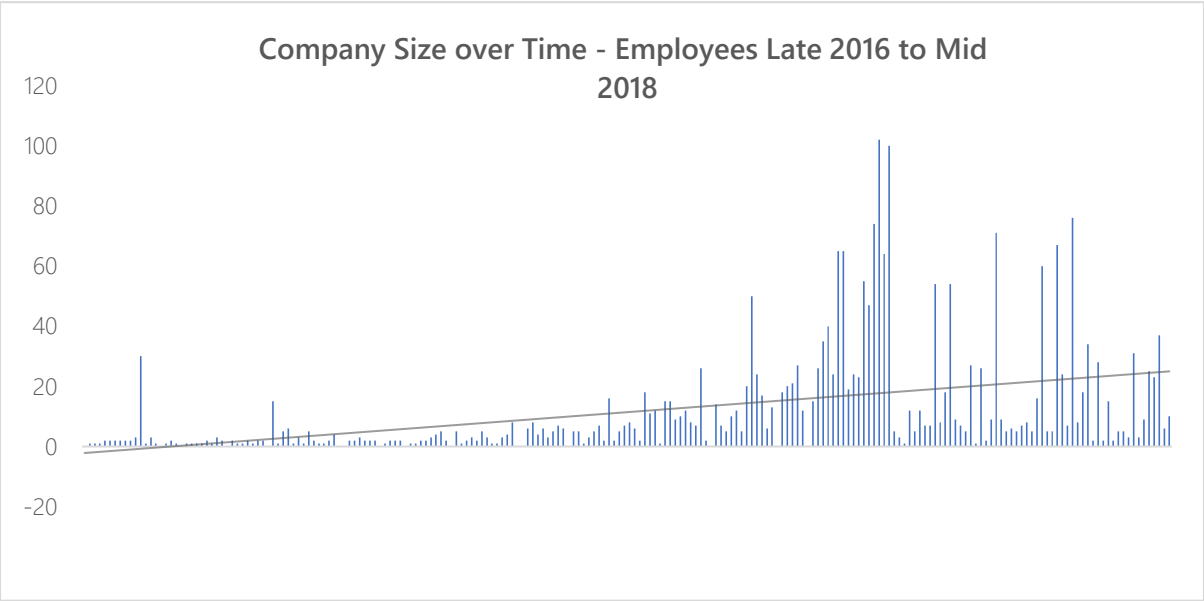
2.2. BUSINESS SIZE BY EMPLOYMENT

Just under half of the SME businesses (45%) employ less than 5 people and nearly three-quarters (70%) employ less than 10. There are only two companies in the highest size band (100 to 249 employees), one employs 100 staff and the other employs 102.



Source: HGH Get Growing Database, n=214

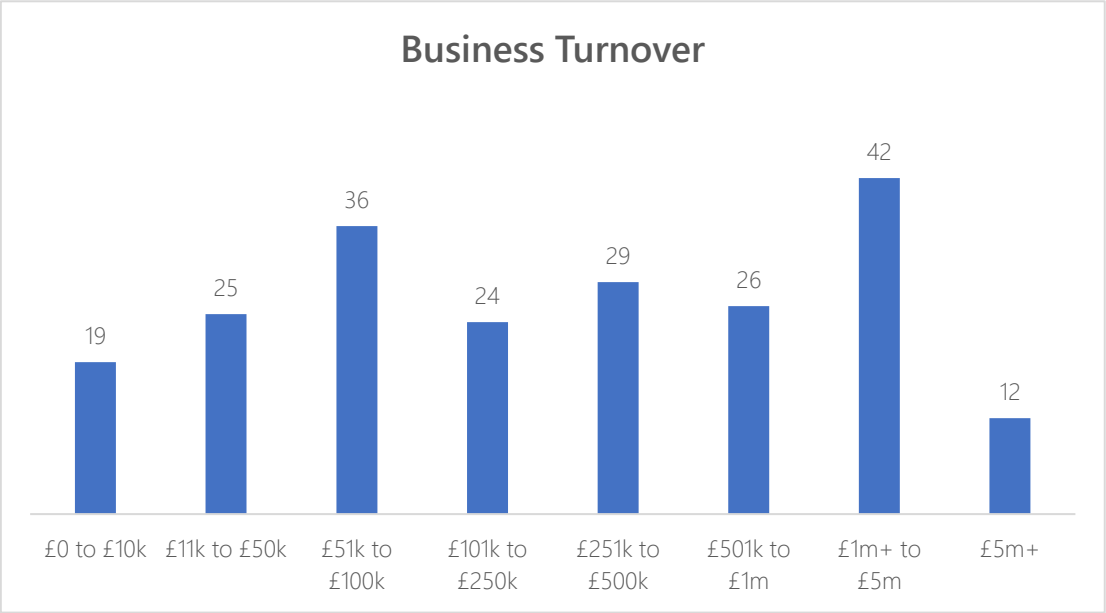
The picture over time is quite illuminating. It shows how the balance has shifted markedly from micros to the 'missing middle'.



Source: Exemplas Management Information, Kada analysis.

2.3. TURNOVER

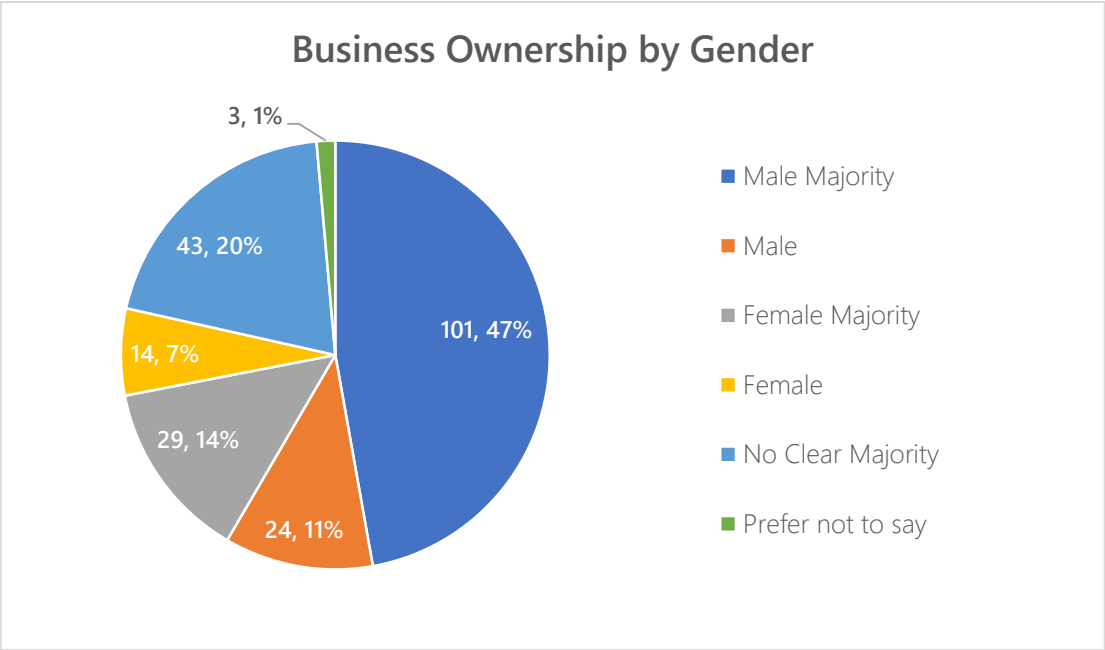
The total turnover of 213 businesses was £281.8m. The three largest companies by turnover totalled £65.1m, just under a quarter (23%) of all business turnover on the project. The turnover of 65 of the 214 businesses was below the current VAT threshold of £85,000. There were 80 with a turnover of £100,000 or less (totalling £3.8m); 79 with a turnover of £101,000 to £1m (totalling £34.9m); and 54 companies with a turnover of over £1m (totalling £243.1m).



Source: HGH Get Growing Database, n=213 (one company had no data for turnover)

2.4. EQUALITY AND DIVERSITY

Intelligence on company ownership indicated that there were 125 out of 214 responses that reported businesses were either male or 'male majority' owned. Female or 'female majority' accounted for 43 businesses (21%). This is higher than the national average business ownership figures for women which according to the Women's Business Council was 17% (reported in 2016). Another category labelled 'no clear majority' in terms of gender ownership accounted for a further 43 companies (20%). The HGH Get Growing team invited female entrepreneurs to an Innovate UK Women in Innovation event which celebrated business women and leaders in innovation. The Hertfordshire Growth Hub was the only growth hub invited to speak at the event on how it can help women in business and innovation.



Source: HGH Get Growing Database, n=214

There were only 4 reported owners who identified themselves as disabled, compared to 193 who said they were not disabled. On ethnicity, 166 reported that they were white and 15 reported other 'non-white' ethnicities. A further 23 preferred not to say.

2.5. SECTOR PROFILE

The HGH Get Growing project has supported 42 manufacturing businesses which is a fifth of all companies supported. Manufacturing, Real Estate, Professional and Scientific, Wholesale and Retail and Information and Communication represent 75% of all businesses in this ERDF Programme. Manufacturing, Professional and Scientific and Information and Communication provide some of the highest levels of productivity per employee, which pushes up the GVA of local economies.

Business Sector Profile

Sector	Businesses	Percentage Share
Manufacturing	42	20%
Real Estate	35	16%
Professional, Scientific & Technical	30	14%
Wholesale and Retail	31	14%
Information and Communication	24	11%
Other	17	8%
Education	10	5%
Human Health and Social Work	8	4%
Administration & Support Services	8	4%
Construction	9	4%
Total	214	100%

Source: HGH Get Growing Database, n=214

2.6. MARKETING AND REFERRALS

The team undertook numerous marketing activities including client acquisition events, e-mail campaigns, marketing collateral and web and social media activity including LinkedIn and twitter. For instance, to assist with an 'all the help you can get' event, promotional bags where given to delegates who attended the event held in November 2017. The team had a film crew at the event to produce a video including information on how the team works with its partner network as well as client testimonials.

100% of businesses had one or more referrals (554 total referrals) of these 28% were referred to national agencies/programmes was (158 of 554). These also included networks, trade bodies and finance providers. The target set in the logic model for SMEs accessing national programmes was 5%. The average number of referrals per business was 2.6 and larger firms tended to get more referrals. The largest number of referrals (136) was made to private providers (25% of all referrals) suggesting very strong links with the commercial sector locally. These included finance, HR and business advisors, technical, software and IT providers, service providers (e.g. tender assistance) and specialists.

The top local referrals were:

- The Skills Brokerage Service (SBS), 14% of referrals
- WENTA, 5%
- STANTA, 4%
- Hertfordshire Chamber of Commerce, 4%
- University of Hertfordshire, 4%
- Cambridge venture project, University of Cambridge, 2%
- Manufacturing growth programme, 2%
- Exemplas, 2%

Others included St Johns Innovation Centre - Pitchfest Programme (11), the Innovation Bridge Programme (8), and Low Carbon Workspace (8), and LEADER (6).

The top national referrals were:

- I2S, 11%
- EEN, 6%
- ACAS, 4%
- DIT, 4%

The case studies overleaf provides excellent examples of firms supported to access significant support via referral – the first (AKL) a national referral and the second (Galos) to commercial advisors.

Case Study:

Transforming Patients Lives through Support to Develop Innovative Inflammatory Therapeutics

AKL
RESEARCH & DEVELOPMENT

Based at the Stevenage Bioscience Catalyst, AKL Research & Development Ltd is changing the way drugs are developed by seeking inspiration from nature to combat some of the biggest challenges facing modern healthcare. It is transforming patient's lives through novel therapeutics for inflammatory diseases, including osteoarthritis, Alzheimer's disease, rheumatoid arthritis and scleroderma, a rare connective tissue disease. An ageing population coupled with increasing rates of obesity means that the incidence of osteoarthritis is set to soar. This offers a global opportunity for medicines able to improve joint functionality and slow cartilage destruction in osteoarthritis.

CEO David Sharples initially approached the HGH Get Growing looking for support for R&D funding in March 2018.

"As a research company we spend a lot of money on development. Our investors have been incredibly supportive, but funding is always an ongoing battle"

claimed David. Whilst the company directors have many years of experience, they face the very real challenges of securing sufficient funding for drug development and the subsequent launch of new drug APPA. They recognised they needed further funds, and grant readiness support for the ongoing development of APPA.

APPA harnesses the power of two secondary metabolites of plant origin in a fully synthetic, ground-breaking oral therapy. It is unique as it regulates inflammation at its source. In earlier animal research, APPA has demonstrated pain relief, function improvement and disease modification. A clinical safety trial is currently underway at Liverpool University's Clinical Trials Unit.

AKL wanted support from the HGH Get Growing team to help it apply for funding for further trials. Though as CEO David noted:

"Having previously been involved with grant applications to IUK, I was wary given the time and costs involved in putting together a comprehensive package. The grant from HGH Get Growing, covering 50% of the costs in putting together our grant application, convinced us to try".

The HGH Get Growing grant was used to fund much needed independent support to increase their chances of securing substantial R&D grant funding. If successful the support will have a potentially transformational effect on AKL, creating new jobs and resulting in commercial and potential export opportunities. The potential added value of the HGH Get Growing project support was clearly acknowledged.

During a telephone interview CEO David rated the speed of the enquiry handling, the knowledge and expertise of his adviser and the advice on developing an action plan as excellent. The relevance and quality of advice provided by HGH Get Growing was also appreciated. After having an initial idea as a result of working with the Growth Hub David thinks they have progressed from one to five on a scale of ten (that is, half way on their commercialisation journey)

"They [at HGH Get Growing] are extremely responsive and they moved really fast. The interaction was great and the people were good to deal with. It was a seamless process. It was a small grant but they dealt with it professionally and expeditiously".

"

Without the grant from Herts Growth Hub we would not have been able to pursue further funding sources.
New funding for Phase II trial costs would allow us to undertake a more expansive and comprehensive trial than we have done to date.

CEO
David Sharples

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union
European Regional Development Fund

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Appetite for gourmet takeaway food fuels restaurant delivery growth

Andrea Allen started a high-end fast food outlet Galos in Hertford over 10 years ago serving home cooked nutritious Mediterranean recipes. Andrea says:

"It's the type of food you can share and we offer a good variety. You can feed it to your kids or order good quality made to order food for yourself".

The concept is to offer and deliver high quality food typical of a restaurant meal, making it stand out from the competition. "It's not a huge menu and everything sells well" Andrea notes.

Food delivery businesses such as Deliveroo, Just Eat and UberEats have had a major impact on the restaurant sector with takeaway sales increasing rapidly in recent years. Food delivery services specialising in restaurant-quality meals have seen a huge jump in popularity and now account for the vast proportion of Galos' sales. New technology has facilitated a means for smaller independent takeaways like Galos to find new customers without having to invest heavily in marketing and technology - intermediaries offer this as part of their paid for services.

The business had plateaued somewhat as it grappled with these changes to the way fast food was being ordered and delivered to its customers. Andrea got in touch with HGH Get Growing after a friend suggested some support might be available via her Local Enterprise Partnership. By her own admission Andrea says she needed some direction, "the revenue was not where it should be". Andrea felt she needed to review the firm's marketing strategy and find ways to increase business revenue and retain customers. With 15 staff Andrea wanted to safeguard jobs, improve marketing and increase profits.

Once in touch with her advisor they agreed a growth plan with an emphasis on quality and profitability. The advisor then took Andrea through a value proposition analysis. She found this helpful and some practical actions came out of the exercise.

"I did appreciate the advice got. I received a lot of valuable information and things I did not know."

> I was put in touch with various other people who offered insights and help. That's been the most valuable part. It was nice to know you could talk to someone
>
> Andrea Allen

The adviser put Andrea in touch with three contacts. They included a branding expert who gave her some useful tools and methods that she is still working through. She also met a high-profile retail venture capitalist who had raised over £1bn in the food sector. Andrea described the entrepreneur as 'inspiring' and he put her in touch with his suppliers so that she could source materials more cost effectively.

"We were especially fortunate to be introduced restaurant investor Tom Kristensen".

Tom also looked at Galos' menu and advised them reduce the number of options available and made suggestions on how to improve margins and operations. "We took off stuff that did not sell well" Andrea noted. Andrea was also put in touch with a finance expert.

Andrea has tended to focus on delighting customers but claimed that working with HGH Growth Hub helped her take time out to look her business model and profitability more dispassionately. She claimed:

"It made me look at the numbers, the mechanics of the business, how you market yourself....it has given me a sense of focus and direction. I have found the process positive and motivational".

She has reorganised her staffing levels to match demand more closely and now has greater clarity on what differentiates Galos and its target markets. The advisors helped Andrea look at what she was paying for ingredients and supplies and see where she could make efficiencies.

"You have to have a big skill set as a business person. As a result of the process I now have more confidence to do what needs to be done"

claimed Andrea. She now does not spend large sums on marketing taking a more considered approach. She found the fact she had someone to talk to and support her very helpful. Through the project Andrea has learnt to be more confident in her product offer and stick to it. Her mentor helped her to see that whilst she was making money on deliveries it was possible to lose money in the kitchen by being too generous with portions. "I have more belief in the value of what I offer and stand behind it" claimed Andrea. Once she has enhanced profitability within the business Andrea intends look to build the company brand and expand the number of outlets. Her advisor concluded "with Tom's expert advice we have been able to help Andrea re-engineer her business for a more profitable future".

"

Yes profits have improved and the advisor helped me focus on growth margins, looking at the relationship between what you spend and what you earn

Andrea Allen

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union
European Regional Development Fund

2.7. OUTPUTS

Key ERDF cumulative outputs/outcomes for the end of the project are as follows:

Indicator	Name of output	Project Target	Claimed and Secured Total for Next Claim	Difference	Difference (%)
C1	Number of Enterprises Receiving Support	211	211	0	0%
C8	Employment Increase in Support Enterprises	80	92	12	15%
C29	Number supported to introduce new to the firm products	23	25	2	9%
P13	Number of Enterprises receiving IDB support	200	214	14	7%
C4	Number of Enterprises receiving non-financial support	175	176	1	1%
C6	Private investment matching public support to SME's (Grants)	£80,000	£97,553	£17,553	22%
C2	Number of Enterprises Receiving Grants	36	36	0	0%

Source: HGH Get Growing Team

The project had a slow start due to the delay in the signing of the funding agreement and the knock-on effect of the team's ability to recruit the project team. As soon as the Grant Funding Agreement (GFA) was issued the team started to recruit but this wasn't until August 2016 some six months after the project had started (January 2016). This has impacted on early output performance, though it is clear from the table that the team was able to make up lost ground.

The C1 target (enterprises receiving support) was met and the employment supported target (C8) shows 92 FTE posts achieved against target 80 (+15%). Achievement of this output required a number of targeted and proactive actions including: use of the HGH Get Growing Grant to support specialised recruitment and HR advice; specialised events and close partnership working with the Skills Brokerage arm of the Hertfordshire Growth Hub and the University of Hertfordshire's employability team. One of the reasons this target was a challenge was that whilst companies were creating jobs they sometimes struggled to find the right skills to fill the vacancies.

25 firms have been supported to introduce new to the firm products against a C29 target of 23. The private sector leverage output (P6) at £97,553 against a £80,000 is above target by 22%.

The case study overleaf describes how a sports coaching firm had reached the stage where they felt they needed support to grow the business further.

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Sports and Coaching Firm Goes for Growth

uPlay Sports
THE BEST IN SPORT COACHING

Founded in 2012 by former professional tennis player Paul Bishop uPlaySports is a niche sports coaching, facilities and membership management company. The firm offers professional sports coaching in tennis and netball as well as a children's school holidays sports club. The company provides high quality sports coaching aimed at as many different people as possible with four guiding principles: being professional, well organised, educational and fun! The firm also offers professional management services for facilities ranging from small local sports clubs to large leisure centres. Director Paul Bishop heard about the Hertfordshire Growth Hub (HGH) through the Watford Enterprise Agency (WENTA). The business initially required assistance with business planning and sales. Paul felt uPlaySports needed a better growth focus and understanding of the potential returns on investment of different aspects of the business.

> I was at the point where I needed to decide where to take the business and understand what we needed to do to scale it up
>
> Director,
> Paul Bishop

Paul wanted to develop a growth strategy for the business and sought advice on business planning and marketing.

"I was at the point where I needed to decide where to take the business and understand what we needed to do to scale it up" claimed Paul. One of his two HGH advisors introduced Paul to different growth strategies and helped him focus the firm's offer. Based on the firm's experience to date, Paul and his advisor looked at potential new locations including those with the right demography to generate the demand for coaching services.

Looking to the future Paul says "we will continue generating revenue in existing locations and look for potential customers in similar areas". The strategy adopted was essentially to replicate the most profitable aspects of the business. "It's definitely paid off" claimed Paul, "The business has grown and my understanding of how I should structure the business and different growth strategies I could adopt has improved".

Paul has created two new jobs including a sports development manager and a head coach. When asked what he got out of the advice Paul reflected

"we have a more structured approach to how the business could grow. We held some very helpful meetings and spent a bit more time making business plans for the future".

These benefits might have occurred anyway but, it was claimed, later and by a smaller amount.

Paul had two HGH advisers. "They [the advisors] were very proactive and you could tell that they wanted the best for you" he noted, "I just needed to be told what to do in black and white". The business also received some helpful marketing advice. Paul liked the fact his business planning advisor was 'to the point' and 'gives you the facts' and could tell that he had experience of running his own business.

"

The business has grown and my understanding of how I should structure the business and different growth strategies I could adopt has improved

Director,
Paul Bishop

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union
European Regional Development Fund

3. BUSINESS PERSPECTIVE AND ECONOMIC IMPACTS

This chapter presents the findings from 102 company telephone interviews including 95 service users and 7 who did not proceed.

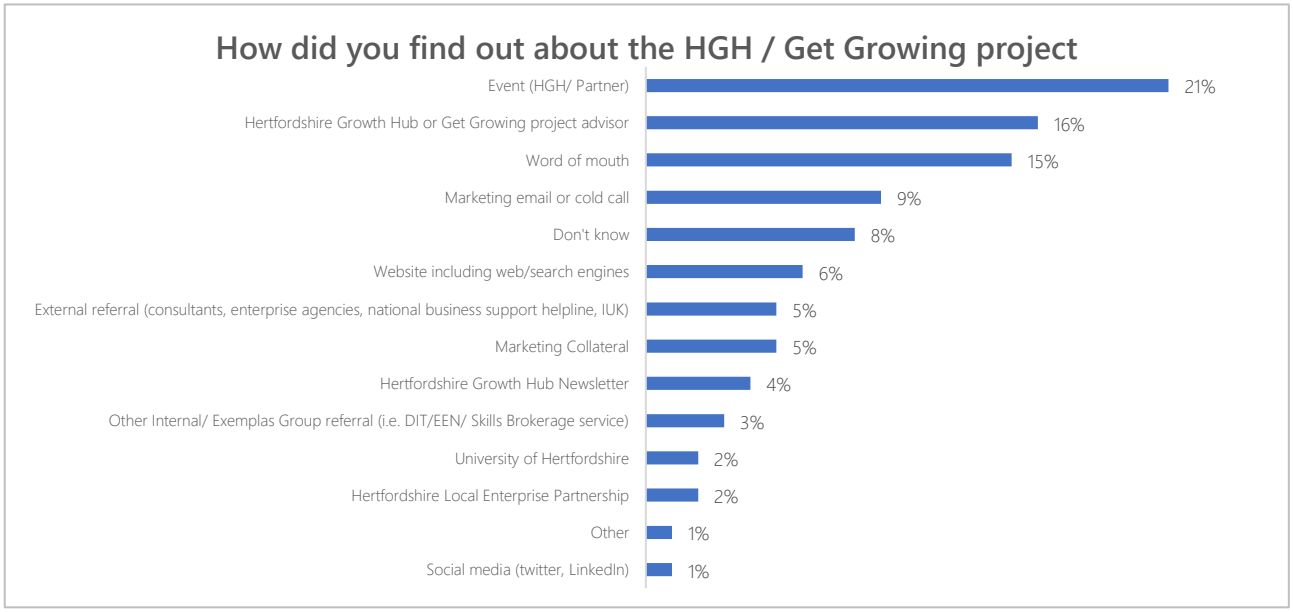
3.1. SURVEY OVERVIEW

102 telephone surveys were conducted using Computer Aided Technology Interviews (CATI) with 95 completed service users and 7 counterfactual participants (who did not proceed for one reason or another). The survey collected both qualitative and quantitative data exploring:

- The nature and appropriateness of support participants received.
- The added value, commercial and wider benefits of the project.
- The extent and nature of growth activities.
- The effectiveness of action planning in stimulating growth.
- The economic impacts and wider growth benefits.

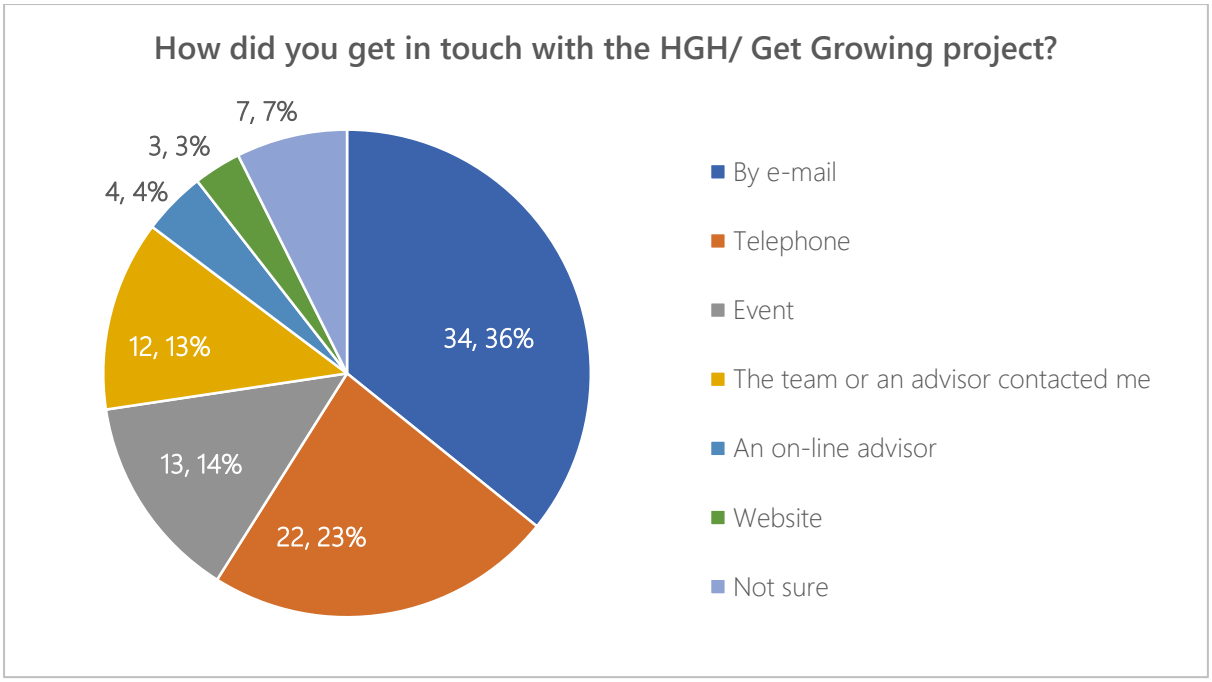
3.2. ABOUT THE SUPPORT RECEIVED

21% of respondents found out about the HGH Get Growing Programme at events and 16% through an advisor. 15% found out through word of mouth and 9% found it from a marketing email or call. Other common routes included websites, external referral and marketing collateral (6%, 5% and 5%). A mixed approach to marketing appears to have been effective comprising both proactive work at events and advisor generated activity as well as promotional material and a high-quality web presence encouraging word of mouth and self-referral.



Source: Kada Research, 2018 n=95

Looking at how clients got in touch with the HGH Get Growing Programme, e-mail and telephone account for over half (59%) of methods (36% and 23% respectively). The mix of approaches shows that clients made good use of the channels available and again clients accessed the service using a variety of means.



Source: Kada Research, 2018 n=95

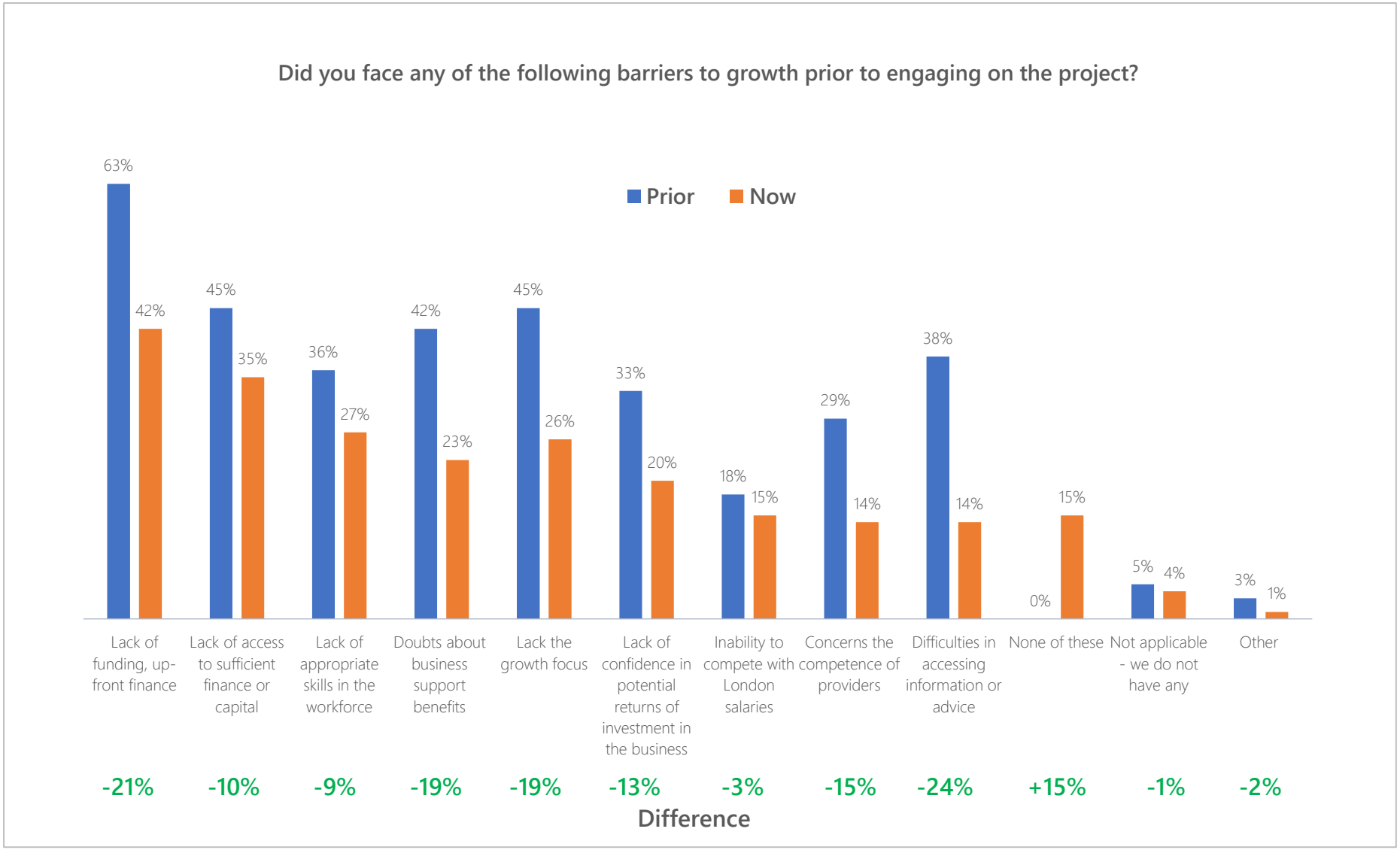
Out of the seven counterfactual respondents five were offered the support and decided not to take it forward and the other two felt they couldn't be helped with the support available, it did not meet their needs. Of the five who were offered support four felt their priorities had changed and for the others their circumstances had changed.

3.3. BARRIERS TO GROWTH

There was a noticeable decline in the growth barriers faced before and after the project. The highest percentage decrease was for the following barriers - 'Difficulties in accessing information or advice' (24%), 'Lack of funding/up front finance' (21%), plus 'Doubts about business support benefits' (19%) and 'Lack the Growth Focus' (19%). Despite these declines three barriers remain stubbornly high; 'An inability to compete with London salaries (18% Prior, 15% Now), 'Lack of appropriate skills in the workforce (36% Previously, 27% Now) and 'Lack of access to sufficient finance or capital' (45% Previously, 35% Now). It would appear that as a business grows some barriers might get eliminated but also barriers can just change or new ones can also appear!

One of the market failures for the HGH Get Growing Programme was a market failure in business support. It is encouraging therefore that there have been less difficulties faced in accessing information and advice and less doubts around the potential benefits of business support.

The counterfactual sample is smaller so we should be cautious about drawing strong conclusions. That said, it is interesting this cohort has more concerns about the competence of providers and have a much higher proportion of businesses claiming a continued lack of growth focus than the supported sample (see figure in Annex One). Only two of the seven said they had sought any other assistance with business growth since contacting HGH Get Growing. One of firms pursued similar activities themselves.



Source: Kada Research, 2018 n=95

3.4. ABOUT THE SUPPORT

Companies were asked about the single most important piece of advice for their business they received either at an event or through an advisor. A selection of typical comments appears in the box below.

They were helpful in discussing with me new markets which I could sell into.

The advice and research into marketing. We needed to get our product and brands out there and we explored different avenues that I wouldn't otherwise have explored.

The networking and the ability to talk with various agencies involved.

Just the fact that there is support, that there are other businesses in your local area also looking to grow, so the networking opportunities. There's a degree of emotional support knowing you're not alone.

They gave me great support in developing a more detailed business plan.

Helping us attract investors and promote ourselves in a more effective way.

It was the access to grants. There's funding out there that I wasn't aware I could get.

Awareness of what help is out there and knowing who to go to when the need arises.

It was just that you can do this. It was more the attitude that made you think you can do this. It identified areas that needed to be addressed and gave me guidelines how to approach this.

I think the planning part is good, the fact someone's there to sit down and go through everything long term.

You have a sounding board and somebody who can point you in the right direction to the right contacts.

The most important thing was for our business to realise that we needed to be more outward looking and aware of the support and advice available so that we could validate our ideas.

They were very helpful in making suggestions on how I could make the business greener and more ethical.

Getting referred to a business advisory coach, he gave us some good advice on monitoring our growth, making us a stronger, more organised business.

The personal development ideas were helpful. It helped me to focus on where I need to go and what my goals should be because I'd lost my way a little.

The thing that's been most valuable is that everyone has been very approachable and very easy to talk to, you feel listened to, I've never gone out in business on my own before.

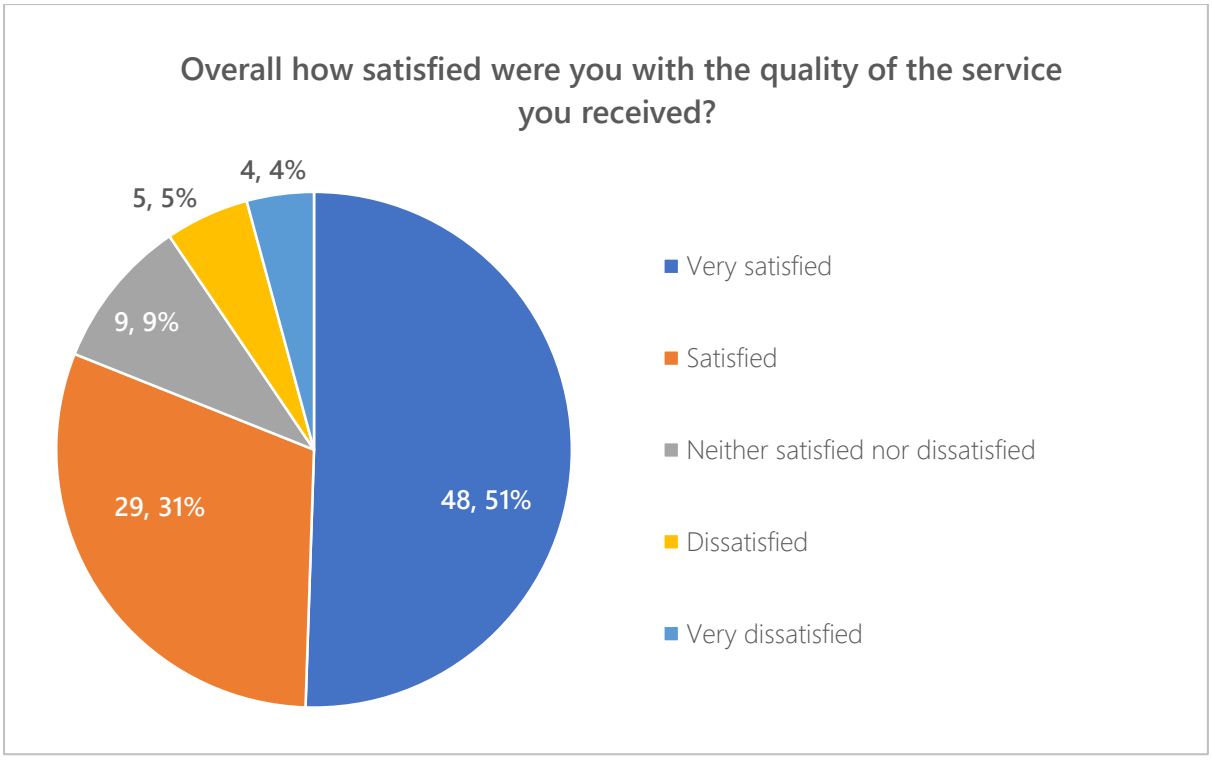
They gave me some brilliant advice on how to develop staff.

Getting a better understanding how web based analytics can make a much bigger impact on business productivity

Validation and honesty, I suppose.

Just to find out what was available for small businesses in terms of grants and free advice.

82% of companies who received advice from HGH Get Growing were either 'Very Satisfied' or 'Satisfied' with the quality of service. Though the number is relatively modest, it is a concern that a minority of customers were dissatisfied or very dissatisfied (9%). Some of the reasons for high and low satisfaction levels are explored later in this section and the team has taken measures to address this.



Source: Kada Research, 2018 n=95

The next table shows the ratings for professionalism (91% excellent or good) and the speed of enquiry handing (88% excellent or good) were very high, followed by advisor knowledge and level of expertise and the analysis of the requirement (82% and 79%). My Mustard developed a good advisor rapport.

Rating of the assistance received

	Excellent	Good	Adequate	Poor	Very poor	Not sure/ Not applicable
Professionalism	62%	29%	4%	2%	2%	0%
Knowledge of the adviser / level of expertise	45%	37%	13%	4%	1%	0%
The speed of the enquiry handling	44%	44%	5%	4%	1%	1%
The analysis of your requirement	37%	42%	9%	8%	3%	0%
The business support programme and any advice offered	34%	36%	18%	6%	4%	2%
Advice on developing your action plan	34%	37%	19%	4%	5%	1%
The relevance and quality of advice provided	34%	41%	16%	4%	5%	0%
Grant application process (or type NA)	25%	19%	7%	2%	5%	41%
Networking	24%	45%	19%	2%	3%	6%
The quality and relevance of referrals to other sources of support	23%	46%	15%	5%	3%	7%

Source: Kada Research, 2018 n=95

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Pay-Per-Click Agency seeks Advice on expanding its Customer Base and Securing Larger Contracts

my mustard
PAY PER CLICK ADVERTISING AGENCY

June Cory launched My Mustard in March 2007 after a 30-year career in regional and international publishing. The company is a pay per click advertising agency using a portfolio of platforms including Google Search, Display, Remarketing and Gmail, and YouTube, Twitter and LinkedIn.

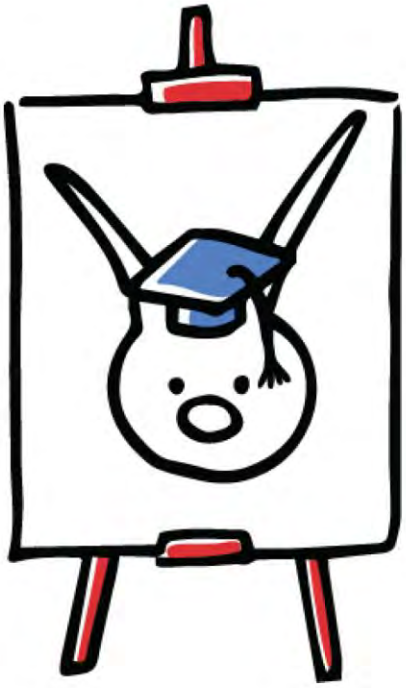
June wanted to scale up the business using commercial tendering as a way to access and secure larger, commercial contracts.

To this end, the company contacted HGH via email and, under the Get Growing programme, was invited to present to its business advisors in January 2017. Through advisor David Zerny, HGH provided advice on tender selection and awarded the company a grant of £2,500 to access the services of Tender Assist, a public-sector tender specialist.

June rated the support provided by David Zerny and HGH as excellent, particularly in critical areas of engagement, such as knowledge of the advisor, analysis of the client's requirement, relevance and quality of support provided, and available networking opportunities. June noted

> I wanted to increase my average order value and pitch to larger customers – this meant learning how to access tender portals from Local Government etc. I got advice, networking and funding from HGH. It was very impressive!
>
> June Cory, Founder

www.mymustard.co.uk



"the advisor's approach has been open and enlightening. His introductions to other Hertfordshire businesses have been very welcome and I have enjoyed the networking opportunities. The opportunity to speak at two events was also highly productive."

As a result of the funding provided by HGH and engaging the services of Tender Assist, My Mustard has recently submitted two proposals and is now awaiting the procurement outcomes. June confirmed that being successful with either of these tenders would allow the company to recruit new staff and potentially expand its service offering.

June is happy that My Mustard has initiated a good working relationship with HGH, to the point where the company shares HGH networking and speaker events on its own social media channels. June noted "Hertfordshire is an affluent county with a critical mass of start-up and entrepreneurial businesses and the support from HGH and Get Growing is invaluable – it has the potential to ignite latent entrepreneurial spirit across the county!".

"

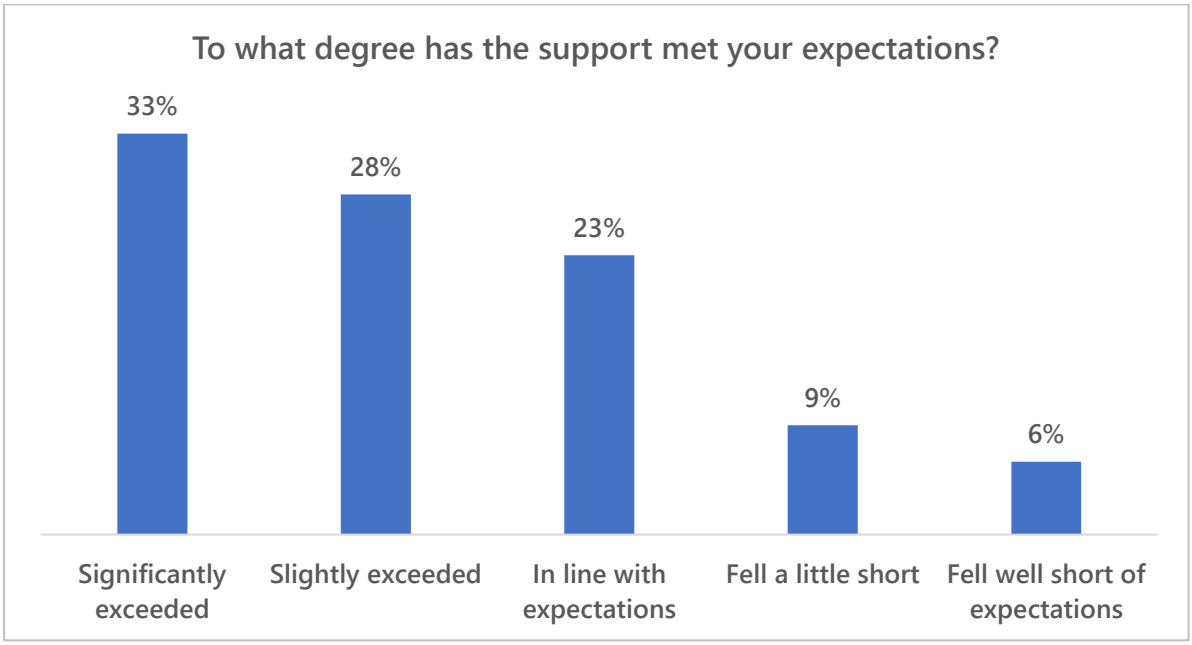
I believe the assistance provided by HGH and accessed with their support will catapult the business to the next level.

June Cory, Founder

PREMIER Google Partner

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union European Regional Development Fund

61% of respondents said the support exceeded their expectations, while another 23% said it was in line with their expectations.



Source: Kada Research, 2018 n=95

Looking at those who said it exceeded expectations their reasons were quite varied: quality of support/advice (9 citations), it met all requirements and more (5 citations), marketing (4 citations), quality of the workshops (1 citation), funding (1 citation), 121 support (1 citation), helped grow the business/think differently about it (3 citations), networking (1 citation), offered new leads (1 citation) or knowledge of support available (1 citation). The box below gives a flavour of the comments.

It exceeded my expectations and gave me business leads, I was not expecting to get guidance leads.

I was surprised how current and up to date everyone was and the general level of support.

The workshops have really helped build relationships with customers. I was happy with them.

I just learnt so much about marketing the business better, it could be improved but I'm not sure how.

They have really helped us plan and put together a programme to help the business grow.

I didn't know what to expect, I got advice, networking and funding. It was very impressive.

I didn't think it was going to be direct support, it was personal, and I found that very valuable.

It has really helped me grow the potential of my business.

You don't expect so much for something that's free and it's been exceptional.

They really helped us look at how we could grow the business in the future.

The person I was working with was very professional and focussed, he gave very good advice.

We wanted to get a better understand of how to use technology more successfully in the business and this has definitely happened.

We've gone from being students with a start up to knowing how to run a business properly....the advisor pointed us in the right direction and ran so many things past us, he's given us loads of advice and guidance. Another was brilliant and brutally honest, we really needed someone like that.

It was helpful and inciteful particularly when it comes to networking with other businesses.

The grant wasn't something I really wasn't expecting. It has given us an avenue to market our products, we've increased our productivity and profits because of it.

They offered good advice and it helped us think in a different way, I didn't know this even existed.

It was just fantastic, they gave me great suggestions to help me innovate further and increase sales through marketing.

For the 9% and 6% who believed the project fell short or well short of their expectations, their reasons were: quality of the advice offered/added value/support too generic (4 citations), understanding the business (3 citations), responsiveness (2 citations), not listening to requirements (2 citation), didn't make enough progress (2), the level of expertise (1 citation), and other (1 citation).

Looking at those who were unhappy they included one-person consultancies at the start of the programme who were disappointed that they could no longer receive face to face support as they were not the 'missing middle' who were the target market. The team took measures to focus much more consciously on the missing middle towards the end of 2018. No further negative comments were received in the latest cohort of business interviews.

I was expecting a much better service, there wasn't much in the way of duty, I've done this I've done that. I was thinking I was going to be getting a better result, but it was going very slow, it's still not finished yet.

I didn't feel like the individuals were that knowledgeable in the way that would help me.... it was much more generic.

We were looking to improve our marketing strategy and that didn't happen at all, it was very vague.

It could have been more effective had they had someone in our sphere, that's what they lacked.

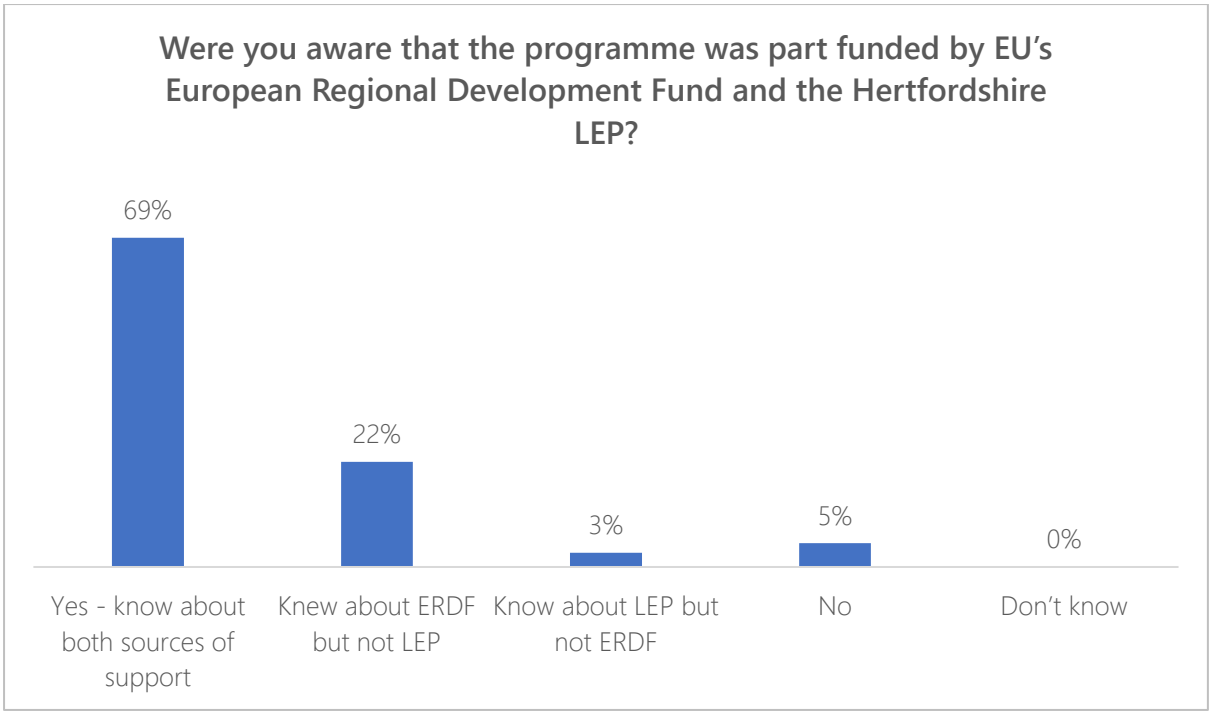
I think that it could have been better tailored to the current needs of the business. My concern was that we had a lot of things in planning and motion already and the support didn't contribute or add value to those plans, we expected to elevate our position through the support.

It's been too high level and not focussed enough. I thought advisors would take a bit more time to get to know my business to give me advice and that hasn't really happened.

They just can't cover all elements that a business would need.

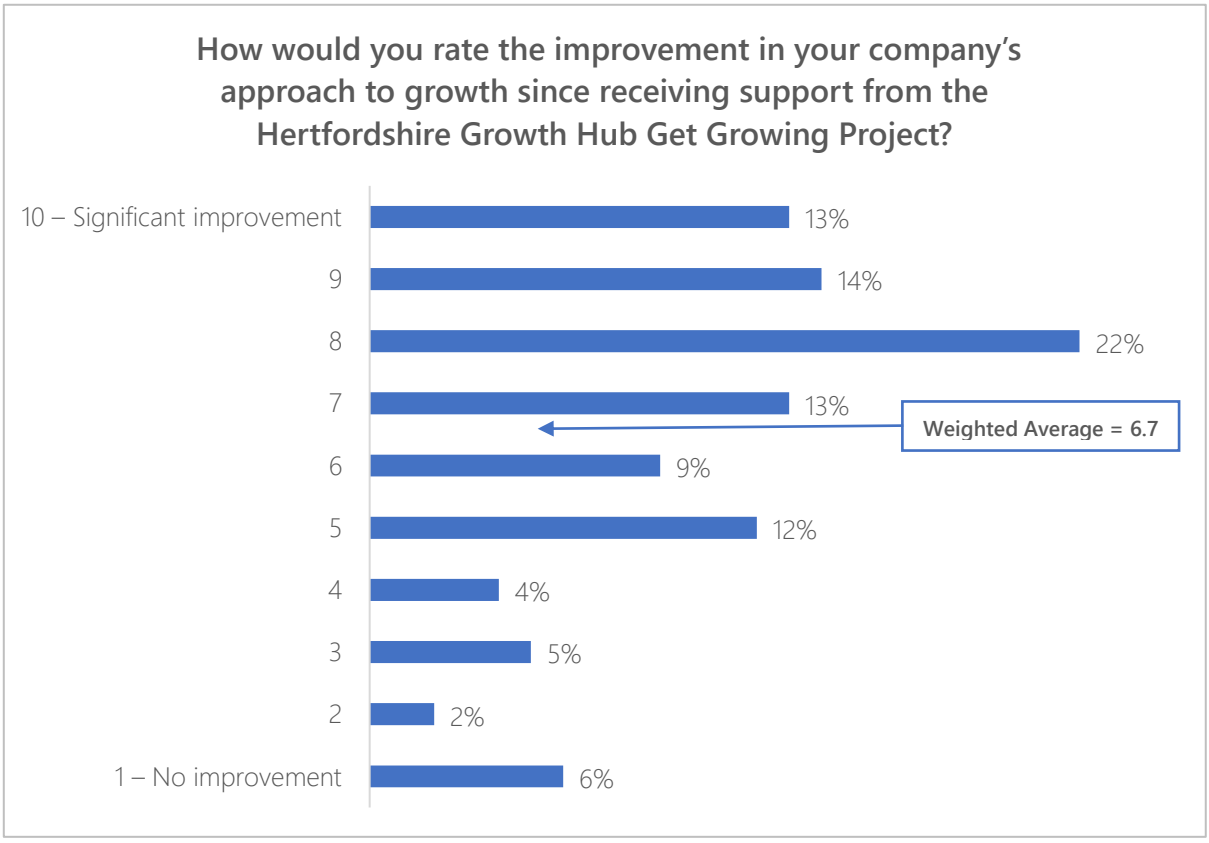
I was just disappointed that they didn't spend more time on what we needed rather than what they thought we needed.

The next figure shows that virtually all participants knew the project was part EU funded (95%). This is not surprising as all clients received documentation clearly outlining the fact the support was ERDF funded. For instance each client signed an SME declaration for EU purposes. Knowledge of the funding is an important requirement for ERDF and one of the evaluation requirements.



Source: Kada Research, 2018 n=95 (% does not sum due to rounding)

3.5. IMPACT



Source: Kada Research, 2018 n=95

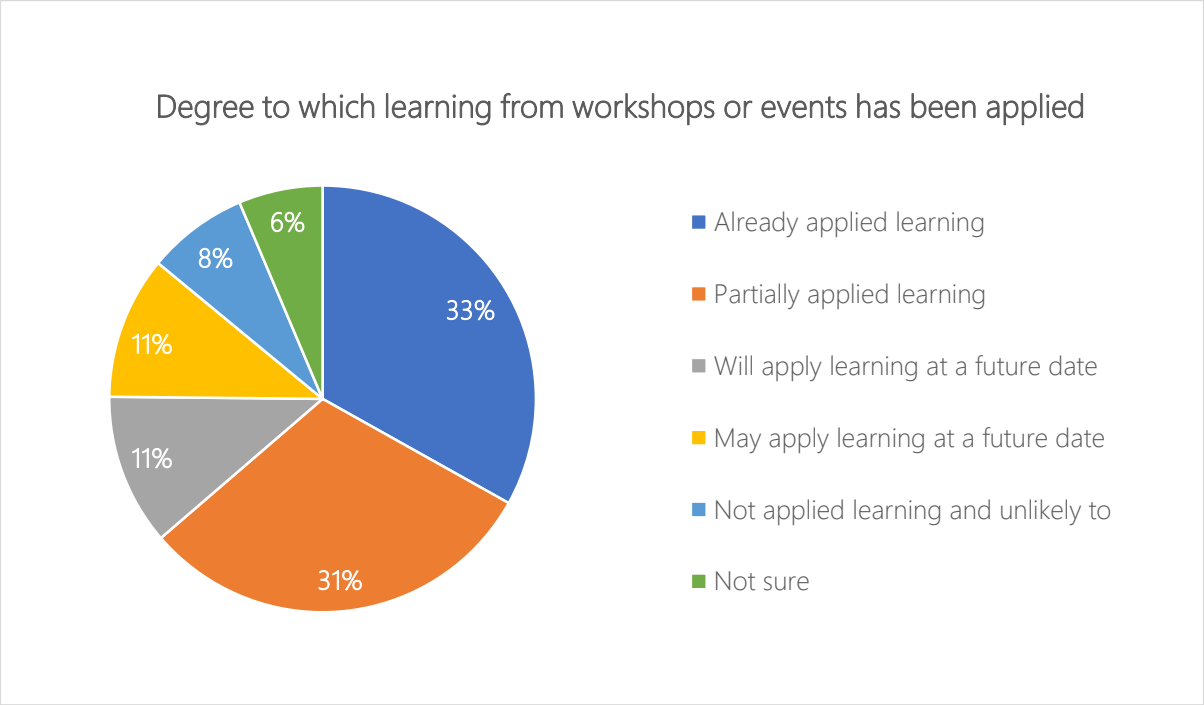
71% of companies (the sum of ratings 6-10) who took part in the project believe their company's approach to growth has improved (see previous graph). The weighted improvement average is 6.7. For the counterfactual

sample the weighted average was lower at 5.0. In others words the rate of improvement in growth was higher for HGH Get Growing supported companies.

The events were an important part of the HGH Get Growing offer (see chart and full data table in Annex Three). It is impressive that 86% of respondents have already fully (33%) or partially applied learning (31%) from the workshops/events or will (11%) or may do so (11%) at a future date. The 'grow your consultancy' and 'cheap and effective ways to grow your sales' have already been fully or partially applied by 88% and 82% of attendees. Stakeholders from complementary programmes noted:

"The events are very good. I have been on some myself for CPD and they are pretty well attended and have a good buzz. They get good feedback too".

"I've been to several events held at the Growth Hub and I think they are professionally done and useful – the finance ones are especially good and have a good range of speakers. I found them to be highly useful as you get a chance to speak informally with regional SMEs but also all the other support programmes are represented and it's good to speak with everyone about what is going on."



Source: Kada Research, 2018 n=157

The next table shows that in terms of progress towards the five key areas within the HGH Get Growing growth plan, innovation was the one most likely to have been addressed already (46%). Looking at the future, planning and resources and marketing are most likely to be addressed (54% and 50% of SMEs will or may address these).

The degree to which key areas in the action plan have been addressed

	Innovation	Marketing	Sales	Planning / Resources	Finance
Already addressed	46%	40%	35%	34%	29%
Will address at a future date	26%	38%	32%	34%	22%
May address at a future date	16%	12%	14%	20%	16%
Not adressed and unlikely to	5%	5%	12%	6%	13%
Not applicable	4%	5%	7%	6%	15%
Not sure	2%	0%	1%	0%	5%

Source: Kada Research, 2018 n=95

Benefits achieved through support received

	Achieved already		Will achieve at a future date		May achieve at a future date		Not achieved and unlikely to		Not sure		Not applicable	
New jobs created	34	36%	22	23%	20	21%	21	22%	0	0%	6	6%
Increased profit	32	34%	29	31%	19	20%	17	18%	1	1%	3	3%
New to firm products or services	19	20%	20	21%	20	21%	29	31%	2	2%	8	8%
Raised finance	18	19%	24	25%	17	18%	21	22%	2	2%	16	17%
Growth through exports	5	5%	13	14%	15	16%	31	33%	1	1%	32	34%
Growth more generally	30	32%	32	34%	20	21%	13	14%	0	0%	2	2%

Source: Kada Research, 2018

One of the impact targets within the logic model was for 20% of SMEs to recruit and expand their workforce. The survey showed that 36% of firms surveyed reported they had already created new jobs. Another logic model target was for an increase (of 35%) in successful commercialization of new products. The table shows that 41% of firms have already (20%) or will achieve this at a future date (21%). A further 21% may achieve this at a future date.

Businesses were asked how many jobs they had already achieved. Of those that had created jobs the average number of jobs was 1.67. Of those that will create jobs in the future the average is 2.32. This suggests that there is potential for many more jobs (extrapolating the figures would achieve a further 252 future jobs). One firm, Innovative Trails (see next case study after Section 3.6), has already created new jobs following growth and plans to create further roles.

Number of full-time posts created

	Already Achieved			To Be Achieved		
	Number	Percentage	Posts created	Number	Percentage	Posts created
0	11	11%	0	3	3%	0
1	16	16%	16	14	14%	14
2	11	11%	22	14	14%	28
3	5	5%	15	9	9%	27
4	2	2%	8	6	6%	24
5	3	3%	15	1	1%	5
6	1	1%	6	1	1%	6
10	0	0%	0	1	1%	10
Not Asked	46	48%	0	46	48%	0
Mean			**1.67**			**2.32**

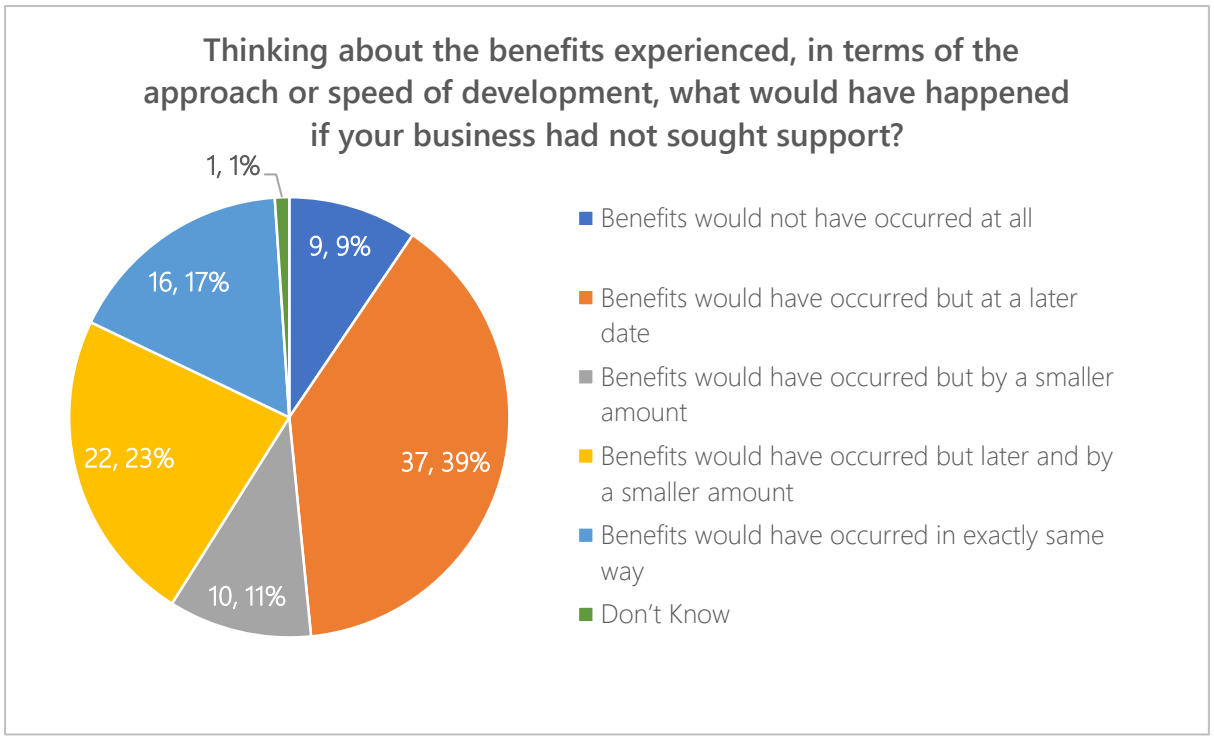
Source: Kada Research, 2018 n=50

Of the 58% of firms that had introduced new products or services their closeness to market had noticeably improved on a scale of 1 to 10 from 5.20 to 7.65 (see the chart after the case study). One target in the Programme logic model was for 35% of SMEs to successfully commercialise new products. The distance travelled before and after in terms of commercialisation suggests there has been good progress here.

3.6. ADDITIONALITY

Firms were asked to think about the benefits experienced, in terms of the approach or speed of development, and consider what would have happened if their business had not sought support. The next chart shows a low to modest level of deadweight with 17% of respondents claiming the benefits would have occurred in exactly the same way. 82% reported some form of additionality including pure additionality (9%), time additionality (39%), scale additionality (11%) or a combination of time and scale additionality (23%)[2].

[2] Pure additionality= the benefits would not have occurred at all, scale additionality = benefits would have occurred but by a smaller amount, time additionality = the benefits would have occurred but later, and time and scale additionality = benefits would have occurred but later and by a smaller amount.



Source: Kada Research, 2018 n=95

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Patient Recruitment Company seeks support to Grow

innovativetrials

"The support provided by the Growth Hub has helped us get our ducks in a row. An independent point of view is always beneficial and we now feel much better prepared to achieve our growth aspirations.

Kate Shaw, Director

Operating within the pharmaceuticals industry, Innovative Trials is a privately owned company that specialises in the delivery of accelerated patient recruitment. The company works with study teams to deliver professional, tailor-made solutions to help clinical trials deliver on time, within budget and to the required standard. Innovative Trials trains participants entering clinical trials and assists its clients in obtaining the necessary regulatory approval.

Director Kate Shaw initiated engagement with Hertfordshire Growth Hub via email. This led to attendance at a 'build your profit' workshop. Kate says the lessons learnt from this workshop and wider support are currently being applied to the company's growth strategy.

"What we needed was advice on the financial structure of the business. The support provided by the Growth Hub has given us a clearer understanding of the financial landscape and of what we need to do to grow."
Kate Shaw, Director

www.innovativetrials.co.uk

Kate was 'very satisfied' with the quality of support received from HGH, claimed the support exceeded her expectations. Kate was also happy with the professionalism and relevance of the support and rated the knowledge and level of expertise of her business advisor as excellent.

Innovative Trials now has 22 employees, up from 18 when engagement with the Growth Hub commenced. Kate say that although the company requires a rather niche set of skills it is looking to continue to grow and to reach 25 employees this year.

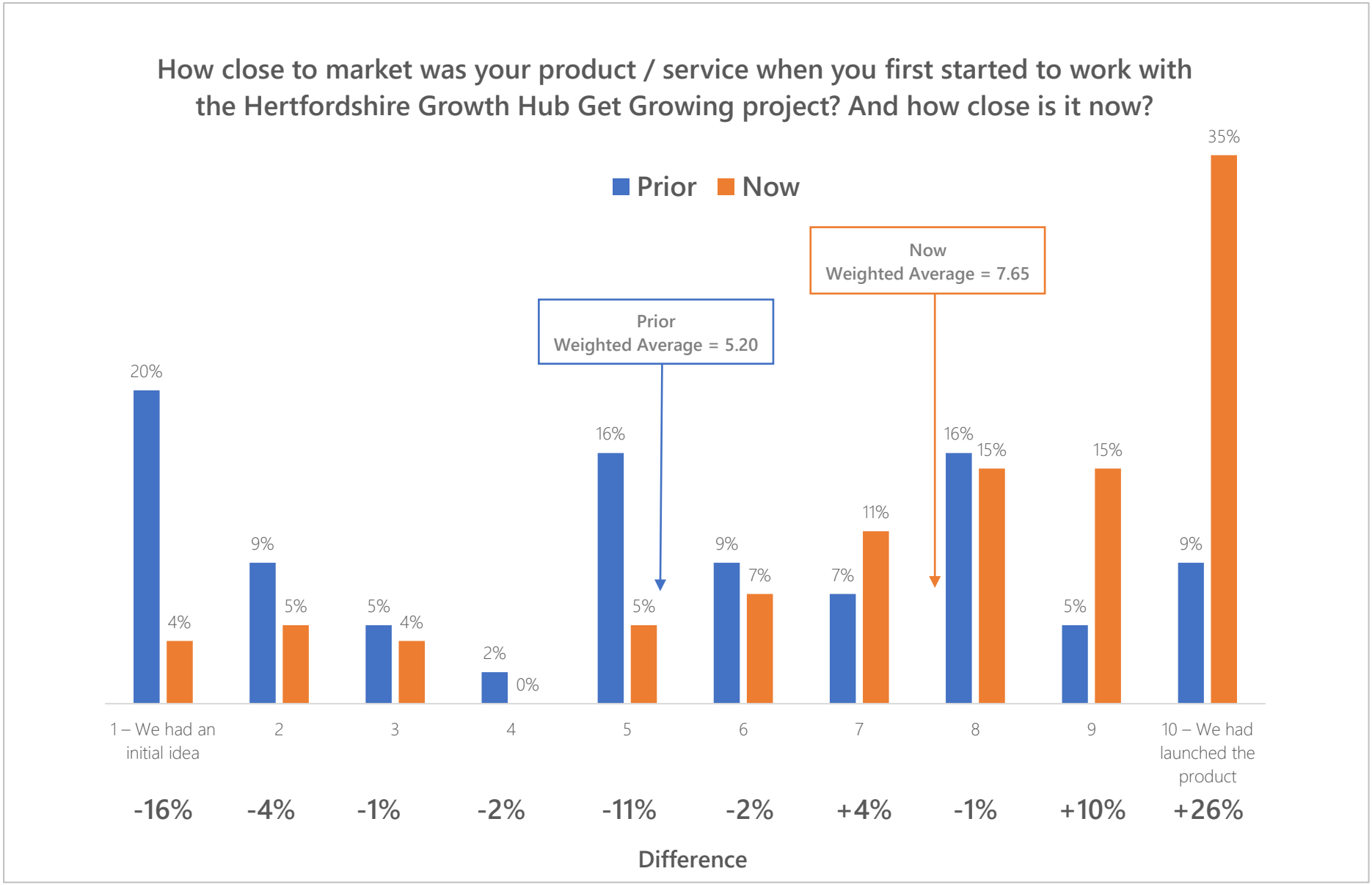
The Growth Hub is continuing to support Innovative Trials in its growth plans. The development of detailed marketing and growth strategy is a current priority.

"

Innovative Trials has enjoyed and benefited from the support provided by the Growth Hub and we look forward to it continuing.

Kate Shaw, Director

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union
European Regional Development Fund



Source: Kada Research, 2018 n=55

3.7. ECONOMIC IMPACT

This section looks at the economic impacts of the investment in the HGH Get Growing Programme. 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.

APPROACH

Three tiers of effects are considered:

- Direct Employment: Employment impacts and resultant GVA from jobs created.
- Indirect Employment Effect: The effect on suppliers and resultant productivity / GVA.

The Treasury's Green Book offers some suggested guidelines in assessing the true impact of investments. In line with these several steps have been taken to assess gross and net GVA and employment impacts and net present value:

- Displacement and leakage were both assumed low/moderate at 20%.
- A type 1 UK employment multiplier was used to calculate the indirect employment effects (from ONS).
- 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)[3] 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.
- Kada estimates for GVA per FTE have been using BRES (The Business Register and Employment Survey) and ONS (Office of National Statistics), 2015 data for the East of England Region. These later figures do not account for self-employment.

[3] 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.

HEADLINE ECONOMIC IMPACTS AND VALUE FOR MONEY

The following table shows that the HGH Get Growing Programme has created 190 direct gross FTE jobs (92 direct and 98 indirect) and a total NPV GVA of £12.2 million.

Economic Impacts

	Gross Jobs	Net Jobs	GVA	NPV over 3 years
Operations (FTE)	190	61	£3,274,348	£12,152,555
Direct Jobs	92	29	£1,589,489	£5,899,299
Indirect	98	31	£1,684,859	£6,253,257

Source: Kada Research

VALUE FOR MONEY ASSESSMENT

The estimated GVA of £12.2m would result in a cost benefit ratio (CBR) of 1:8.3 i.e. each £1.00 of public investment will generate £8.30. This is slightly higher than might be expected for this kind of initiative. For instance, a review by CRESR of evidence for general business support activity cites a BCR of 1:6.0[4].

The total project cost per business assisted is £7,200 and the cost per net job generated to date is £19,800. The cost per business assisted at £7,200 is at the low to medium end expected for this kind of activity which ranges from £4,700 lower quartile to £10,000 (median) and £34,000 (mean)[5]. The cost per net job generated is within the low to medium range expected for this kind of activity which varies from £12,000 (lower quartile) to £26,000 (median) and £71,000 (mean)[6].

3.8. WIDER BENEFITS

Those who exported were relatively few in number (10). Of these 9 improved their knowledge of support available and 8 helped gain confidence to either explore a new market or expand in an existing one.

The benefits of international support

	Agree		Disagree		Unsure	
Improved our knowledge of support available	9	90%	1	10%	0	0%
Helped us to gain confidence to either explore a new market or expand in an existing one	8	80%	2	20%	0	0%
Helped us overcome our initial reluctance to seek advice or support eg due to concerns about the costs or time it would take	6	60%	4	40%	0	0%
Improved our overseas marketing strategy	5	50%	5	50%	0	0%

Source: Kada Research, 2018 n=10

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

Seven firms (7%) were assisted with support on building/premises improvement or expansion. Of these the key benefits were as follows: assistance with local contacts (all 7 firms), help with recruitment, training or skills requirements (3 firms), and/or help to move to better premises (4 firms). Two firms were assisted with their property search.

Companies who took part in the project have already achieved several wider benefits including improved marketing or branding (37%) and an improved leadership culture (34%). If you look at what will/might be achieved at a future date, the highest rated wider benefits enhancements include 'Improved productivity' and 'Better talent pipeline' (both 45% and 46%).

Wider benefits

	Achieved already		Will achieve at a future date		May achieve at a future date		Not achieved and unlikely to		Not sure	
Improved marketing or branding	35	37%	30	32%	13	14%	11	12%	6	6%
Improved leadership culture	32	34%	24	25%	13	14%	20	21%	6	6%
Better understanding of profit	30	32%	13	14%	14	15%	26	27%	12	13%
Better use of digital technology within the busine	29	31%	20	21%	16	17%	24	25%	6	6%
Acceleration in innovation strategy and activities	27	28%	15	16%	20	21%	25	26%	8	8%
Improved productivity	27	28%	27	28%	16	17%	15	16%	10	11%
Better customer relations	26	27%	24	25%	11	12%	25	26%	9	9%
Better talent pipeline	22	23%	19	20%	25	26%	20	21%	9	9%

Source: Kada Research, 2018 n=95

The reported environmental benefits of the project suggest that the highest 'achieved already' benefits are 'Increased efficiency' (17%) and 'Reduced carbon footprint (9%). However, almost one third participants believe they have, or will at a future date, 'Increase efficiency and reduce costs' (30%). The project progress reports do show some links to projects that can have an effect here such as the low carbon workspace project and the manufacturing growth programme.

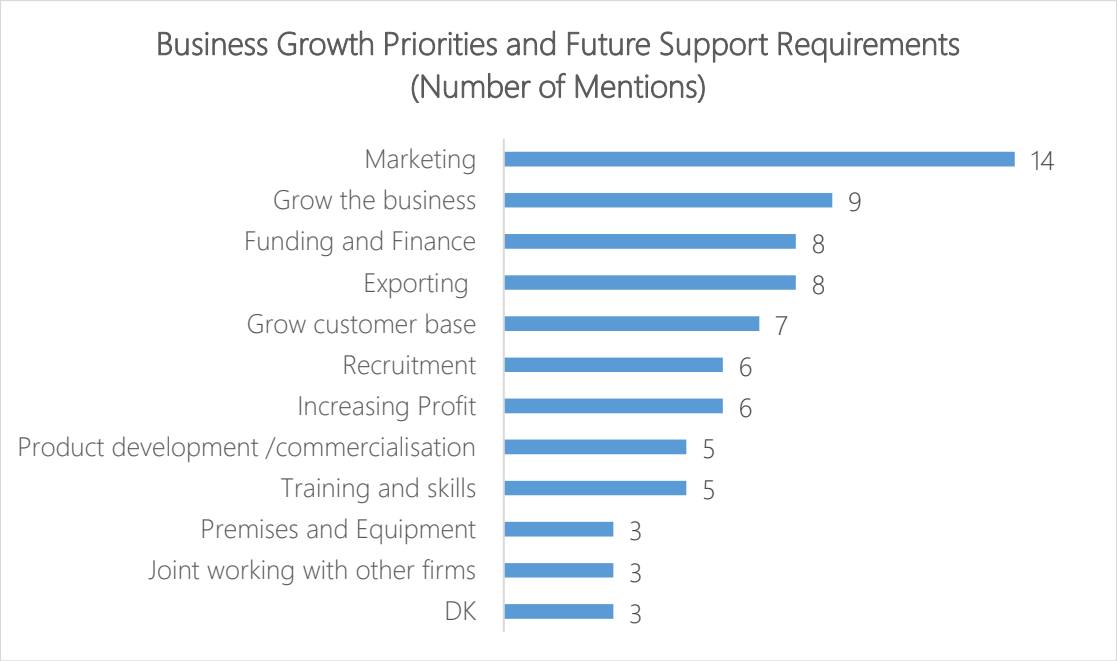
Wider environmental or green benefits

	Achieved already		Will achieve at a future date		May achieve at a future date		Not achieved and unlikely to		Not sure	
Increased efficiency or reduced costs	16	17%	12	13%	14	15%	35	37%	18	19%
Reduced carbon footprint	9	9%	13	14%	4	4%	47	49%	22	23%
Waste reduction	7	7%	12	13%	8	8%	46	48%	22	23%
Reduced business travel	7	7%	10	11%	15	16%	43	45%	20	21%
Reduced energy usage / energy savings	6	6%	11	12%	12	13%	43	45%	23	24%

Source: Kada Research, 2018 n=95

3.9. 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. They have been coded and the top dozen appear in the charts. Marketing, business growth, funding and export support came top. Some more detailed examples follow.



Source: Kada Research, 2018 n=95

Box One: Future Priorities/Support Requirements.

I think it's going to be investing in equipment and possibly staff in the future, but I can't say when.

Just to grow our customer base.

Our growth priorities haven't changed, we need a much larger building.

Our priorities are exporting and funding. Any help on exporting would be useful in terms of advice, grants or initiatives.

We are looking at different supplier sourcing arrangements, so we can expand and sell to trade. I know there's a lot of support for exporting but in terms of sourcing suppliers it's quite challenging.

With the exporting it's just advice in different markets and maybe some strategies of partners you can access in different countries. For innovation it would be access to grant funding.

Our product is almost ready and we're taking it to market, that is the biggest priority for us now.

It's new product development and identifying external funding so we might need grant funding for example from Innovate UK or whoever.

I need cash investment in my business to make a prototype into a product. They need to introduce me to some other organisations.

Perhaps further assistance on recruitment and retention of staff because it is a key challenge for us.

Probably recruitment because we're beginning to expand, and we need more people. We could do with advice of where to go, what to do, how to go about it etc.

Building pipeline and getting our name out there in our target audience. Managing growth will then be the next problem, so it's all about finding the right team to make that happen for us.

We're in a period of stabilisation now, so for us it's about growing the profitability rather than growing the business.

Just building better client relationships.

I will be diversifying the business, looking at producing new products.

Our priority is to improve our digital marketing.

My priority is to find customers, and these are export customers, I want to sell to brands overseas.

Networking and further recommendations would help because I can meet more people in the local area and can directly help them instead of making cold calls or emails.

I would be looking to increase our available finance, so we could release new products.

3.10. SUMMARY FINDINGS

In terms of the key findings:

- Clients made good use of the HGH Get Growing engagement channels available.
- A mixed approach to marketing appeared to work well.
- There was an increased propensity for growth amongst the HGH Get Growing cohort.
- Tangible improvements in approaches to growth were reported.
- Firms overcame key barriers such as difficulties in accessing information or advice and lack of funding/up front finance.
- High levels of time and scale additionality were claimed.
- A substantial number of jobs will be created.
- Demonstrable improvements in bringing products to market were cited.
- High ratings for professionalism and the knowledge of the advisors were given.
- An appetite for future marketing, funding and export support was expressed.

The following chapter looks at project delivery.

4. PROJECT DELIVERY AND FUTURE DIRECTION

This chapter explores the delivery model adopted including marketing, recruitment and referral. It reflects on its alignment and management as well as its added value. The project has potential for scale-up and further development. New funding regimes needs to be explored within the context of the emerging industrial strategy and Brexit negotiations.

4.1. RATIONALE

"Yes, I believe that it is still valid, and it is one issue that programmes will tackle for many years, as it will never go away." External Stakeholder

Partners generally agreed that the rationale for the project and market failures it was seeking to tackle (outlined in section 1.3), remain valid. This included a lack of knowledge about the availability of business support and how to access finance in particular as well as 'getting finance ready'. The HGH Get Growing Programme ensured that businesses were not confused by an 'overload of information' and were offered a first point of contact. Policy makers believed the county was still not experiencing enough growth from medium sized enterprises with many businesses still managed as life style businesses. *"They get to a certain size and are comfortable with that"*, noted one external stakeholder who also noticed that many of these were family owned businesses. *"We are great at starting business but struggle to get them to grow"* he claimed noting that the project was designed for firms looking to make a commitment to growth.

"Hertfordshire struggles with the missing middle. Hertfordshire is a great place to live and work and great education with many moving here out of London. The challenge is around zero unemployment in a lot of county especially around St Albans. The challenge for companies is developing management and retaining staff and the attraction of London". SME Representative.

The above stakeholder agreed with the HGH Get Growing Programme's model of an in-depth approach for firms with potential that aims to make a difference with a select number combined with effective signposting. ERDF has allowed Hertfordshire to offer valuable additional scale and scope in its business support offer. Stakeholders agreed that the project rationale was sound. One external stakeholder commented:

"There is low market awareness, trust and understanding – businesses don't respond to marketing – they respond better to an advisor".

"There is a high level of knowledge-based companies with very intelligent and able people. But they need advice on actually running a business for instance a good engineer doesn't necessarily have wider business skills".

4.2. DELIVERY MODEL

The general view was the delivery model worked well and was fit for purpose (the key elements of the process are described in detail in Section 1.4).

WHAT'S WORKED WELL

"The successes are that there is a decent level of awareness and the Programme is working well with other agencies. We have good interaction and relate well to each other. Previously we were quite isolated, and it was hard to reach the more difficult to reach firms. It is such a valuable service."
Partner of a Complementary Programme

Stakeholders praised the approach mixing diagnosis with in-depth interaction and workshops and events.

"We made a decision right at the start to work with specialist advisors and I think this represented best practice. The LEP is very supportive and, I will conclude by saying that I have seen many ERDF-funded programmes during my time in various roles and I believe that HGH runs its programmes in a coordinated and professional way that delivers real benefit to Hertfordshire SMEs." Stakeholder

The various networking and speaker events organised by the HGH Get Growing team offered learning-based content and were thought to be professionally organised, well attended and highly worthwhile. It was claimed many businesses enjoyed networking with peers at the events and putting into practice new learning. *"It's one of the most popular parts of what they [HGH Get Growing] do"* claimed one stakeholder. The impact of the workshops/events is explored further in Section 3.5 (the participant ratings for the events are high).

"The workshops can hone in on finance and marketing and provide an opportunity for networking". External Stakeholder

At some events a market place element was included to showcase private consultants. This complements the on-line free local directory of Hertfordshire businesses offering advice, support and B2B services. The analysis of referrals shows that advisors frequently signpost SMEs to potential local private sector providers.

HGH Get Growing was claimed to offer an impartial brand businesses could trust and approach without a hard sell. The diagnostic was thought to offer an effective filter and signposted businesses to the right support. The Programme developed good links with partners.

"HGH Get Growing has promoted local provider and stakeholder links". External Stakeholder

"The advisors are good at managing the journey, which was not always linear" it was claimed, and we have *"recruited the right advisors, who are highly experienced and qualified"*. *"My observation is people feel it's useful and found the interventions good"* noted one external stakeholder. They added,

"The most important thing was to provide relevant support that appealed to established SMEs in the region and I think we did this. We got a very good take up. Exemplas has been doing this a very long time, they know how to market these things and run them very professionally".

One partner suggested the business feedback from the HGH Get Growing Programme had been very positive and felt the Programme was flexible enough to adapt to changing circumstances. For instance, a Cyber Security grant that was introduced was absorbed quickly. *"Some businesses were saying they can't trade as they were not cyber secure. These specialist bits added to the programme and are very useful"* claimed one external stakeholder. Another concluded,

"They all work well together, and everyone is passionate about making a real difference and understanding the value of the support and doing the monitoring and follow up. The approach has been right it should be targeting the missing middle and ignore very small micros. They have a lot of good skills there given the small number of advisors". SME Representative.

BARRIERS, LESSONS AND CONSTRAINTS

The Programme had a slow start due to the delay in the funding agreement being issued by the Ministry of Housing, Communities and Local Government's (MHCLG). This meant the Programme struggled to get mobilised which had a knock-on effect on delivery and outputs resulting in project change request. As one partner noted *"we were not where we thought we would be"* and another said, *"it's hard to get a team in place and getting it up and running took longer and we are playing catch up"*. There was a feeling the team lost a further three months delivery due to the time taken for recruitment. That said the team got back on track to deliver all the outcomes within the contract period.

"The delayed start. No contract from DCLG for six or seven months. You can't hire people until you have the contracts and we were still dealing with that nine months down the line".

Looking at the project performance one stakeholder stressed that "*client engagement has been fine, but we have struggled with jobs*". This is discussed further in Section 2.7 (by the end of the Programme the target was exceeded).

Looking at the delivery model one external stakeholder was not convinced that a 'one size fits all approach' was flexible enough and wondered whether the advisors had sufficient scope and depth for significant and intensive scale up opportunities. *"It's a small-scale entity there is nothing long enough or consistent enough to make a difference. A bigger scale would have been nice"*. This stakeholder felt the current model might be better as a light one to many service combined with heavy intensity support for a selective number of firms with high growth potential.

The programme was relatively small in terms of its scale, one partner noted this required a very considered approach to creating awareness, *"getting the right people involved is important"*. *"We had to get visibility quite quickly"* reiterated another. One stakeholder noted there were barriers from local businesses in terms of 'not grasping the opportunity', adding there wasn't a previous legacy of funded business support in Hertfordshire.

One external partner noted the restrictions of the contract and the requirement for hours deployed. It would have been good, they suggested, to be able to have added more advisors to the team or have a contract that was sufficiently flexible to be adapted to meet business needs. This partner would like to have seen more advisors with specialist knowledge in, for instance, innovation, finance or marketing to support the requirements of knowledge-based companies.

It was acknowledged there was a lot of paperwork and compliance requirements which the advisors assisted with.

"In terms of the journey, I don't know how much the client would appreciate the seven-stage process, but it seems to work well. We do often get notifications of different requirements and this can be frustrating to business beneficiaries." Partner

POSSIBLE ENHANCEMENTS

There were several potential enhancements suggested by stakeholders. One advisor felt some of the paperwork and administration could be made more efficient. *"It is too paper based, we are not practicing*

what we preach in terms of efficiency. It takes a lot of time and reduces direct delivery". Greater use of technology was suggested by several respondents including use of a more interactive site and/or client-based portal and tablets for advisors to directly feed in the action plan and other forms.

> *"As the brand expands we could expand the service to meet some wider needs. For instance, you could develop the web with features for employers who have been through the Programme".*
> External Partner
>
> *"It needs to move with the times and keep pace with a new generation of digital savvy entrepreneurs"*
> External Partner
>
> *"A lot of the service could be delivered without as much face to face support using technology for instance. Don't cut the face to face time but the level of support could be different".* SME Representative

It was noted there were sometimes joint advisor visits.

One stakeholder wondered whether it would be better to offer greater one to many support. *"You could give one hour's support to 12 businesses, rather than 12 hours to one business. The HGH Get Growing should do a quick, one-hour assessment of the SME to determine whether it is worthy of further support and then pass it on to specialist support providers".*

It was suggested that there may be scope for a specialist financial advisor (there was previously one) with regular surgeries. Another would like to have seen more routine showcasing of all the support available. *"That would help them in establishing their purpose and their role with other business support providers".* There was a feeling expressed by one internal stakeholder that HGH Get Growing had *"not harnessed and communicated their success enough or shouted about what are doing".*

One external stakeholder would like an 'elite' programme introduced, and one SME representative would like more business peer to peer introductions to commercial services and a framework of preferred suppliers. In a similar vein one advisor felt the programme could be more aligned to local opportunities. This included industrial strengths (wireless communications and technology companies), links with corporates and research organisations and centres of excellence (such as Rothamsted Research and the Building Research Institute).

> *"Hertfordshire has a number of corporates with the headquarters based within the county. This is a major advantage and not exploited. Many have a localised SME supply chain. We could exploit this more and prepare them".* Advisor

4.3. TARGETTING, REFERRALS AND ALIGNMENT

> *"I think in the early stages of HGH Get Growing it was trying get as many firms through as possible and these tended to be the micros not the missing middle. They have worked hard to address this, but more needs to be done, identifying that missing middle and targeting them directly and signposting others elsewhere".* SME Representative

There was a general feeling that the Programme had reached some businesses that were too immature. One stakeholder claimed, *"the missing middle were often so busy and were not looking for support"* and another suggested *"targets drive behaviour and there is a tendency going for the low hanging fruit, slightly smaller and younger firms than originally envisaged, though that could have been economic environment at the time".* It was noted that it took time to build trust with the business community and for it to know that HGH Get

Growing existed. The promotion of HGH Get Growing was claimed by one stakeholder to be slow initially, building momentum as awareness grew.

"Attending the right events like Venturefest meant we got right profile of business. We were getting too many one-person business at first, but now we have got firms with a £20-£40m turnover and we are getting lots of high calibre clients". Advisor

Some clients, it was claimed, came to the HGH Get Growing Programme as they couldn't achieve the next step in their growth plans without further expertise or advice. Programmes like HGH Get Growing offered an impartial service *"to make that transition to get over that barrier and get themselves on a new track"* claimed one partner. A subsidised service, it was suggested, with an experienced advisor can help growing firms put the systems in place to prepare for growth. One firm Suzero sought advice on measures to put in place in advance of their proposed expansion (see next case study).

It was noted that several local ERDF projects had a 'new products' target which could cause some overlap and reticence amongst partners to refer potential clients. That said, stakeholders highlighted a good level of referrals to and from the HGH Get Growing Programme and the evidence in Section 2.6 corroborates this picture. It was clear that there were mutually reinforcing relationships in place.

"We get a high number of referrals from the Growth Hub, the majority in fact. It is a highly worthwhile relationship for us." Complementary ERDF Programme

"HGH was required to be a focal point for all businesses– so they need to be able to refer to people like us. Exemplas promote all of our workshops. HGH is good vehicle for promoting our work and the relationship is working well. It was a natural connection and we work well together". Complementary programme

"We track all referrals, inward and outward. Generally, I feel that referrals between parties and programmes are working well. We all talk about communications and try to build relationships with advisors across programmes". External stakeholder

One suggestion from an internal partner was for quarterly speed dating/networking events for advisors with sharing of referrals and clients. That said the LEP helped to raise awareness of complementary projects by linking start-up and growth and innovation support. The LEP tried to connect projects, inviting them to presentations and encouraging networking, web-links, presentations, working events, and local authority understanding.

It was noted that once you win the trust of business "*they will seek support in all sorts of areas*". Another reiterated you "*might start with an inquiry on finance but then often will refer out to other services like the skills programme or I2S or different grants. The project acts as a one stop shop*".

"I think that the Growth Hub has done a good job of ensuring that the various support programmes complement each other. There is little displacement and they all seem to be well managed." Manager of a Complementary ERDF Programme

In terms of alignment was a general feeling that HGH Get Growing linked well with the local business support landscape and there was evidence of extensive cross-referral between programmes (see Section 2.6). *"As a partner I feel totally included in what they are doing"* claimed one stakeholder.

4.4. MARKETING, COMMUNICATIONS AND NETWORKING

It was noted that the website was well embedded within the main HGH site. It had some self-help videos, a news and blog feed, advisor expertise, e-alerts, social media links and partners events. There was a regular stream of information provided to employers, though the team were selective and conscious not to bombard firms. One internal partner thought the website was effective *"it must be good given the numbers they get to events"* and another manager of a complementary programme said, *"they get the messages out there"*.

One representative felt that there was an opportunity for the website to be more dynamic in the future. It was felt there was more scope to link marketing teams from different organisations and assess the impact of different marketing activity. It was recognised that multiple channels were needed for the current market place. Again, the effectiveness of the events was mentioned. It was claimed they were well organised and offered in various geographies. *"People are very well looked after and the follow up is very good too with surveys"* claimed one respondent though another suggested the build-up could be enhanced with more advanced promotion and targeting of *"the right people"*.

4.5. MANAGEMENT, GOVERNANCE AND ADMINISTRATION

""The Management Board is extremely supportive and does provide good direction. The PMC did its job. Management and governance was very strong." Stakeholder

"I think delivery has been managed well and the support has been provided in a professional and beneficial way." Stakeholder

"Overall, I think the Growth Hub is well managed and the referrals process is pretty straightforward. We sat down and had worthwhile discussions. Communication in good between the two organisations and any referrals that come to us from the Hub are relevant and worthwhile." Internal Partner

Partners believe the Programme's administration has been thorough and organised and with project managers *"open minded to working with other programmes and seeing the benefits for all"* (Internal Partner). Complementary ERDF Programme monthly advisor team meetings were put in place to reflect on operations and ERDF best practice meetings were held fairly regularly. One SME representative would like to see more financial information and an external partner felt a steering group function would be helpful perhaps as a sub-group of the HGH. There have been some staff changes, but overall the Programme was thought to have experienced managers with knowledge of ERDF delivery. Exemplas was thought to run Programmes effectively and it was felt the LEP had sufficient oversight of HGH Get Growing alongside other ERDF business support measures.

"All Exemplas people I have known are very knowledgeable and committed". Partner

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Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Wager Between Friends Results in Healthy Start-Up

SUZERO

Suzero was founded in 2014, when a wager between two first-year Sports Science students resulted in a change of lifestyle for all involved. Oliver Vagg bet Sam Marchant that he couldn't stop eating sugar for a whole month. After losing weight, sleeping better and having more energy, Sam started baking snack bars at home as he was frustrated that other bars advertised as 'healthy' contained so much sugar. Although Sam enjoyed these bars, everyone else thought they were awful, so, over a development period of a year or so, which involved feedback from fellow students, Sam and Ollie developed their own recipe, which differed from other products on the market in that it contained less than 1gram of sugar per bar and used 100% natural ingredients.

Suzero was incorporated in 2016, with an initial sales run of 3,000 bars taking place in February 2017, sold through local fitness venues and sports clubs. In September 2017, Suzero won a 'Flare Ignite' award at the University of Hertfordshire and it was at this awards event that Sam and Ollie made initial contact with Hertfordshire Growth Hub (HGH). A more formal meeting with HGH took place and between October 2017 and January 2018 HGH supported Suzero in developing its business model and value proposition, and providing advice on applicable production methods.

"HGH has provided essential support that has facilitated the development of a value proposition and business model for our targeted customer segment." Sam Marchant, Co-Founder

The support from HGH helped the Company become investor-ready and, after raising funding from private sources, the Company moved into a commercial production kitchen in February 2018, with Sam and Ollie now producing and packaging the bars in-house.

"

The business is now more informed about the sources of finance available and how to access it. This is imperative for moving the business forward.

Sam Marchant, Co-Founder

www.suzero.co.uk

Sam commented that around this time they went to their commercial business advisor at HGH and posed the question, "how are high-street retailers going to look in 10 years' time?" The advice received convinced the company to initially move away from physical retailers and to focus on online retail sales channels and Amazon in particular.

"Our advisor took us through online (Amazon) conversion rates and this, coupled with the fact that we had already built a social media following of 360,000, convinced us to change our business model to focus on online sales, with wholesale to follow in time." Sam Marchant, Co-Founder

Funding sourced as a result of becoming investor-ready has allowed the company to invest in more specialised equipment, including a flow-wrapper machine recently arrived from Spain that wraps 240 bars a minute, and updated packaging. The Company is now looking to step up production to 10,000 bars a day, with a full launch of the finished product due to happen in coming weeks.

The Company has taken on two employees in brand and social media roles and is looking to recruit in food production and account management roles following a successful product launch.

"The plan is to expand our product range to include our own nut-butter range and eventually to export our products to overseas markets. HGH has been brilliant in providing support; we've gone from being students with a start-up idea to knowing how to run a business. The advice was relevant and brutally honest, which was what we needed being two naive young lads!" Sam Marchant

"

The knowledge and professionalism of our business advisor, the analysis of our requirement and the relevance and quality of advice provided by HGH were excellent

Sam Marchant, Co-Founder

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union
European Regional Development Fund

4.6. ADDED VALUE, IMPACT AND BENEFITS

The stakeholders were asked to comment on the added value, impact and benefits of the programme (note the contractual performance is outlined in Section 2.7 and the impacts and wider benefits are also captured by the business survey in Sections 3.5-3.7)

"In my opinion, the programme targets were never a distraction. The advisors got their heads around them and they were never a problem. Referrals were always carefully managed and attaining the target indicators followed as a result of, not despite, our well-managed process." Stakeholder

Businesses were informed about a range of support on offer to meet their requirements – this for many was the key area of added value the Programme supplementing the Growth Hub's core offer.

"The wider benefit, and a key benefit of working with the Growth Hub, is that the businesses get access to all the various sources of support. We are not delivering everything, but we can provide access to it! Access to the range of ERDF-funded support is a key advantage and is more about building an understanding within the SME community of what is available." Stakeholder

"I think the additionality comes from the wide range of support that can be provided under the Growth Hub umbrella, not necessarily from one programme such as HGH Get Growing." Stakeholder

It was noted by one external stakeholder that those businesses focusing on scale up and receiving more intensive support tended to experience the most impact, though an SME Representative noted there was a time lag for these effects to materialise. *"The challenge is to show the results as some don't come to fruition for two years"*. An example given here was new product development which was said not to be a 'short fix'. That said the performance on new product development was exceeded (Section 2.7). The survey of firms confirmed there was a time lag in relation to new jobs with more planned than achieved (Section 3.5). Others felt the late start and delay in recruitment had impacted on the volume of outputs and claimed the project change request to reprofile targets was sensible.

The good attendance at events demonstrated an enthusiastic response from business. The support helped businesses to consider how they might approach growth in a different way with the advisors acting as critical friends. One of the strengths of the HGH Get Growing Programme was that it supported a variety of businesses and circumstances including firms looking at succession planning and others that had stagnated or plateaued. It appealed to a diverse set of people with different barriers to entry. Many of the people supported were women and there were examples of people with disabilities starting a business who had found it difficult to get employment. Others have been introduced to knowledge transfer partners to help them bring new products into their firm.

"[The project has helped with] cementing knowledge transfer, recruitment and confidence with business modelling and financial help. Management wants to communicate this to their staff too, so there is knock on benefit to the firms and employees". External Partner Knowledge transfer

The fact the Programme offers 12 hours support is also quite new to the area. *"It's easier to market to people and they achieved fairly high levels of take up and completion rather than a massive drop-out rate. That's the value of a solid package of integrated support"* (External Partner of Complementary Programme).

Wirebox in the next case study sought advice on the measures they should take to grow their business.

Hertfordshire Growth Hub
Local support and advice for Hertfordshire businesses

Case Study:

Fast Growth IT Company seeks advice on new customers

WIREBOX

Wirebox is a fast-growing IT business specialising in building, developing and maintaining transactional commercial websites. Like many software start-ups, founders Thomas Mead and Andrew Ajoodha first met at Kent University in a Computer Science lecture. After graduating in 2005 they decided that they wanted to use their unique skill set to help individuals and companies grow their web presence through effective, well-constructed sites that met clients' needs and budgets. Now employing thirteen staff Wirebox helps companies build brands by creating engaging digital experiences. The firm's capabilities are rooted in software development and digital marketing and the team has expertise in web, database, mobile and bespoke software development.

> [We were] keen to win new customers that were interested in web development activity
>
> Andrew Ajoodha, Co-founder

The Wirebox team research, plan, guide and build websites, web applications, mobile apps and social marketing campaigns. As well as designing and building websites they manage and update them providing fresh, high quality content.

Co-founder Andrew found out about the Hertfordshire Growth Hub (HGH) through word of mouth. Not knowing where to turn to access information and advice on growing the business, he first contacted the service by e-mail in Autumn 2017. HGH was initially approached to conduct a marketing review as the firm wanted "to win new customers that were interested in web development activity", claimed co-founder Andrew. Wirebox also received advice on financial planning as well as support from a skills advisor on training, recruitment, and apprenticeships.

www.wirebox.co.uk

Andrew rated the professionalism of the service as excellent claiming "the team always made appointments and checked our attendance at events and knew who to deal with on various matters". Andrew attended the "Ready for Scale up" event in October 2017 and intends to apply learning from the session to the growth of the business. He said the event was: "very clear in terms of what steps to take for a growing business".

Wirebox has already created one new job in web development as a result of the support and intends to create another position in the future.

The firm intends to continue to expand through the development new software services helping other businesses grow their brands through better use of digital technology.

Andrew claims that the support has helped them accelerate their growth plans. He noted that without the advice they might have grown, but by a smaller amount. The support significantly exceeded the firm's expectations. Andrew claimed "they offered good advice and it helped us think in a different way, I didn't know this [support] even existed. I just wish we had more time with them".

When asked "where do you think your business growth priorities might lie in the future and where do you think you might need support?" he claimed "probably recruitment because we're beginning to expand and we need more people. We could do with advice of where to go, what to do, how to go about it etc".

> [HGH] It was a really good programme to help with actually running a business and the key issues that go with that, especially sales and marketing
>
> Andrew Ajoodha, Co-Founder

WIREBOX

University of Hertfordshire UH
Hertfordshire Local Enterprise Partnership
Exemplas
European Union European Regional Development Fund

4.7. FUTURE POTENTIAL

There was a general feeling the Programme should continue at least on the same scale or be expanded, building on the momentum gained.

It was noted that Brexit had caused some confusion as EU support will be subsumed by national programmes like the UK Prosperity Fund post 2021 which is still in the planning stages. In other words, any future iteration of the HGH Get Growing Programme will link with whatever national support infrastructure is developed, though it is possible that EU funds could be drawn down to as late at 2023. Stakeholders did believe there was a continued requirement to support business growth in Hertfordshire. It was felt there was latent potential in the area and it could better exploit its proximity to the London and Cambridge growth corridor.

"Yes, we are good at technology and science base, but we struggle to sustain business starts so the missing middle still needs a lot of scale up support. There is noise about AI and Digital and the Fourth Industrial Revolution but whilst productivity is strong it has stagnated, so business support is important. Growth, scale and productivity should be our key future priorities". Partner

The changes in policy provide an opportunity to reflect on some refinements to the current model.

"Predicting the future funding landscape is difficult. What will replace ERDF? If there is a project extension, could we do anything more efficiently using other channels? Could support be provided electronically for example? These are areas that need to be looked at due to the uncertainty of future funding streams." Stakeholder

There were mixed views on the balance between one to many and one to one support. Some would like less services to a greater number say through web, chat and phone combined with *"more deep-dive and follow-on for those that need it"* (Internal Stakeholder). Another partner would like to reduce the number of one to one's and sharpen the targeting criteria to work intensively with potential winners with an expanded range of advisors. These might include people who have worked for investors or as business angels who can look at businesses and tell them what they need. This stakeholder felt that if the county was serious about growth, a larger scale programme would be required in terms of the funds directed to scale an individual business. In a similar vein another stakeholder commented,

"Businesses get to a certain size where they hit a ceiling and HGH Get Growing helps them get past that. I would like to see the Programme focus on the 1% of Hertfordshire business with real potential. That's the real target audience and have a target around talking to them and making a difference. From a business perspective it's a useful service to have in the county – lets work smart and reduce the face to face and maximise value for money". SME Representative

The Programme is very much tied to short term funding programmes, yet stakeholders recognised that the continuity of the HGH Get Growing brand was important "*so it's known as the place to go over time*". BEIS has committed in principle to Growth Hubs and the HGH. The Get Growing project fits well with their business support principles so an extension would be feasible, and for many partners, desirable. Whilst there is no fixed model for growth hubs it was noted that BEIS is likely to be more prescriptive in its requirement for productivity growth. This would require more precise targeting than has been the case under previous funding rounds for Growth Hubs. Internal stakeholders were worried if a deep interventionist model would be affordable and were concerned whether match funding gaps could be resolved.

"It should definitely be continued so it can improve and get value for money as more people know about it and know where to go. We need to focus on this being a core service. There is a lot more to

do. They could do more between fast growth and start-up, there is gap still there since the Growth Accelerator disappeared". Manager of Complementary Programme

4.8. SUMMARY OBSERVATIONS AGAINST EACH OBJECTIVE

Two out of the three Programme objectives have been achieved with the third (Objective One) partially achieved.

The essence of the first Programme Objective was to seek out, target, identify and engage non-micro SMEs with the potential to create wealth and jobs. There has only been partial success against this measure as when the programme started it did accept micros onto the Programme (45% of participants employed less than 5). This was a pragmatic decision taken due to the delayed start. The situation improved with virtually all companies accepted during the last the last few quarters of the programme representing the 'missing middle', redressing the balance somewhat (see recommendations).

Evidence shows that the Programme has succeeded in its Objective (Two) to provide participant SMEs with an integrated programme of business support through a team of specialist advisers, backed by individual SME Growth Plans, to refocus them onto growth and realise their potential as creators of wealth, innovation and jobs. The delivery model and client journey were designed to achieve just that (see Section 1.4). The business survey shows there was a noticeable decline in the growth barriers faced before and after the project. There is also evidence of respondents acting on their growth plans and realising growth through job creation, improvement to turnover and profits and wider benefits.

There was consensus amongst the stakeholders that Objective Three (to complement, streamline, promote and add value to the services of the HGH, and the County's wider business support ecosystem) was achieved. HGH Get Growing integrated well with the local business support landscape and there was evidence of extensive cross-referral between programmes. The key area of added value was the fact that businesses, through HGH Get Growing, were informed about a range of support on offer to meet their requirements.

5. RECOMMENDATIONS

This final chapter highlights some suggested operational and strategic recommendations.

The HGH Get Growing Programme management team may wish to consider the following operational recommendations:

I. Future programmes should focus on the 'missing middle' from the outset. Experience has shown that this can take longer but results in more substantial impacts.
II. Whether business engagement measures to boost representation in under-represented districts in the south and east of the county is desirable in future programmes.
III. How the web presence can be enhanced, for instance through content optimisation, should any future iterations of the programme be developed.
IV. How it might disseminate the evaluation findings for instance via a dissemination plan setting out what will be targeted to whom, how and when.
V. Whether process and administrative refinements and the use of technology could be used in future business support programmes to free up more time for delivery.
VI. Whether it is worth managing the referral process more systematically for instance tracking outcomes.

The HGH Get Growing Programme management team may wish to consider the following strategic recommendations:

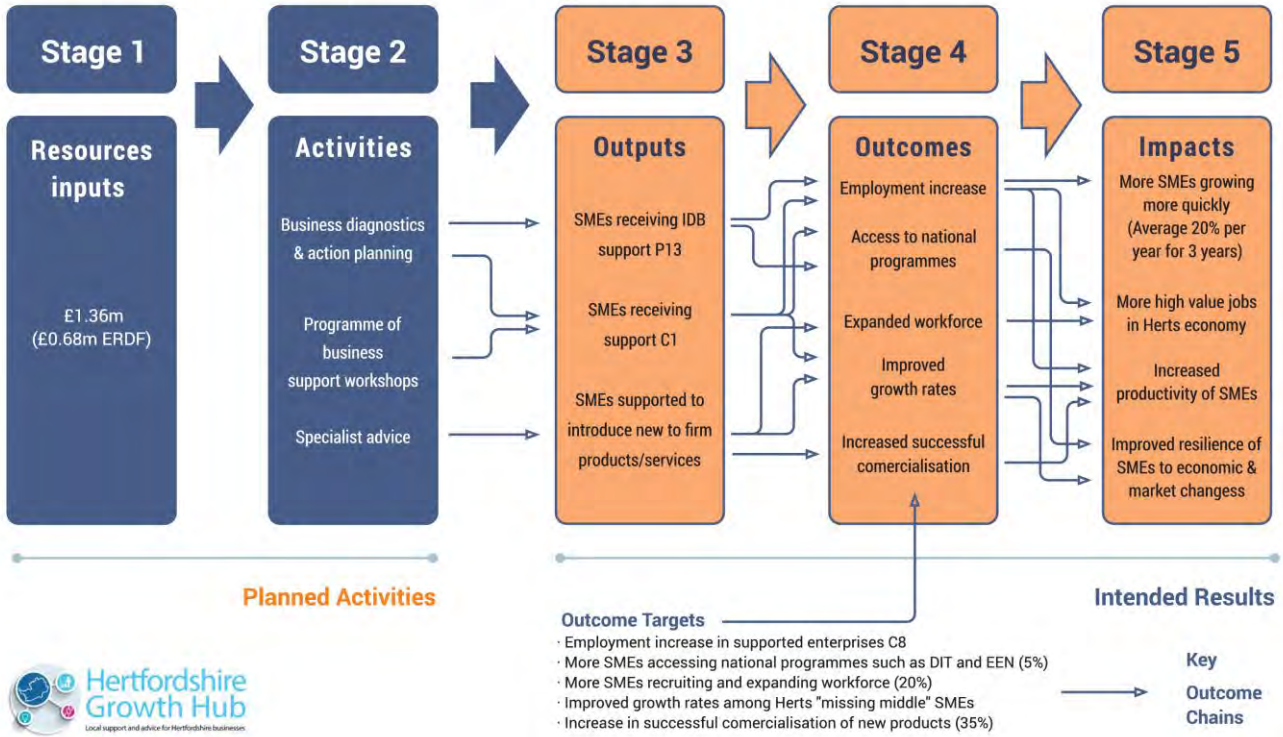
IV. Whether it is feasible to secure additional EU funds during the current programming period to continue to support growth aspirant businesses from the 'missing middle'.
V. Whether the next and future iterations of the project should be adapted to expand the one to many element and work intensively with credible scale-ups using a team of specialist advisors.
VI. How to position the project to meet the requirements of the UK Prosperity Fund post 2021.

6. ANNEX ONE: LOGIC MODEL

Get Growing Project: Logic Model Overview

Rationale: The call identified 3 key aims (a) Specific support and advice for key sectors with a focus on the "missing middle" (b) Support to SMEs with growth potential that complements existing provision (c) Reversing low take up of national business growth schemes.

Market Failure: Market Failure in business support, access to finance, national programmes



Hertfordshire Growth Hub

University of Hertfordshire UH | Hertfordshire Local Enterprise Partnership | Exemplas | European Union European Regional Development Fund

7. ANNEX TWO: CONSULTEES

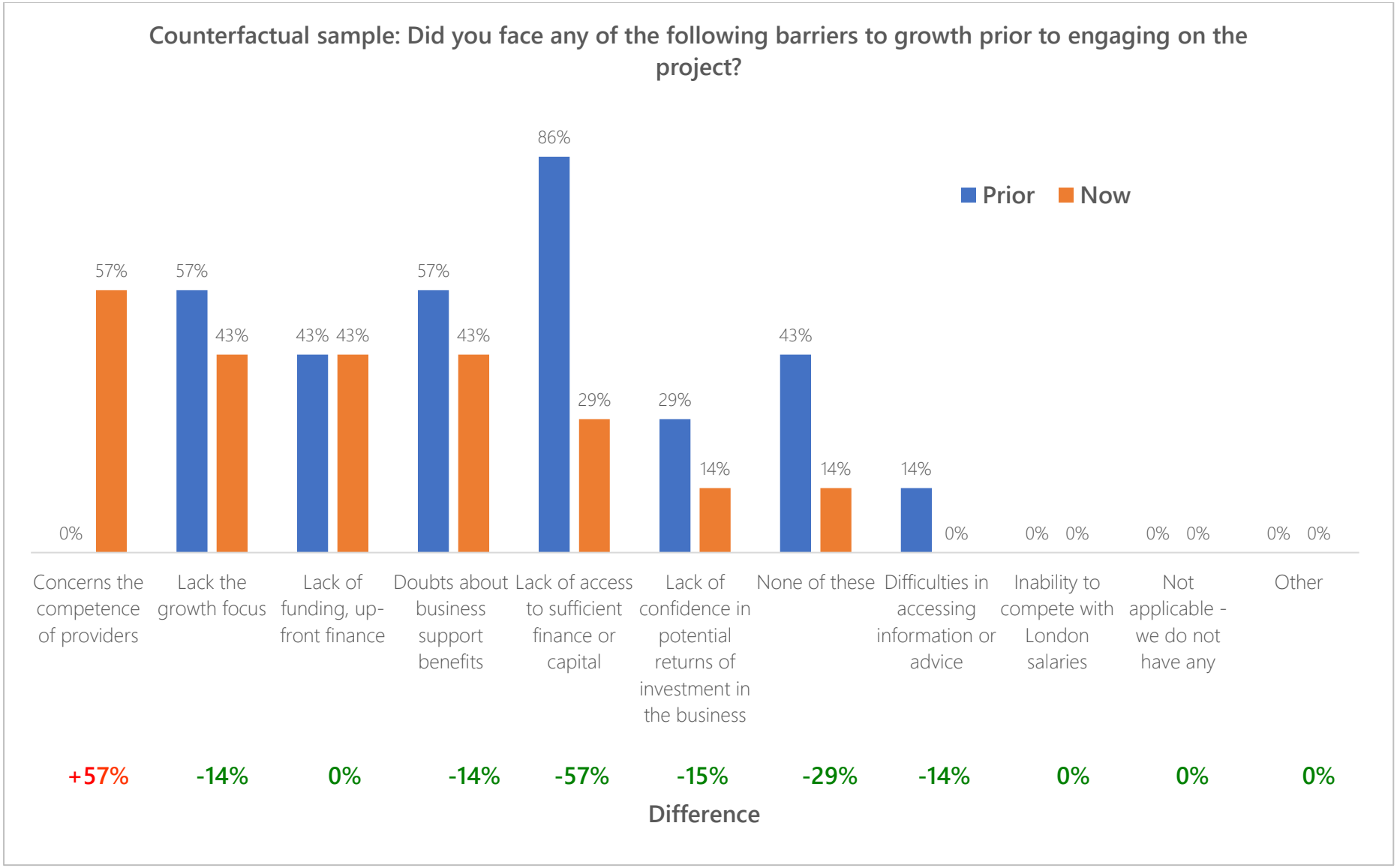
Name	Position
Exemplas/ Hertfordshire Growth Hub	Abrar Jawaid
Hertfordshire Local Enterprise Partnership	Tim Burton
Supplier Brokerage Service (UH)	Venessa Gordon
Hooke & Co Ltd	Francis Hooke
Department of International Trade	Gary Street
Manufacturing Growth Programme	Amanda Freeland
Low Carbon Workspaces	Rowan Wallis
STANTA	Mel Hillbrown
University of Hertfordshire	Julie Newlan
Exemplas	Janice Freed
SME Representation HGH Management Board	Graham Lane
Project Team Workshop	Various

8. ANNEX THREE: DATA TABLES

The degree to which the learning from workshops has been applied within the business

	Already applied learning		Partially applied learning		Will apply learning at a future date		May apply learning at a future date		Not applied learning and unlikely to		Not sure		Total
Finding money to finance your future	2	67%	0	0%	1	33%	0	0%	0	0%	0	0%	3
Grow your consultancy	8	47%	7	41%	1	6%	0	0%	1	6%	0	0%	17
Cheap and effective ways to grow your sales	7	44%	6	38%	0	0%	1	6%	2	13%	0	0%	16
Build Your Future Talent Pipeline	2	40%	2	40%	1	20%	0	0%	0	0%	0	0%	5
Building your profit- enhancing value to your customer	1	33%	1	33%	0	0%	1	33%	0	0%	0	0%	3
All the help you can get	10	43%	6	26%	3	13%	0	0%	1	4%	3	13%	23
Building your profit	10	31%	11	34%	3	9%	3	9%	3	9%	2	6%	32
Joining the Dots in Digital Marketing	2	29%	4	57%	0	0%	0	0%	1	14%	0	0%	7
Where Has All The Profit Gone	1	25%	1	25%	0	0%	2	50%	0	0%	0	0%	4
Making the most of your brand	2	33%	0	0%	1	17%	1	17%	2	33%	0	0%	6
Accelerating SME innovation	1	13%	2	25%	0	0%	5	63%	0	0%	0	0%	8
Apprenticeships- how can your business benefit?	1	14%	1	14%	2	28%	3	42%	0	0%	0	0%	7
Building Your Leadership Culture	0	0%	2	50%	1	25%	0	0%	0	0%	1	25%	4
Exporting for beginners	1	25%	1	25%	0	0%	0	0%	1	25%	1	25%	4
GDPR	0	0%	1	50%	0	0%	0	0%	0	0%	1	50%	2
Increase your sale, increase your profit	0	0%	0	0%	1	50%	0	0%	0	0%	1	50%	2
Raising Finance	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%	1
Ready for scale-up	0	0%	1	25%	1	25%	0	0%	1	25%	1	25%	4
Getting the best from Google Analytics	1	25%	2	50%	1	25%	0	0%	0	0%	0	0%	4
Paid Advertising	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1
Attracting the best people for your business	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%	1
Smarter Sales and Marketing	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1
Where is the money	1	50%	0	0%	1	50%	0	0%	0	0%	0	0%	2
Totals	52	33%	48	31%	18	11%	17	11%	12	8%	10	6%	157

Source: Kada Research, 2018



Source: Kada Research, 2018 n=7

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