AMION CONSULTING

Falmouth University

Summative Assessment of the Immersive Business Project

Final Report

June 2023

European Union
European Regional Development Fund

HM Government

FALMOUTH UNIVERSITY

Immersive Business

UNIVERSITY OF EXETER

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Falmouth University

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Final Report

June 2023

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Executive Summary

Introduction

AMION Consulting, in association with Spirul, was appointed to carry out an evaluation of the Immersive Business project on behalf of Falmouth University. The project is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in an ERDF compliant manner.

Context to the Immersive Business project

The Immersive Business project sought to help SMEs introduce immersive technologies into their organisations and deliver new to the firm products. It provided access to a new Immersive Technologies facility which contained the necessary equipment and space to explore the technologies. The project was delivered through two routes:

- 'Hummingbird' – an intensive immersive product development project, where beneficiaries worked with technical and thematic sector specialists to co-create new-to-firm products based on commercial demand; and
- 'Swift' – a lighter-touch training and development programme of activity, equipping them with the skills and knowledge to access immersive toolkits to develop their own solutions.

The project has retained its consistency with a range of policies and strategies at the national and sub-national levels that were applicable at the time of its inception, including 'Industrial Strategy - Building a Britain Fit for the Future' and 'Vision 2030 – The CIoS Strategic Economic Plan'. It has also retained its consistency with the changing policy and strategy environment. This consistency results from the project's focus on supporting innovation through use of immersive technology among SMEs.

The main economic context points of relevance to the project were:

- Low GVA per person employed (productivity);
- Unemployment rate following national trends; and
- High growth in number of businesses in CIoS LEP in recent years.

The rationale for public sector intervention in this type of project is due to the recognition that businesses, particularly SMEs do not have sufficient information/knowledge of the risk and returns to investing in new technologies and can as a result often underinvest which is detrimental to their business and for the regional and national economies as a whole. Working with the Immersive Business project allows businesses to utilise external expertise, making innovation less of a risk. This rationale for public sector intervention is categorised as an 'information failure'. Further explanation of market failures and how they apply to the Immersive Business project is included within Section 2.5.

Asymmetric information is another failure addressed by the project. In the case of the Immersive Business project, SMEs may have limited knowledge of, for example, virtual and alternative reality technologies.

Hence, innovation levels and uptake are sub-optimal. Intervention through initiatives such as the Immersive Business project remedy this market failure by bringing SMEs together with experts in relevant fields.

Project progress

The project is funded by ERDF, Falmouth University, and the University of Exeter, with ERDF forecast to provide 80% of the overall forecast total of £2,001,260. To the end of the fourth quarter of 2022, project expenditure had been £1,678,046. The project is on track to achieve its output targets by project closure.

Table ES1 provides summary details of spend and output performance.

Table ES1: Spend and output performance

Indicator	Target	Performance at time of evaluation (Q4 2022)		Projected performance at project closure		Overall assessment
		Number	% of target	Number	% of target	
ERDF expenditure	£1,697,401	£1,342,093	79.1%	£1,601,008	94.3%	Slight underspend expected
C1 – Number of Enterprises Receiving Support	70	43	61.4%	70	100%	Expected to be achieved
C4 – Number of Enterprises Receiving Non-Financial Support	70	43	61.4%	70	100%	Expected to be achieved
C29 – Number of Enterprises Supported to Introduce New to The Firm Products	25	12	48.0%	25	100%	Expected to be achieved

Management and delivery

The Immersive Business project has been well managed and delivered following some early difficulties due to the Covid crisis. Strong management processes have ensured that the project has been delivered efficiently, which is challenging given that it involved employees of two different universities.

Strengths of the project include the complementary skills and collaboration between the two institutions, the range of businesses supported, and the role of the Business Fellows. Areas for improvement include the need for more co-ordinated marketing activity, internal administration difficulties, and challenges in

recruitment. It was also recognised that the Covid crisis impacted the delivery of support as it limited access to specialist equipment and the ability to perform physical demonstrations.

Beneficiary businesses have positive views of the project, with very high levels of satisfaction among those surveyed. It was also found that amongst those willing to pay for the provision of support, the average payment would be £2,500.

Outcomes and impacts

The project has had a limited impact to date in terms of employment, although this impact is expected to become stronger over the next few years. The impact in terms of GVA is also expected to be significant over the next few years. Table ES2 sets out the employment and GVA benefits associated with the project.

Table ES2: Summary of employment and GVA benefits

To date	Gross	Net additional
Jobs created	6.9	6.2
GVA	£580,500	£552,006
Forecast for 2030	**Gross**	**Net additional**
Jobs created	96.5	87.3
GVA	£13,045,159	£12,404,842

The project has also delivered a range of other benefits including:

- addressing barriers to immersive technologies;
- improving the range of products or services;
- improvements to product quality;
- increasing sales within and outside Cornwall;
- investment in innovation;
- reduced carbon emissions for beneficiary businesses; and
- reducing seasonal fluctuations in trade.

Value for money

The project has processes and procedures in place to ensure that it is delivered in an economical manner, such as through salaries at market rates and competitive procurement. The project has also been successful in terms of meeting its own objectives.

To date, the project has an ERDF cost per business assisted of £31,211, an ERDF cost per net job of £215,534 and a return on ERDF investment of 0.4:1.

The long-term value for money of the project will be substantially greater. By 2030, the ERDF cost per net additional job is forecast to fall to £18,335 and the return on ERDF investment is forecast to increase to 7.7:1.

Lessons and recommendations

A number of lessons and recommendations have been identified for future support initiatives. Elements of good practice which should be continued on future initiatives include:

- strong partnership working between Falmouth University and the University of Exeter;
- supporting a wide range of businesses, in terms of both their sector and their level of technical expertise;
- the level of flexibility of the project team. Their ability to adapt and change processes was useful given the timing of the scheme and impact of Covid-19; and
- raising awareness of Immersive Technologies and their potential particularly amongst micro creative businesses who are traditionally difficult to reach in terms of business support programmes.

Recommendations for consideration on future initiatives include:

- early and wide promotion of the scheme to maximise the number of businesses reached and supported;
- clear communication strategy at the outset with state of the art on-line presence and demonstrator materials/case studies to illustrate the 'offer';
- explore provision of small-scale grant funding to enable beneficiaries to de-risk purchase of immersive equipment;
- alignment of terms and conditions for staff in the same roles regardless of which organisation holds the employment contract;
- recognition that new teams take time to integrate notwithstanding each individuals' experience and expertise and specific support may be needed; and
- the role of the steering group to be enhanced to be focussed on strategic direction as well as governance.
- Mapping and targeting of potential beneficiaries and digital maturity

1 Introduction

1.1 Overview

AMION Consulting ('AMION'), in association with Spirul, was appointed by Falmouth University to carry out a summative assessment (hereafter called 'evaluation') of the Immersive Business project on behalf of Falmouth University and University of Exeter. The project is part-funded by the European Regional Development Fund (ERDF) and the evaluation has therefore been carried out in an ERDF compliant manner.

1.1.1 Purpose of the evaluation

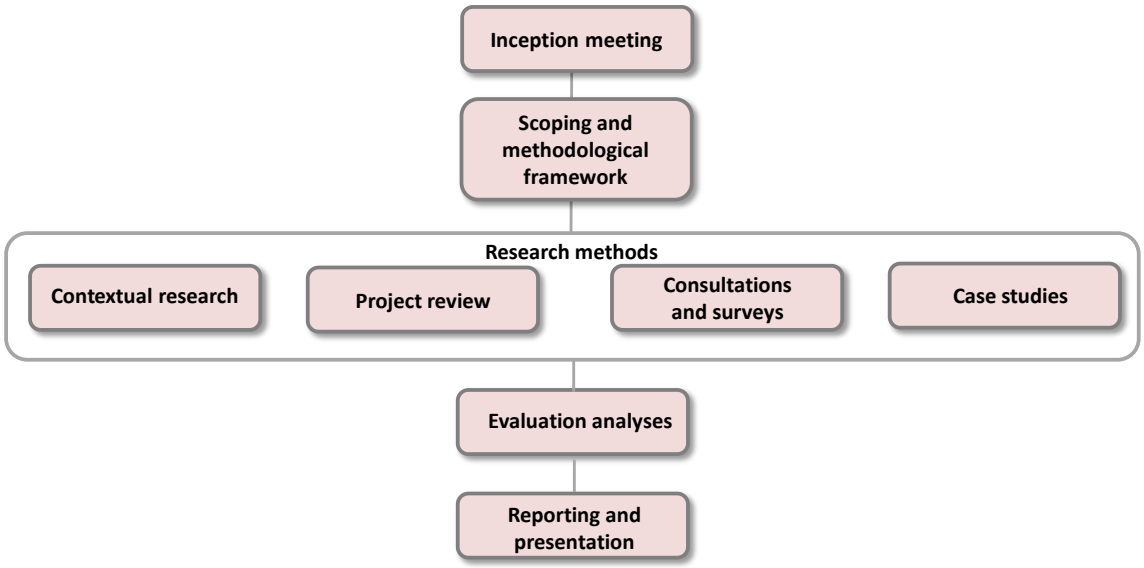
The main purposes of this report are to:

- assess the performance of the project in relation to its outputs and expenditure;
- assess the strengths and weaknesses of the project and identify areas for improvement to support design and delivery of future initiatives;
- determine the impacts, wider benefits and value for money of the project; and
- identify lessons and recommendations for future activity.

1.2 The evaluation approach

Figure 1.1 outlines the main components of the approach to the evaluation.

Figure 1.1: Approach to the evaluation



The main research stages were as follows:

(i) ***Contextual research*** – this included a review of relevant strategies and policies at the national and sub-national levels, including the Cornwall and Isles of Scilly (CIoS) Strategic Economic Plan and Local Industrial Strategy. An assessment of the economic context has also been carried out.

(ii) ***Project review*** – this was based on documentary evidence provided by the Immersive Business team, including the ERDF Funding Application.

(iii) ***Business survey*** – Spirul carried out a survey of businesses which have, over the course of the project, benefited from the activities offered through the Immersive Business project. These surveys were carried out in order to determine the impact of the project on business performance (including turnover and jobs). They also identified elements of the project which participants felt worked well or could have been improved, barriers to immersive technologies faced by beneficiaries and the types of support businesses in Cornwall would like to be provided with in future.

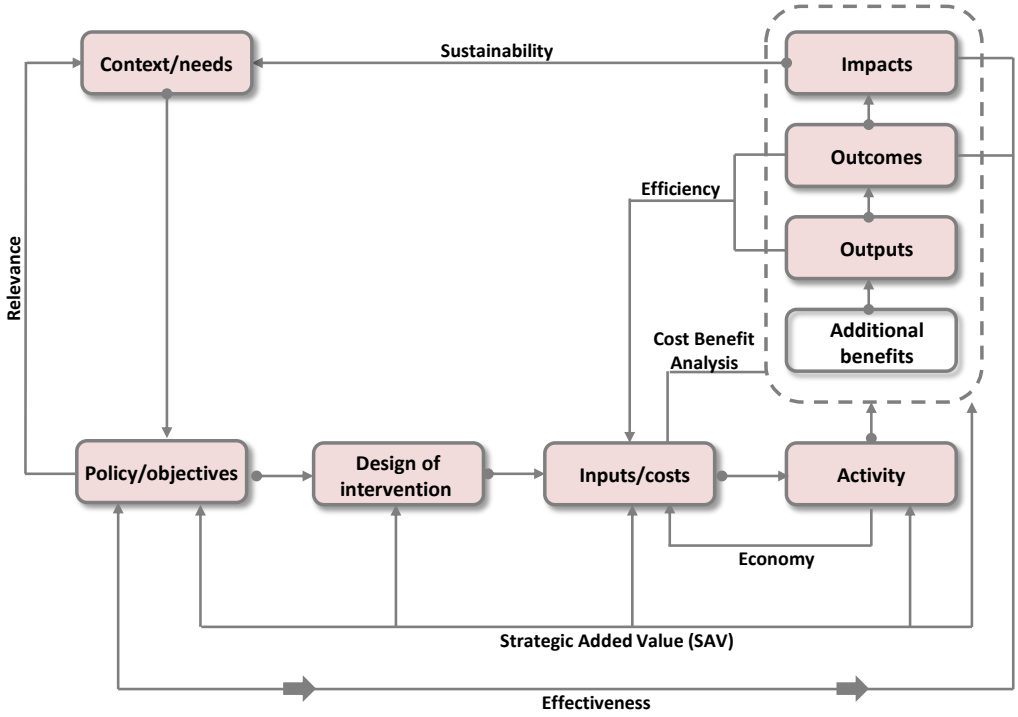
(iv) ***Consultations*** – over the course of the evaluations, consultations were carried out with the project team and members of the Steering Group in order to determine team member and partner views of the Immersive Business project. A list of consultees is provided in Appendix A.

(v) ***Case studies*** – tba on completion of the case studies

The evaluation has been carried out in a manner that is consistent with UK guidance including HM Treasury's 'Magenta Book' on appraisal and evaluation in Central Government and the updated guidance on carrying out summative assessments prepared by the Department for Levelling Up, Housing and Communities (DLUHC, 2020).

The evaluation addresses and analyses a number of critical issues, which are set out within the evaluation framework diagram (see Figure 1.2).

Figure 1.2: Evaluation Framework



1.3 Structure of the report

The report continues in the following eight sections:

- **Section 2** – describes the Immersive Business Project and details the context to the project;
- **Section 3** - reviews the progress of the project in relation to outputs and expenditure targets;
- **Section 4** - describes the management and governance arrangements;
- **Section 5** - provides an assessment of the outcomes and impacts of the project;
- **Section 6** - contains a Value for Money assessment;
- **Section 7** – presents a range of Case Studies of the project; and
- **Section 8** – sets out the conclusions of the report alongside the lessons and recommendations learned from the evaluation.

2 Context to the Immersive Business project

2.1 Introduction

This section sets out the background to the Immersive Business project in Cornwall, along with its objectives. It also sets out the market failures and logic chain for the project. This section also presents how the Immersive Business Project is aligned with local strategic priorities and socio-economic challenges in Cornwall and the Isles of Scilly.

2.2 The Immersive Business Project

2.2.1 Overview

Immersive Business is an ERDF funded project supporting SMEs in the Cornwall and Isles of Scilly Local Enterprise Partnership (CIoS LEP) area by giving them the tools and knowledge to be able to develop their business through the use of immersive technologies. The overall aim of the project was to support SMEs in Cornwall and Isles of Scilly to apply immersive and innovative technologies to improve competitiveness both nationally and globally. This included improving the customer experience and business processes. The project forms part of ERDF Priority Axis 3 (enhancing the competitiveness of small and medium sized enterprises) and is delivered under Investment Priority 3c (supporting the creation and the extension of advanced capacities for products, services and development).

In addition to technical support the project has established a state-of-the-art immersive technology facility which provides the opportunity for beneficiaries to gain the skills and expert knowledge required to apply the technologies to their sectors. The centre which also accommodates the project team is based at Falmouth University's Penryn Campus. The Centre is on the site of the former Design Centre.

Beneficiaries of the Immersive Business project were able to access and benefit from technologies such as virtual reality (VR), augmented reality (AR) and mixed reality (MR). These types of technologies enable the user to interact and encounter 3D objects through simulated environments, project computer generated images onto the user's view of the real world as well as combining elements of reality and virtual reality to observe how that would play out in a real setting.

The technology can be utilised by SMEs across a broad range of sectors. Potential and anticipated areas for participating SMEs identified by the project team included:

- Creative industries (immersive productions);
- Space (virtual exploration and training);
- Tourism (immersive visitor experiences);
- Building, architectural services and construction (design simulation);
- Mining (underground and hazardous environment simulation); and

- eHealth (diagnostics and virtual training).

The project support portfolio consisted of two different programmes of activity; the 'Swift' route and the 'Hummingbird' route.

The 'Swift' route consisted of a light-touch training and development programme of activity with the aim of equipping beneficiaries with the skills and knowledge to use immersive technology to develop their own solutions. The skills and knowledge the beneficiaries of this route receive are based on a business diagnostic undertaken by a Business Engagement Fellow, alongside the Head of Immersive Production. The members of the project team discuss the business' requirement and scope possible technical solutions, such as training videos and online app development resources in response to identified market opportunities.

The 'Hummingbird' route was much more intense than its counterpart. Beneficiaries of this activity programme entered into an intensive product development programme and worked with technical, business and academia specialists to co-create new-to-firm products, services or processes to improve productivity, safety, wellbeing or quality of products or services.

2.2.2 Objectives

The main objectives of the Immersive Business project were to:

- enable SME businesses in CIoS to take advantage of the emerging opportunities in immersive technology;
- create a cutting-edge facility and equipment, available for businesses to develop, test and display immersive products and solutions;
- provide access to expert technical and immersive business support staff who will enable them to make their vision a reality;
- deliver an immersive technologies primer project, aimed at describing the market opportunities for Cornish SMEs;
- deliver an extensive outreach project in Cornwall and the Isles of Scilly, bringing immersive technologies to the doorsteps of businesses in remote parts of the region;
- create and facilitate a community of SMEs, academics, technicians, national and global immersive technology businesses;
- enable SME access to immersive technology toolkits, product development support, and skills development projects and bespoke advice; and
- underpin the project with a comprehensive programme of events, workshops and co-creation labs in immersive technologies for business.

2.2.3 Activities

In addition to the swift and hummingbird route activities, the project has provided additional workshops and masterclass events, and market evaluation training. The workshops were particularly helpful in ensuring businesses were provided with the minimum of 12 hours of

support required to be classified as supported by the project for the ERDF output targets (see below).

The supported businesses also had the opportunity to join a network of businesses using immersive technologies in Cornwall, which connects with national sector networks as well as the national and global networks of both universities involved. This network will connect the participating SMEs with new customers and collaborators across the UK and the world.

Details of a selection of the events designed and delivered by Falmouth University, University of Exeter and regional stakeholder groups during the project are provided below in Table 2.1.

Table 2.1: Immersive Business Events Portfolio

Event	Description
Tea and Tech: Eden Project	Businesses in the creative sector were invited to meet to explore approaches to the climate emergency as well as sustainable practices at this hybrid event. Immersive Business demonstrated their immersive technologies at this event as well as presenting a session focused on the possibilities of the metaverse for creative businesses in the region.
Business Breakfast	Delivered in collaboration with the Launchpad programme, an introductory session to immersive possibilities aimed at early stage and start-up businesses. The event included a demonstration of the technology to the Launchpad start-ups and building an ideas narrative. The aim of this event was to increase connectivity across funded sectors in Falmouth as it was believed this would benefit the team's understanding and create leads to new clients.
Defence and Security Accelerator (DASA) Brokerage, Penryn	Jointly coordinated visit to Cornwall by the Southwest England Innovation partner from DASA. The visit provided one-to-one opportunities for SME clients to find out information on funding opportunities, introduce their business to DASA, and to get an indication of whether their ideas would interest DASA.
Cornwall Institute of Engineers, Immersive Business	Hosted the Cornwall Institute of Engineers (CIE), a regional branch of the Institute of Materials, Minerals & Mining (IOM3) for their annual Don Dixon Memorial Lecture, which focusses on digital innovation in mining.
Southwest Regional Defence & Security Cluster Meeting	A F2F event hosted by Marine-I & Immersive Business, at the Penryn Campus. The aim of the event was to collaborate and understand opportunities for marine businesses in the Defence & Security space. Speakers at the event spoke about trends and how transferable marine technology is in this space. Activities delivered by the Immersive Business team included talks on the opportunities immersive technologies offer the Defence & Security and maritime sectors. Additionally, the team put on two tours of the Immersive Business facility enabling attendees to experience immersive demonstrators and understand how they are applicable to their businesses.
Plug into the Metaverse conference	The Immersive Business project team hosted a free-to-attend two day conference at the university's Penryn Campus in February 2023. The conference explored immersive technology and digital innovation

	including interactive demonstrations, panel discussions and networking opportunities. The event also showcased what users can expect from the metaverse and how key sectors like retail, healthcare, education, gaming and creative can apply the technologies to their operations. The conference also provided networking opportunities for participants.

2.2.4 Project change request

The Covid-19 pandemic resulted in delays to the capital refurbishment of the Immersive Business facility and created additional unforeseen costs. As a result of this impact, Falmouth University submitted a project change request in March 2021 to gain a short extension for the delivery of the project in terms of activity end date and practical completion as well as additional ERDF capital and revenue funding. Falmouth University also provided additional match capital and revenue funding to support delivery during this challenging period. The Project Change Request was approved by DLUHC in May 2021.

Table 2.2 provides a summary of the changes to the Immersive Business project following approval of the project change request.

Table 2.2: Immersive Business Project Change Request

Change	Original Application	Updated after PCR	Difference
Activity End Date	31/03/2023	30/06/2023	3 months
Financial Completion Date	31/03/2023	31/07/2023	4 months
Practical Completion Date	30/06/2023	31/07/2023	1 month
Public Match Funding	£409,401	£424,350	+£14,949
ERDF Funding	£1,637,603	£1,697,401	+£59,798

2.2.5 Targets

Table 2.3 sets out the ERDF targets for the project which the project team was required to report on quarterly to DLUHC. At the outset of the project, the aim was to have supported 70 SMEs and have had direct involvement in the development of 25 new to firm products, services or processes.

Table 2.3: Immersive Business project - targets

Output	Target
C1 – Number of Enterprises Receiving Support	70
C4 – Number of Enterprises Receiving Non-Financial Support	70
C29 – Number of Enterprises Supported to Introduce New to The Firm Products	25

2.3 The immersive technologies sector

Immersive technologies are digital tools that simulate or augment reality, creating an immersive and interactive experience for users. These technologies include virtual reality (VR), augmented reality (AR), and mixed reality (MR). VR creates a simulated environment that users can interact with through specialised headsets and controllers, while AR overlays digital elements onto the real world using devices such as smartphones or smart glasses. MR combines elements of both VR and AR, allowing digital and real-world objects to interact in real-time.

A recent report on the UK immersive economy estimated there are 2,106 companies directly involved in immersive technologies in the UK[1], an increase of 83% across the last five years, with an industry turnover of £1.4 billion in 2021. The report also estimates that the sector in the South West region had turnover of £199 million in 2021 and directly employed 1,257 employees at 211 companies. The number of immersive technology companies in the South West has increased by 77% over the past five years to 316 in 2022.

The increasing number of immersive technology businesses in the region highlights the broad range of applications of the technologies with key sector applications including educational technology, advertising, advanced manufacturing, and digital creative industries. Section 2.4.6 provides further details of the business base in CIoS, including the size of the sectors most likely to apply immersive technologies and experience the associated productivity, wellbeing and environmental outcomes.

2.4 Socio-economic context

2.4.1 Overview

The Immersive Business Project was established to assist the growth of the local economy by supporting businesses and organisations for innovation and product and service development.

Since 2010, the growth in GVA across Cornwall and the Isles of Scilly was slower than national levels, and productivity was also lower as the levels of output per job filled were higher nationally than they were in the CIoS area. Between 2017 and 2020, the rates of employment and unemployment were similar in CIoS compared to the national trends. However, due to the impact of the Covid-19 pandemic, the unemployment rate experienced a sharper increase in CIoS LEP in 2020. Since 2017, the area has experienced higher growth in the number of businesses than the South West and England.

2.4.2 GVA

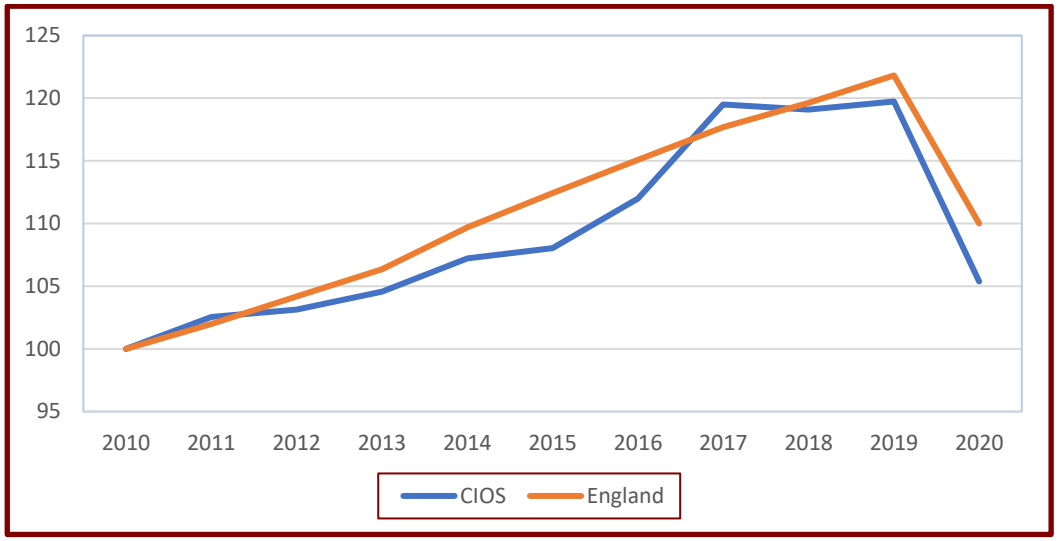
Total GVA for the Cornwall and Isles of Scilly (CIoS) area has increased steadily in the 10 years to 2020, with the exception of 2020 due to the effects of the pandemic on the CIoS economy. Prior

[1] The 2022 UK Immersive Economy Report, Immerse UK, 2022 (https://www.immerseuk.org/resources/the-2022-uk-immersive-economy-report/)

to this, total GVA peaked at £11,363 million in 2019[2], an increase of £265 million from the previous year and an overall increase of £3,279 million from 2010.

Figure 2.1 (below) highlights the overall growth of the local economy within the CIoS area since 2010. Economic output has grown steadily year on year since 2010, albeit at a slower rate than the national average. Cornwall and Isles of Scilly's GVA stood at over £11.3 billion in 2019, which represents a 19.7% increase in output since 2010, compared to a national increase of 21.8% during the same period.

Figure 2.1: Indexed Change in GVA 2010 to 2020 (2010=100)



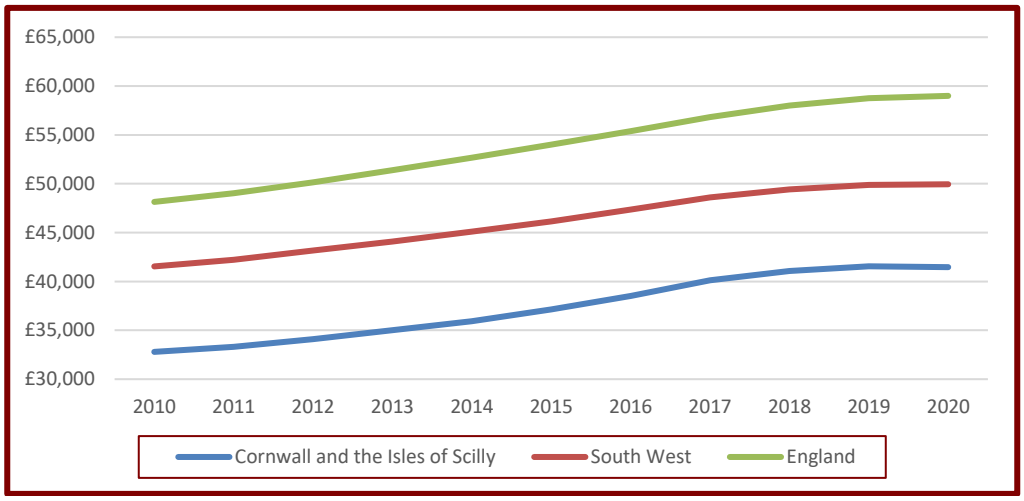
Source: Regional Gross Value Added by Industry, ONS (2022)

2.4.3 Productivity

Levels of output per filled job (which provides an illustration of productivity) within the South West and CIoS LEP areas have mirrored the national picture, with an upwards trend of productivity over a ten year period, as shown by Figure 2.2. In Cornwall and the Isles of Scilly during 2020, productivity was at £41,465 per filled job[3], this was lower than productivity in the South West which was £49,949 per filled job and in England where productivity was at £58,995 per filled job. The gap between CIoS LEP and the national average has always been large, with the average for the LEP often mirroring the national trend albeit at around £15,000 less per filled job.

[2] *Regional Gross Value Added by Industry*, Office for National Statistics (2022)
[3] *Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions*, Office for National Statistics (2022)

Figure 2.2: GVA Per Filled Job 2010-2020 (£)

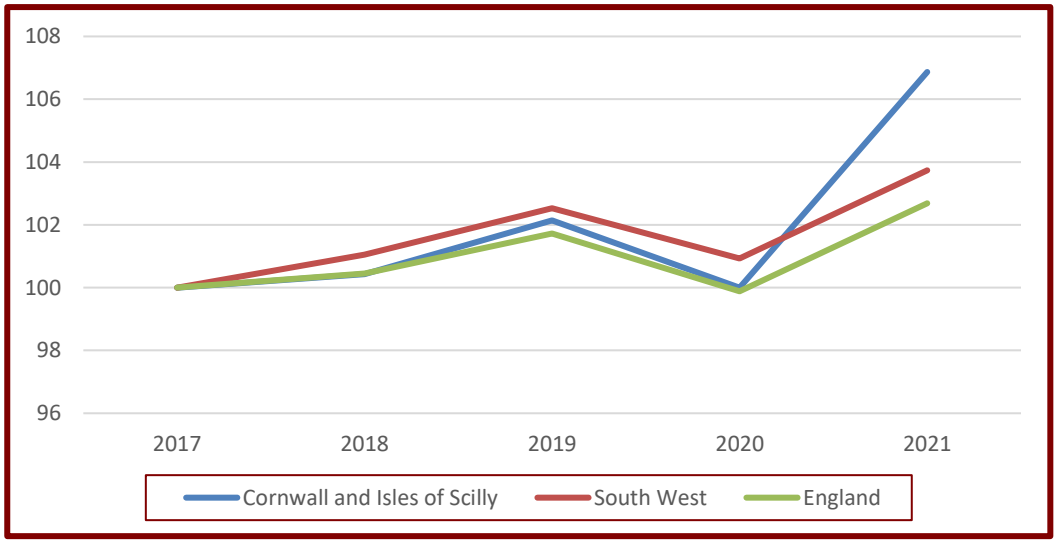


Source: Subregional productivity: labour productivity indices by UK ITL2 and ITL3 subregions, ONS (2022)

2.4.4 Employment

Between 2017 and 2022, employment in CIoS LEP increased from 233,000 to 249,000[4], an increase of 6.9%, despite a decrease during the Covid crisis. This rate of increase exceeded the regional and national rates, as shown in Figure 2.3.

Figure 2.3: Indexed change in employment 2017 to 2021 (2017=100)



Source: BRES, ONS (2023)

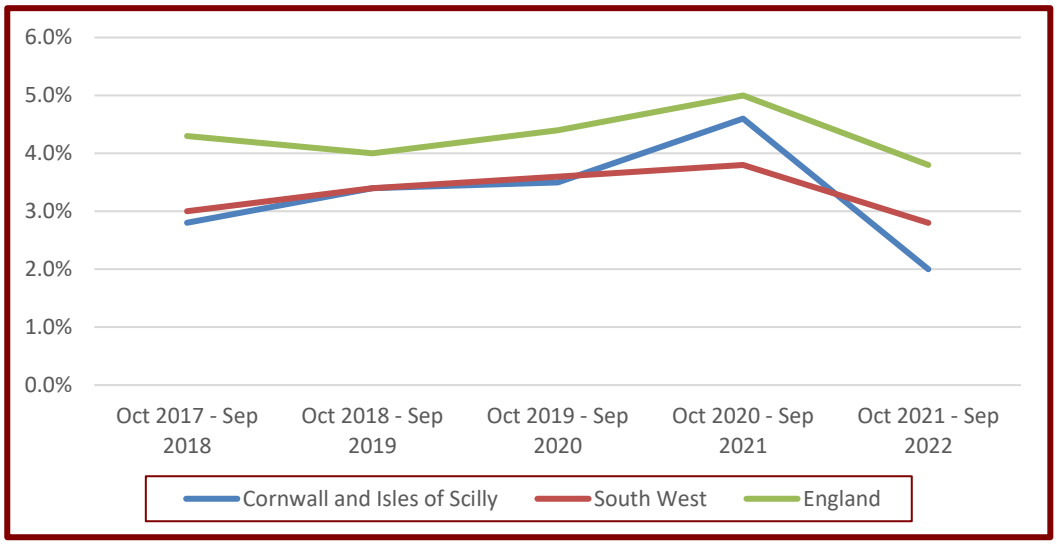
[4] *Business Register and Employment Survey* (BRES), Office for National Statistics accessed via NOMIS (2023)

2.4.5 *Unemployment*

Since mid-2017, the rate of increase in number of unemployed people in Cornwall and Isles of Scilly has exceeded both regional and national levels until 2022. From 2017/18 to 2020/21, the number of people unemployed in the LEP area increased by 63.4%, from 7,100 to 11,600[5]. Both regional and national rates experienced lower growth than this with a growth rate in unemployment of 25.7% in the South West and 17.6% nationally, implying that the area followed the national trend.

Figure 2.4 displays the unemployment rate on a local, regional, and national level from 2017 to 2022. In Cornwall and Isles of Scilly, the unemployment rate has decreased from 2.8% in 2017 to 2.0% in 2022 with a sharp increase in 2021, likely due to the impact of Covid-19. In the South West and in England the unemployment rate also decreased but by much smaller margins. Regionally, the difference was from 3.0% to 2.8%, and from 4.3% to 3.8% in England.

Figure 2.4: Unemployment Rate, 2017 to 2022



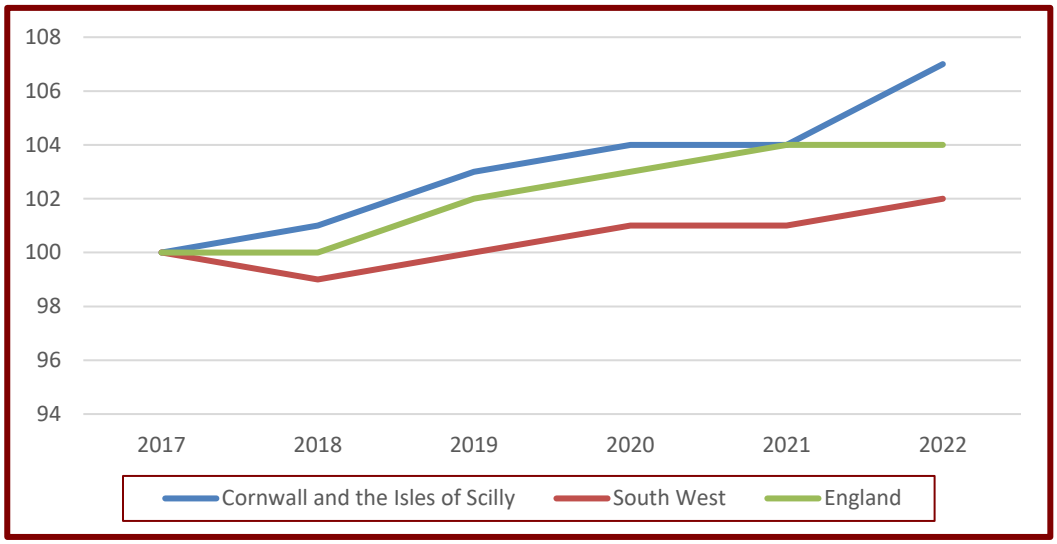
Source: Annual Population Survey, ONS (2023)

2.4.6 *Business base*

Between 2017 and 2022, the number of businesses in the Cornwall and Isles of Scilly LEP area increased by 7.5%, from 23,835 to 25,620[6]. In comparison, the number of businesses in the South West and England had increased at lower rates of 1.7% and 3.8% respectively. As shown by Figure 2.5, the impact of the pandemic has been felt by businesses in all comparator areas with low levels of growth between 2020 and 2021.

[5] *Annual Population Survey*, Office for National Statistics accessed via NOMIS (2023)
[6] *UK Business Counts*, Office for National Statistics accessed via NOMIS (2023)

Figure 2.5: Indexed Business Count, 2017 to 2022, 2017=100



Source: UK Business Counts, ONS (2023)

At the sectoral level, CIoS LEP is well-placed for the adaptation of immersive technologies with a large number of businesses in the key sectors where it can be applied (UK Business Counts, ONS, 2023). This includes the education (355 businesses), wholesale and retail (3,530 businesses), human health and social work (795 businesses), and arts, entertainment and recreation sectors (640 businesses which will include those in the creative sector).

2.5 Rationale for the project

The rationale for public sector intervention will normally involve justifying an activity in terms of its expected impact on economic efficiency (market failure), or in terms of stated Government policy objectives (such as social objectives) or some combination of the two. Where markets fail to work perfectly, resource allocation does not occur relative to the marginal cost of provision. The correction of market failures leads to improvements to the supply side of the economy and increases productive capacity. In the case of economic development projects to support SMEs investment and grow, the rationale will often be based upon the correction of a market failure or missing market issue[7] and/or the enhancement of the quality of life of disadvantaged groups (equity).

The rationale for intervention for the Immersive Business project relates largely to risk. Innovation and use of new technologies involve significant investment by SMEs without any certainty that this will lead to increased turnover or performance improvements. Therefore, there may be a reluctance on the part of SMEs to invest in upgrading their knowledge or purchasing equipment. The fast paced nature of advances in the functionality of equipment and associated reduction in price for (not very) older models is a further risk to businesses investment. Public sector intervention through initiatives such as the Immersive Business project at Falmouth University

[7] Market failures can arise as a result of externalities, imperfect information, market power and public goods.

are therefore necessary to reduce the risks to SMEs and encourage investment in their knowledge and skills as well as new products and services.

Another market failure of relevance to the project is asymmetric information. In the case of the Immersive Business project, small businesses and prospective entrepreneurs may have limited knowledge of, for example, virtual and alternative reality technologies and applications of the techniques within their organisations and potential returns. Hence, enterprise growth and creation levels are sub-optimal. Intervention through initiatives such as the Immersive Business project remedy this market failure by bringing small businesses and prospective entrepreneurs together with experts in the relevant field at Falmouth and Exeter Universities and within the wider network to share information on market opportunities.

2.6 Strategic policy context

2.6.1 Overview

In undertaking the evaluation, consideration has been given to the extent to which the Immersive Business project was consistent with the policy and strategy environment. Details of the extent of this consistency are set out below.

2.6.2 National level

(i) Original context

Industrial Strategy - Building a Britain Fit for the Future (BEIS, 2017) – Among the overarching aims of the Strategy was creating an economy that boosts productivity and earning power throughout the UK, with the Strategy recognising that some parts of the UK have particularly poor productivity levels.

The Strategy recognised the difficulties faced by businesses in accessing advice as an obstacle to productivity improvements.

The Immersive Business project was consistent with the Industrial Strategy as it provided appropriate business support to businesses in Cornwall and the Isles of Scilly which were aiming to enhance their productivity through use of new technologies.

(ii) Current context

Build Back Better – Our Plan for Growth (HM Treasury, 2021) – the Strategy recognises the need for businesses to be able to access business support and innovation support in order to achieve their potential. The Immersive Business project was therefore fully consistent with the objectives of the Strategy.

The Strategy also identifies a need to help underperforming areas to 'level-up'. Cornwall is underperforming against a range of indicators including GVA and GVA per person employed. The Immersive Business project supported improvements across all of these indicators in Cornwall and therefore supported the levelling-up agenda.

2.6.3 CIoS level

Vision 2030 – The CIoS Strategic Economic Plan (CIoS LEP, 2017) – The overarching ambition of this strategy is that 'by 2030 CIoS will be the place where business thrives, and people enjoy an outstanding quality of life'.

The document identifies low productivity in the area as an obstacle to competitiveness and aims to raise productivity as measured by GVA per job and median wages. Providing business support was included within the actions set out in the document.

The Immersive Business project was fully consistent with Vision 2030 as it provided support to businesses with the aim of enhancing productivity and aimed to increase the number of people with higher level skills in the workforce.

CIoS LEP Draft Local Industrial Strategy (CIoS LEP, 2020) – The Strategy identifies low productivity as a significant barrier to growth for CIoS and sets out a number of challenges for businesses to address in order to raise productivity. These include:

- improving the quality of jobs available;
- enabling improvements in business performance; and
- providing a supportive business environment to promote growth.

The Strategy also identifies a need for better access to knowledge transfer, business support, academic expertise and finance.

The immersive business project was fully supportive of the Strategy as it aimed to improve productivity and business' skills in Cornwall through access to wide-ranging business support and cutting edge technology knowledge transfer activities.

2.7 Project logic model

Logic chains are an essential element of the approach to assessing projects. The use of logic chains can assist in demonstrating how activities and the inputs these entail, deliver key outputs and outcomes and how they contribute to wider priorities and target impacts. In particular, the development of logic chains can serve as a useful framework for assessing:

- the causal connections between inputs, activities, outputs, outcomes and impacts – this is important in determining the extent to which benefits are attributable to the project or programme;
- the rationale for the intervention by consideration of its context – in terms of, for example, contextual economic and market conditions and the extent to which they are having adverse consequences for overall levels of investment and the competitiveness of the area; and
- the intervention's design – in other words, the relevance of the chosen activities to the achievement of the desired outcomes.

As part of the evaluation, a hypothetical logic chain has been developed by the evaluation team as shown in Table 2.4.

Table 2.4: Immersive Business – Logic chain	
Contextual conditions	• Low GVA per person employed (productivity) • Unemployment rate following national trends • High growth in number of businesses in recent years
Policy context	• Build Back Better – Our Plan for Growth (HM Treasury, 2021) • CIoS LEP Draft Local Industrial Strategy (CIoS LEP, 2020) • Vision 2030 – The CIoS Strategic Economic Plan (CIoS LEP, 2017) • Industrial Strategy - Building a Britain Fit for the Future (BEIS, 2017)
Design of intervention and objectives	The objectives of the project were: • enable businesses in CIoS to take advantage of the emerging opportunities in immersive technology; • create a cutting-edge facility and equipment, available for businesses to develop, test and display immersive products and solutions; • provide access to expert technical and immersive business support staff who will enable them to make their vision a reality; • deliver an immersive technologies primer project, aimed at describing the market opportunities for Cornish SMEs; • deliver an extensive outreach project in Cornwall and the Isles of Scilly, bringing immersive technologies to the doorsteps of businesses in remote parts of the region; • create and facilitate a community of SMEs, academics, technicians, national and global immersive technology businesses; • enable SME access to immersive technology toolkits, product development support, and skills development projects and bespoke advice; and • underpin the project with a comprehensive programme of events, workshops and co-creation labs in immersive technologies for business.
Inputs	• £1.6 million funding from ERDF and £0.4 million from Falmouth University and the University of Exeter • human resources from the universities
Activities	Businesses supported through: • Immersive business toolkit training and development programme • Intensive immersive product development programme • Immersive facility access • Masterclass event programme and market evaluation training • Facilitated immersive community
Outputs	• 70 businesses receiving support from the project • 70 businesses receiving non-financial support

Table 2.4: Immersive Business – Logic chain	
	• 25 businesses Supported to Introduce New to The Firm Products through the 'Hummingbird' route
Outcomes	• new products, services and processes developed • increased business competitiveness • increased number of businesses adopting immersive technologies, leading to business growth
Impacts	• increased GVA in Cornwall and the Isles of Scilly • jobs created and safeguarded • increased productivity in Cornwall and the Isles of Scilly • entrepreneurship increase within CIoS

2.8 Summary

The Immersive Business project aimed to support businesses in Cornwall and the Isles of Scilly by giving them the tools and knowledge to be able to develop their business through the use of immersive technologies. The project has established a state-of-the-art immersive technology facility in Cornwall where beneficiaries were able to learn about the technologies and use the equipment to develop products and services for their businesses.

The project was funded by ERDF and through match funding from Falmouth University and the University of Exeter, with an overall budget of £2 million. Its targets included supporting 70 businesses and supporting 25 of these to introduce new to the firm products.

The project was consistent with a range of strategies, including Build Back Better, CIoS LEP's Strategic Economic Plan and the Local Industrial Strategy. This consistency resulted from the project's focus on providing tailored business support and enhancing productivity through increased awareness, understanding and use of new technologies.

The main economic issues of relevance to the Immersive Business project are:

- low growth in GVA;
- relatively low GVA per person employed relative to the national and regional averages;
- increasing employment in Cornwall and the Isles of Scilly in line with national trends; and
- high growth rates in the number of businesses.

3 Project performance

3.1 Overview

This section provides details of the performance of the project in relation to expenditure and outputs and also sets out forecasts for expenditure and outputs at project closure.

3.2 Funding

The Immersive Business project was funded by the ERDF, with match funding being provided by Falmouth University and the University of Exeter.

Table 3.1 sets out the funding arrangements for the project.

Table 3.1: Funding profile (£)

Contracted (Project change request)	ERDF	Match funding	Total
Capital	460,702	115,175	575,877
Revenue	1,236,700	309,175	1,545,874
Total	**1,697,401**	**424,350**	**2,121,751**
To Q4 2022	**ERDF**	**Match funding**	**Total**
Capital	460,133	115,033	575,166
Revenue	881,960	220,920	1,102,880
Total	**1,342,093**	**335,953**	**1,678,046**
Expected at completion	**ERDF**	**Match funding**	**Total**
Capital	460,133	115,033	575,166
Revenue	1,140,875	285,219	1,426,094
Total	**1,601,008**	**400,252**	**2,001,260**

Compared to the project change request submitted in March 2021, there is expected to be an underspend of around £120,000 of ERDF and match funding. The majority of this underspend relates to revenue funding which is lower than previously expected as anticipated running costs did not materialise. Capital costs are more in line to the project change request level, however, as the capital refurbishment costs had already been made and the technological equipment has been purchased.

3.3 Outputs

To the end of the final quarter of 2022, the project had yet to achieve its output targets, as set out within the initial ERDF application. The ambitious targets are, however, expected to be achieved by project closure, according to the claim form submitted for the final quarter of 2022.

Table 3.2 sets out the performance of the project in relation to outputs.

Table 3.2: Output performance

Indicator	Target	Number to Q4 2022	Forecast for project closure
C1 – Number of Enterprises Receiving Support	70	43	70
C4 – Number of Enterprises Receiving Non-Financial Support	70	43	70
C29 – Number of Enterprises Supported to Introduce New to The Firm Products	25	12	25

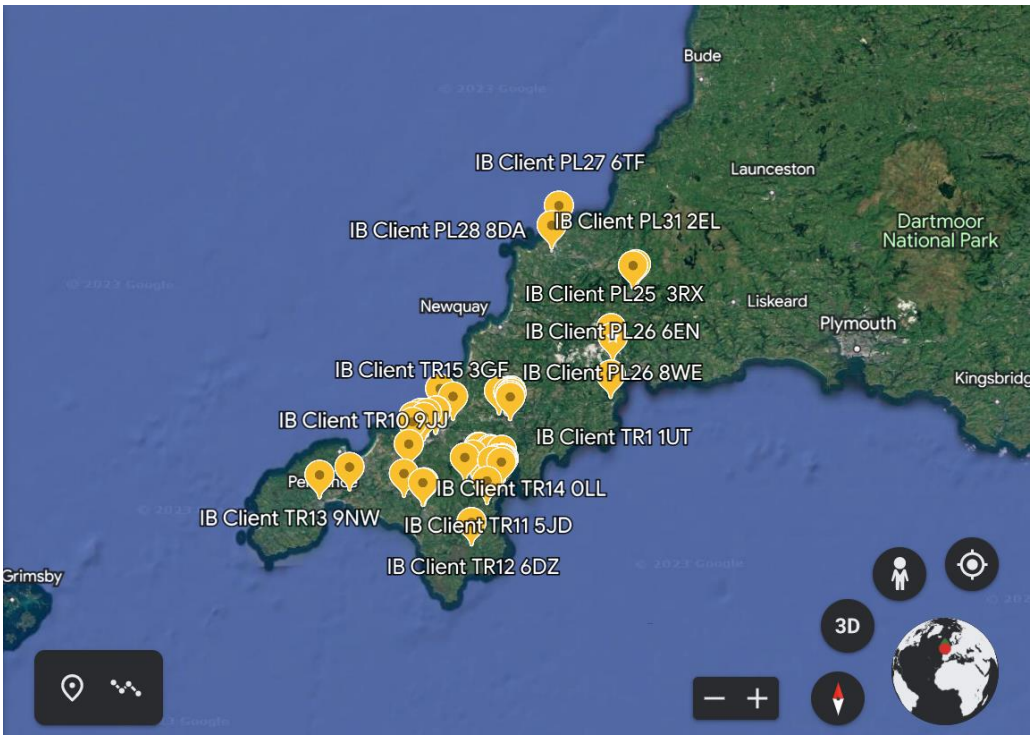
Monitoring data also shows the range of businesses supported. Table 3.3 presents the number of businesses supported to date by sector, highlighting the differences in applications of immersive technologies enabled by the Immersive Business project.

Table 3.3: Businesses supported by sector

Sector	Number of businesses
Arts, entertainment & recreation	12
Information & communication	10
Professional, scientific & technical	8
Mining & quarrying	5
Education	3
Other service	2
Manufacturing	1
Wholesale & retail (including repair of automotives)	1
Human health & social work	1
Total	**43**

The Immersive Business project's objectives include: "*deliver an extensive outreach project in Cornwall and the Isles of Scilly, bringing immersive technologies to the doorsteps of businesses in remote parts of the region*", meaning that the location of beneficiary businesses is also an important output to capture. Figure 3.1 shows that whilst there was some geographical spread in the location of beneficiaries, businesses supported are mainly concentrated around towns such as Truro, Penzance, Redruth, and Falmouth.

Figure 3.1: Location of businesses supported by the Immersive Business project



3.4 Summary

The project was funded by ERDF and through contributions from Falmouth and Exeter Universities. At project closure ERDF is expected to have provided 80% of the overall total expenditure of £2,001,260.

The project is expected to achieve all of its overall output targets by project closure based on the most recent claim form.

Table 3.4 provides summary details of spend and output performance.

Table 3.4: Spend and output performance

Indicator	Target	Projected performance at project closure		Overall assessment
		Number	% of target	
ERDF capital expenditure	£460,702	£460,133	99.9%	Expected to be achieved
ERDF revenue expenditure	£1,236,700	1,140,875	92.3%	Slight underspend expected
ERDF total	**£1,697,401**	**1,601,008**	**94.3%**	Slight underspend expected

C1 – Number of Enterprises Receiving Support	70	70	100%	Expected to be achieved
C4 – Number of Enterprises Receiving Non-Financial Support	70	70	100%	Expected to be achieved
C29 – Number of Enterprises Supported to Introduce New to The Firm Products	25	25	100%	Expected to be achieved

4 Management and delivery

4.1 Introduction

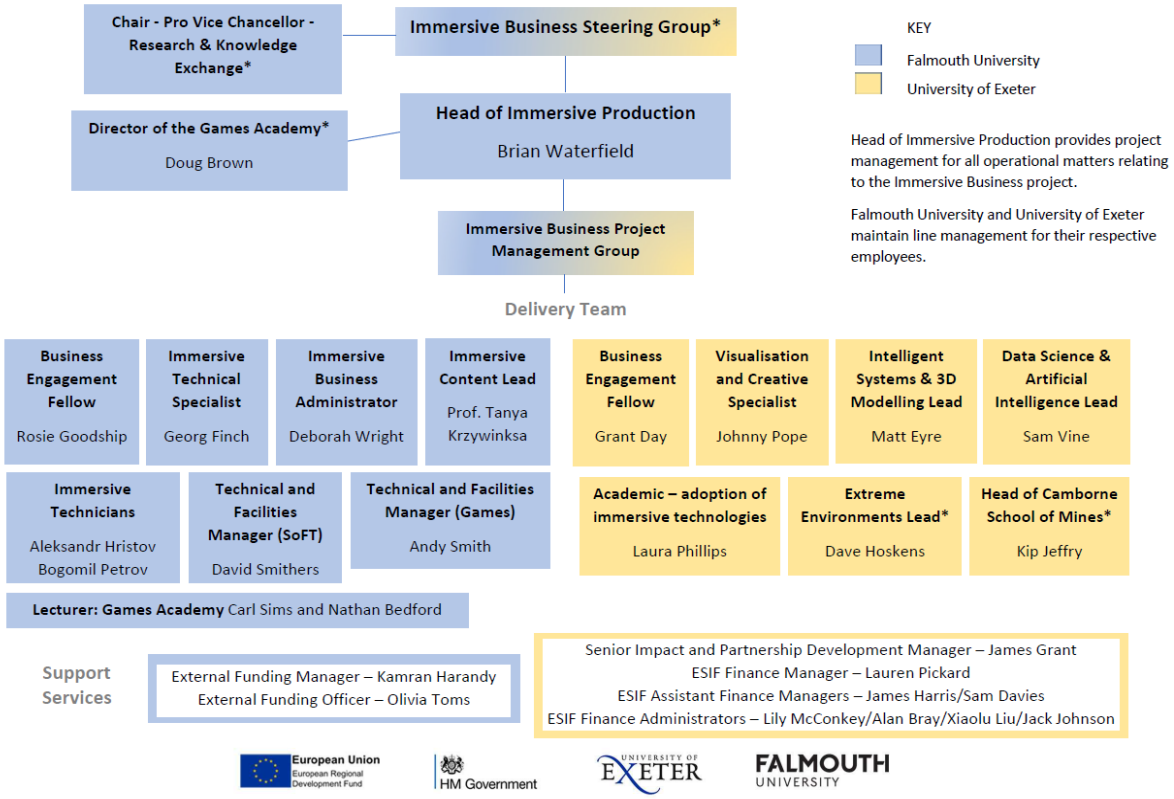
This section presents a review of the management and delivery of the project. This has been informed by a review of documentary evidence and consultations. It has also been informed by responses of beneficiaries to the survey.

4.2 Roles and responsibilities

4.2.1 Overview

The Immersive Business project was delivered jointly by the University of Exeter and Falmouth University. Both Falmouth University and the University of Exeter had corporate governance roles, with Falmouth's team also including the Vice-Chancellor's Executive Group and the Board of Governors. Similarly, the Steering Group team comprised members of staff from both Falmouth and Exeter, as was the Project Management Group.

Figure 4.1: Management and delivery structure



4.2.2 Head of Immersive Production

The Head of Immersive Production post was filled by Brian Waterfield, of Falmouth University. The Head of Immersive Production was responsible for the delivery of the Immersive Business project and project management. The role involved coordinating the academic knowledge exchange, operational and technical strands of the project, and developing the Immersive Business facility as a shared strategic resource to foster the next generation of mixed reality content. The Head was also responsible for reporting to the Steering Group on behalf of the Project Management Group.

4.2.3 Business Engagement Fellows

The role of the two Business Engagement Fellows was to develop links between eligible businesses and the universities in order to promote product and service development. In addition to engaging with businesses and advocating the project, they provided advice and support to the participants to update or introduce new products and services to the firm that would drive business performance. The Business Engagement Fellows performed preliminary business diagnostics to assess eligibility for the project and worked with the technical specialists to identify which support route businesses would be best suited.

Each university employed a full-time Business Engagement Fellow. Whilst the Business Engagement Fellows could in principle work across sectors, in practice they tended to work with businesses in the sectors which it was considered would most benefit from the skills and expertise of their respective university's technical and research specialisms. For the Business Engagement Fellow from Exeter, their university had greater expertise in the mining sector so worked more with those businesses, whilst the Falmouth University Fellow was involved with more creative businesses as a result of their skillset and the university's specialism.

4.2.4 Immersive Technical Specialist

Each university employed a technical specialist. The two Immersive Technical Specialists were responsible for managing the project's technical equipment, facility, and resources as well as the day-to-day operations of the facility. They also led the immersive product/service design and development process working with participating businesses to deliver the required outputs. As with the Business Engagement Fellows, the Immersive Technical Specialists tended to focus on engaging and working with businesses that could benefit from the technical and research expertise within their respective universities.

4.2.5 Thematic technology leads

Thematic Immersive Leads provided sector specific insights which were used throughout the product design and development process. Their academic knowledge and industry expertise was used to facilitate the design of tools for businesses with a focus on key sectors and subjects. The sectors covered by the University of Exeter's thematic technology leads were: (i) extreme environments, (ii) data science and artificial intelligence, and (iii) intelligent systems and 3D

modelling. Falmouth University's specialists covered (i) immersive content, and (ii) immersive technology, with a particular focus on businesses in the creative industries.

4.2.6 Project Management Group

The Immersive Business Project Management Group (PMG) was responsible for delivering the project's objectives and fulfilling the ERDF funding requirements and criteria. The PMG had monthly internal sessions to provide updates on how the project was progressing and reported to the Steering Group. Their key function was to review project progress, to identify any potential risks to delivery, to agree mitigating action and escalate any risks to project delivery, as appropriate. The group's agenda included the project budget, procurement and ERDF compliance.

The Project Management Group includes the following members:

- Head of Immersive Production;
- Business Engagement Fellows;
- Immersive Tech Specialists;
- External Funding Officer, Falmouth University;
- A representative from the FX Plus Procurement team;
- A representative from the University of Exeter's ESIF Risk and Compliance Team;
- Management Accountant (Falmouth University); and
- At least one technical thematic lead.

4.2.7 Steering Group

The Immersive Business Steering Group was the key governance body for the project and provided reports to the Vice-Chancellor's Executive Group and Board of Governors as appropriate. The Group included members representing Falmouth University and the University of Exeter and met quarterly.

The group's role, as set out in the terms of reference, was to ensure that the project was on course and aligned to the agreed project goals. The group also provided a strategic steer to the Head of Immersive Production, who attended its meetings, and would assess and respond to risks and issues where they arose. The Steering Group's responsibilities also included ensuring effective engagement and coordination of activity with key local organisations (e.g. CIoS Growth & Skills Hubs, CIoS LEP) and relevant national networks (e.g. Immerse UK, Digital Catapult Centre).

The group's membership comprised:

- Vice-Chancellor, Falmouth University (Chair of the Immersive Business Steering Group);
- Pro-Vice Chancellor, Research and Knowledge Exchange, Falmouth University;
- Head of Immersive Production, Falmouth University;

- Director of School of Entrepreneurship, Falmouth University;
- Director of the Games Academy, Falmouth University;
- Director of School of Film & Television, Falmouth University;
- Dean of Strategic Development Cornwall, University of Exeter;
- Head of Innovation, Impact and Business Cornwall, University of Exeter;
- Head of Camborne School of Mines (CSM), University of Exeter; and
- Dedicated External Funding Officer, Falmouth University.

4.3 Project marketing

A number of approaches to marketing and promoting the project have been adopted. These included:

- Creation of a bespoke website for the project, later migrated to within Falmouth University's website;
- Social media accounts including LinkedIn, Instagram and Twitter, with a dedicated #ImmersiveBusiness campaign;
- Dedicated Facebook event page;
- Plug into the Metaverse conference;
- Attendance at business fairs and local immersive technology events; and
- Business Cornwall magazine article.

In addition, the team worked with Falmouth University's PR team and local media agency Barefoot to use their experience to raise awareness across Cornwall and the Isles of Scilly.

The Plug into the Metaverse conference took place on 23 to 25 February 2023. The conference, held at Falmouth University, was attended by over 240 people, with data from the online registrations suggesting that whilst over half of attendees were from Cornwall, they covered a broad spread of the county, with 42% of Cornish registrations coming from outside Falmouth & Penryn, where the University Campuses are based. The registrations data also shows that there was also a large number of participants from elsewhere in the UK and overseas (for example, a keynote speaker from the Netherlands). The event included keynote speeches, panel discussions, and interaction with the technology. The event also brought together some of the beneficiary businesses' work with forward-thinking businesses to showcase the region's talent and make connections outside of the Immersive Business department.

Referrals to the Immersive Business project were also provided by Cornwall and Isles of Scilly Growth Hub. The Growth Hub provides free business reviews and support for businesses in the CIoS LEP area to help them identify and access suitable support programmes in the region. The Immersive Business project was one of the many projects the hub's advisors were able to recommend to businesses, although the relationship between the Immersive Business project and the Growth Hub was felt to be limited. It would therefore be useful for the Immersive Business project and the Growth Hub to strengthen their relationship moving forward.

4.4 The Covid crisis

The Covid-19 crisis impacted the project as it delayed the completion of the capital works and start of the project. Due to national lockdowns, the Immersive Business project team was initially unable to access the physical technology hub refurbished to house the team. Instead, the project operated virtually which was more challenging for the project team due to the need to demonstrate the technologies (e.g. headsets) in person. This hindered uptake in interest for the project early on as it was harder to get clients engaged without physical, in-person sessions and access to the facility.

Social distancing measures in place on the university campus also limited activities at the centre as they limited the number of people who could use the facility at any one time, making it harder to engage with businesses and get them to sign up to the project. The pandemic also caused delays to staff recruitment and onboarding. Marketing was also impacted by the pandemic as the restrictions prevented the team from inviting as many businesses and relevant organisations into the centre as they would have liked. The restrictions also made hosting outreach events more difficult and delayed when the main conference could be held to 2023.

4.5 Stakeholder feedback

Consultations have been held with members of the Project Management Group and Steering Group to gather views on the project overall, and gain insights for the design of future initiatives.

4.5.1 Project Strengths

The consultees identified a number of strengths of the project including the work of the Immersive Business team. In particular, the role of the Business Engagement Fellows was highlighted as they were able to generate significant interest from their existing networks to create a pipeline of business beneficiaries and as time progressed were increasingly able to break down the complexities of the technology to make it more accessible to businesses unfamiliar with such technology and its potential benefits for their business. The ability to draw on existing networks from the outset was particularly helpful given the project was launched during Covid 19 when there were many restrictions and businesses were focussed on surviving rather than looking to new systems or services or products.

It was also recognised that the project was very flexible, with project team members able to adapt and improve the process based on their experience as the project moved along the delivery

phase. This ability to identify the need for change and provide solutions by the team has been identified as a success.

Another strength of the Immersive Business project was the variety of businesses they were able to reach throughout Cornwall. The project reached a broad range of businesses in terms sectors (as demonstrated by Table 3.3). In comparison with the original ERDF application, businesses were supported in most of the target sectors, except for Space, and Architectural services and construction. The ability to support projects in a range of sectors was, in part, due to the collaboration between the two universities which have specific sectoral strengths (Mining for University of Exeter, and Creative industries at Falmouth University) and are well-respected in their sectors. This collaboration resulted in the programme having a stronger offer overall based on their complementary skills.

The project also supported businesses with a wide variety of digital maturity. Although it was challenging in terms of time and resources to accommodate such different levels of technological readiness, the project team worked hard to support each businesses need.

Another key benefit of the project identified is raising awareness amongst SMEs in Cornwall and the Isles of Scilly of the opportunities immersive technology can provide. Whilst not all businesses can take up the opportunity immediately, wider awareness raising can deliver longer term benefits out of the scope of this evaluation to capture. This has opened the door for many businesses from many different sectors to explore applications of new technologies, such as those in the art sector who readily acknowledged they did not realise that such technologies would work for them as traditionally it is not a technology focused sector. The project has helped many businesses realise the value of incorporating new technology into their operations.

In addition, businesses were able to use the equipment located in the Immersive Business facility to trial out what would work best for them rather than having to purchase the equipment without expert support in understanding what they needed. This has taken away much of the risk involved in investment for these companies as, through a trial and error process they could learn what works and make informed decisions on investment. It was suggested given the pace of technological growth a small grant fund to enable companies to purchase equipment would bring greater benefits and indeed may help attract other businesses to the project who considered the cost of the equipment a barrier to taking part in the project. A suitable scheme, based on similar programmes, could include provision of grants of up to £5,000 requiring a minimum of 50% match funding to purchase immersive technology equipment for SME businesses.

The Immersive Business facility has acted as a physical hub and provided an important identity for the project. It has acted as a knowledge exchange hub on a daily basis and has provided the opportunity for networking between the SMEs. Additionally, it has been used to host significant region wide and national events such as the Conference in February 2023 which attracted a wide range of stakeholders and businesses all focused on raising the digital profile and presence of businesses in CIoS. The Conference was seen as an important opportunity to form new working relationships and partnerships by providing a space which encouraged engagement, interaction, and shared learning. The Conference generated significant interest in the project's activities and very usefully generated additional interest from businesses in Cornwall and the Isles of Scilly in immersive technology and what it can do for their business.

It is also important to recognise the Head of Immersive production's work in terms of building connections and networking with leaders across Cornwall and the Isles of Scilly and beyond to increase exposure and build the awareness of the project's work. Wider organisations engaged with include Falmouth Town Council, NHS Partnership, tech South West, Software Cornwall, and the CIoS LEP's Skills Hub. They were also involved in the creation of the Far South West Immersive Cluster (with University of Exeter, University of Plymouth and Real Ideas Organisation).

4.5.2 Areas for Improvement

Marketing, communications and materials

In addition to the strengths of the project highlighted above, there were elements of the Immersive Business project design and delivery which consultees considered could usefully be improved for future initiatives. Consultees suggested that the project needed a better marketing and communications strategy as the pipeline of businesses throughout the delivery phase continued to largely rely on existing networks. A more co-ordinated marketing and communications strategy means this reliance could have lessened over time to potentially increase the reach of the project to businesses not part of such networks and who had not previously been reached by business support programmes. It may also have generated a larger pipeline of businesses and enabled a smoother delivery of support.

It was also suggested that social media could have been used more effectively, whilst the lack of a dedicated project's website for 6 months, meant there was no reference point for businesses interested in learning more about the project offer. Neither could it be used as a promotional tool. A fully functioning high quality website with improved marketing material it was considered could have reduced some of the confusion businesses had about what was possible and what was not, for example businesses could have been clear that the project was not to create websites for their businesses.

Due to the cutting edge nature of the technology consultees noted that it was vital that the delivery team had good materials to help explain to potential businesses what the project could do for their business and the opportunities and benefits it could create. It was suggested that a portfolio of materials such as demonstration based case studies including for different sectors, scale of offer would have been particularly useful in the early days of the project perhaps cases known to the team from working elsewhere. The project team did over time develop these materials in house and they proved very useful in raising awareness and interest as well as managing expectations of businesses as to the scope and nature of the support the team could give.

The end of project Conference was undoubtedly a success and is likely to bring longer term benefits. It was suggested by a large number of consultees that a launch event of this nature (as soon as Covid restrictions allowed) could have brought significant benefits in terms of project delivery for example by generating more and early interest in participation allowing for businesses to better benefit from the technical specialism and equipment available and as such enabling earlier delivery of outputs and outcomes for individual businesses and the economy more generally.

Recruitment and retention

Consultees reported that recruitment was a challenge for a number of roles due to a lack of suitable, experienced candidates at the salary levels offered. Vacant staff positions, both direct delivery staff and departmental technical support, delayed the progress of the project as those in post had to deal with a larger workload and necessarily could provide support to fewer new businesses during this period than otherwise possible. A further unsettled period of staff turnover also contributed to this capacity issue. These issues have since been addressed by the project team and the consultees recognised the project was working a lot better towards the end of the delivery period.

There were some internal administration issues which impacted team working and integration early in the project. Staff undertaking the same roles had different employment contracts depending on which university held their employment contract, for example one contract outlined a permanent position, the other was for a fixed term. Consultees also referenced that there was some confusion at times on governance with it not always being clear whether issues should be raised with their university management or with more senior members of the Immersive Business project team. Clearer lines of reporting and responsibility can help improve communication and lead to more effective working relationships, and should be implemented at project implementation for future schemes.

The consultations also highlighted the importance of the balance between business support and technical staff members. Throughout delivery of the project, it became apparent that the project needed more technical inputs (at a number of levels) than provision had been allowed for, with the universities unable to provide enough resource to meet the project's requirements. In part as a response to these challenges, the department allocated some of the budget to Falmouth University students to support the tech specialists in their work with the businesses, with the students successfully gaining jobs within the team upon graduation. The feedback also highlighted the importance of support for the project from the existing staff at the universities, so that the time allocated in the original application was used effectively. It is important that projects are embedded within the wider institutions who are responsible to maximise their outputs and the positive benefits delivered to beneficiaries.

Strategic direction

Consultees noted that the role of the Steering Group was primarily on compliance with ERDF requirements and achieving the ERDF outputs to ensure there was no clawback. There was an emphasis on needing to reach these targets rather than a focus on the nature of the beneficiaries, the extent to which the pipeline reflected the wider aspirational goals around sector, geographical reach and reaching companies not traditionally involved with support programmes. Steering Group members consultees suggested could have also used their networks to identify potential linkages with national and international companies or support organisations throughout the delivery phases of the project.

4.6 Beneficiary feedback

4.6.1 Overview of the Survey

As of March 2023, 43 businesses had participated in the Immersive Business project. Spirul conducted telephone interviews with 25 (58%) of businesses who received support, of which 19 were part of the "Swift" route and 6 were part of the "Hummingbird" route which was broadly representative of the split of projects across the types of support. In addition, the sectors of businesses surveyed were broadly representative of the range supported and included: Arts, Entertainment & Recreation, Education, Human health & Social work, Information & Communication, Manufacturing, Mining & Quarrying, and Professional, Scientific & Technical.

The results are presented in the following sections and Appendix B provides a copy of the questionnaire used.

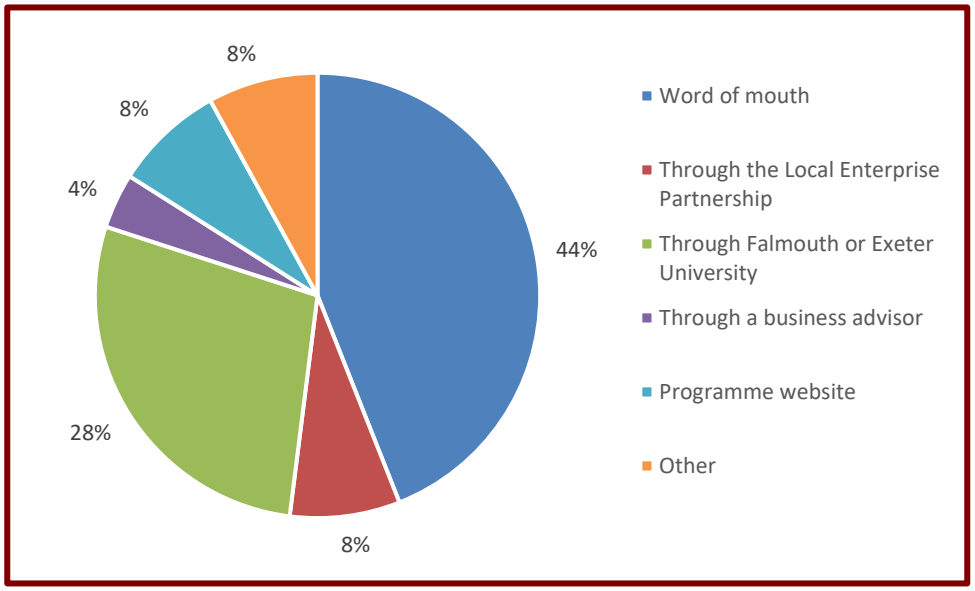
The interviews covered a range of topics including:

- how businesses heard of the project
- satisfaction with the project
- knowledge of business opportunities relating to immersive technologies
- strengths of the Immersive Business project
- areas for improvement

4.6.2 How businesses heard of the project

Feedback from the 25 businesses showed that most learned about the opportunity to participate in the project by word of mouth supporting the consultees observations on the use of existing networks. Falmouth and Exeter Universities were also an important source of information on the project as set out in Figure 4.2 below. The 'other' feedback responses also included the Council.

Figure 4.2: How beneficiaries found out about the Immersive Business project

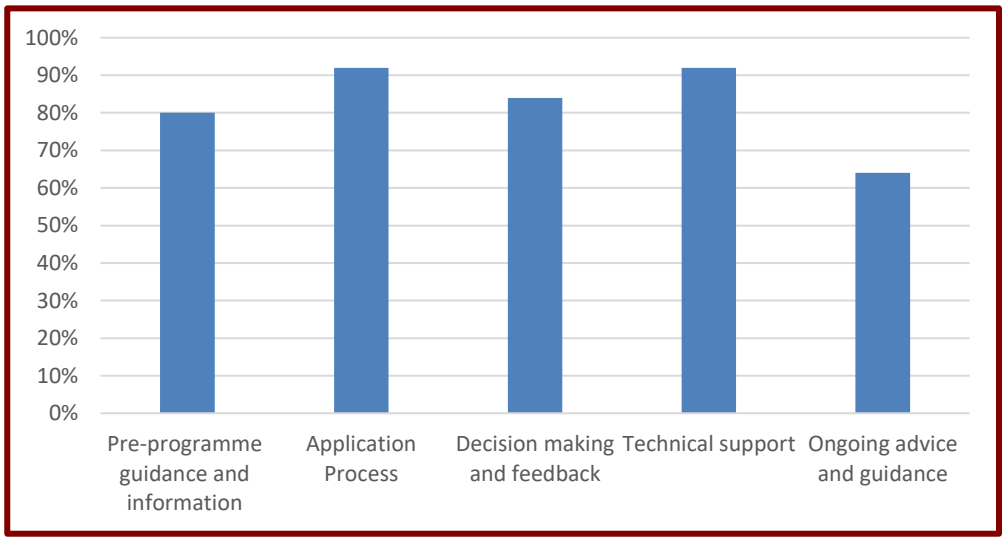


Source: Beneficiary Survey, 2023

4.6.3 *Satisfaction with the project*

Satisfaction with the support provided was very high. As set out in Figure 4.3, 92% of beneficiaries surveyed were either satisfied or very satisfied with the support provided for the 'application process' as well as with the 'technical support'.

Figure 4.3: Beneficiary satisfaction levels



Source: Beneficiary Survey, 2023

4.6.4 *Knowledge of business opportunities relating to immersive technologies*

The survey also collected data on respondents' knowledge of the business opportunities presented by immersive technologies before and after participating in the Immersive Business project. Respondents rated their knowledge of the technologies on a scale of 1-10, with 1 being reluctant to introduce and 10 being, always looking at ways to introduce new technologies.

As shown by Table 4.1, participation in the project had a very positive impact on knowledge of immersive technologies opportunities in general and for their specific businesses, with their average ratings showing significant, positive improvements. Looking at the individual responses, the number of respondents rating their knowledge as low (a score of less than 3 out of 10) decreased for both questions from 15 people before participation to just 3 people after participation in the project.

Table 4.1: Knowledge of immersive technologies

Average score	Before	After
Business opportunities for businesses generally	4.1	7.8
Business opportunities for your business specifically	3.8	7.6

4.6.5 *Willingness to pay*

The beneficiary survey also collected data on whether or not participants would be willing to make a financial contribution to access the support if it had not been available free of charge. 16% of respondents would be willing to contribute, with an average payment of £2,500. The amounts participants were willing to pay for the support ranged from £250 to £5,000. This potentially represents an opportunity for the Universities to explore future funding or revenue activities.

4.6.6 Strengths of the Immersive Business project

The most commonly identified strength of the project was that the staff involved were very helpful in assisting with beneficiaries highlight they were very approachable. Table 4.2 sets out the beneficiaries' views of the strengths of the project.

Table 4.2: Project strengths - businesses

Strength	Number of respondents
Helpful staff	9
End product	3
Programme overall	3
Introduction to the technologies	3
Facilities	2

Source: Beneficiary survey, 2023

In addition, it was noted that the training provided was very inclusive and at the right level for the businesses engaged. Other participants highlighted the networking opportunities within the immersive technologies field and the ability to test the use of the equipment within their businesses without financial risk. It is notable that the Centre was rated relatively low as a strength of the project perhaps reflecting non-use by many beneficiaries. Undoubtedly the need for the project team to change the approach to delivery due to Covid had an effect on the use of the Centre for a large part of the delivery phase. There is perhaps an opportunity to increase the use of the facility in the future to support businesses in their adoption of immersive technology.

4.6.7 Areas for improvement

A large percentage of the survey respondents could not find any areas for improvement in the services provided through the Immersive Business project. Among those who identified potential improvements, the most common complaint was 'the need for more time' beyond the 12 hours of support provided. Table 4.3 sets out the improvements identified through the survey.

Table 4.3: Areas for improvement - businesses

Potential improvement	Number of respondents
More time needed	4
Needed more sector-specific support	3
Provision of more examples of the technologies	2

Table 4.3: Areas for improvement - businesses	
Potential improvement	**Number of respondents**
Maintaining contact afterwards	1
Better quality equipment	1
Access to support remotely	1
Point of contact confusion	1

Source: Beneficiary survey, 2023

The need for more time could reflect the digital maturity of beneficiaries, the complexity of their projects or how the time was used. It does indicate that expectation management as is common in business support programmes continues to be needed.

4.7 Summary

The Immersive Business project was increasingly well-managed and delivered over time, with a strong and dedicated team in place to ensure that the project was effective, and support was tailored to individual business' needs.

The main strengths of the project, as identified through consultations, include the role of the Business Fellows working with the technical specialists in converting business needs into technical solutions, the wide range of businesses supported, and teams' ability to raise awareness of immersive technologies.

A limited number of areas for improvement were identified. These included the need for a more cohesive marketing and communication strategy, ensuring salaries reflect the level of expertise needed to perform key job roles and a strategic as well as operational focus is maintained throughout the project delivery.

The Covid crisis and national restrictions undoubtedly affected delivery of the project, given the need for the Immersive Business support offer to be promoted through physical demonstrations and use of specialist equipment. The project team responded to this challenge very strongly.

5 Outcomes and impact

5.1 Introduction

This section presents the benefits attributable to the Immersive Business Project in Cornwall. These include quantifiable benefits such as jobs and GVA generated, in addition to wider benefits such as addressing barriers to immersive technologies.

5.2 Job creation

5.2.1 Jobs created to date

The survey data indicates that approximately 7 jobs have been created to date (to March 2023). The additionality assumptions that have been applied to the job creation figures relating to leakage, displacement, multiplier effects and deadweight are set out below. The adjustments made to allow for additionality are based on the responses to the survey, proxy values, and standard benchmarks:

- **leakage** – survey data indicates that 4.8% of employees of beneficiary businesses reside outside of the Cornwall area;
- **displacement** – survey data indicates that 3.0% of gross jobs created have resulted from activity which has been displaced elsewhere in Cornwall by the project;
- **multiplier effects** – a multiplier of 1.21 has been used. This is consistent with the mean figure for 'Individual Enterprise Support' initiatives as set out in 'Research to Improve the Assessment of Additionality'[8] at the sub-regional level; and
- **deadweight** – data from a similar project[9] indicates that 19.0% of the gross jobs created would have been created without the project.

Table 5.1 sets out the number of net additional jobs created by the project to date based on the survey data. It demonstrates that the project has created over 6 net additional jobs using the data collected.

[8] Additionality Guide BIS 2009.pdf
[9] Deadweight rate of 19% applied as a proxy based on survey data for the CALMERIC project in Shropshire, an innovation project also located in a transitional area in England

Table 5.1: Net additional jobs created at March 2022	
	Survey-based
Gross jobs created	6.9
Leakage (4.8%)	0.3
Gross local direct effect	6.5
Displacement (3.0%)	0.2
Net local direct effect	6.4
Multiplier effect (21%)	1.3
Total gross local effect	7.7
Deadweight (19.0%)	1.5
Total net additional jobs created	**6.2**

Note: Figures subject to rounding

5.2.2 *Forecasts of future job creation*

The survey findings indicate that many of the benefits associated with the project will be delivered in the future as beneficiaries grow their businesses further. A forecast for the employment impact has therefore been estimated, running to 2025 as this is the final year in which survey beneficiaries identified that employment impacts would be generated. The survey indicates that the gross number of jobs created may increase by almost 90 from the current increase by 2025.

Adding these 89.6 jobs to the 7 expected to date indicates that 96 gross jobs could be created by 2025. Table 5.2 shows that the project is forecast to create 87 net additional jobs by 2025.

Table 5.2: Net additional jobs created to 2025[10]	
	Survey-based
Gross jobs created	96.5
Leakage (4.8%)	4.7
Gross local direct effect	91.8
Displacement (3.0%)	2.7
Net local direct effect	89.1
Multiplier effect (21%)	18.7
Total gross local effect	107.8
Deadweight (19.0%)	20.5
Total net additional jobs created	**87.3**

Note: Figures subject to rounding

[10] Employment impact estimated to 2025 as this is the final year in which survey beneficiaries identified that employment would be generated

5.3 Turnover and GVA

5.3.1 Turnover impact

The turnover impact of the project to date is estimated to be £1,548,000, based on survey responses. Total future turnover has also been estimated, running until 2030 as this is the last year in which beneficiaries surveyed expected a turnover impact. The turnover impact is forecast to be £37,295,398 until 2030.

This turnover increase equates to a gross GVA figure of £580,500 to date (discounted, based on a GVA to turnover ratio for the South West of 37.5% from the annual business survey) and a total of £13,045,159 to 2030.

5.3.2 GVA created to date

Net additional GVA has been calculated by adjusting for displacement, deadweight and multipliers, for which the rates identified in Section 5.2.1 have been applied. As GVA is a workplace-based measure, no allowance for leakage has been included.

Table 5.3 sets out the gross and net additional GVA generated by the project to the end of the end of 2022.

Table 5.3: Gross and net additional GVA to Q4 2022

	Total
Gross GVA	£580,500
Displacement (3.0%)	£17,286
Net local direct effect	£563,214
Multiplier effect (21%)	£118,275
Total gross local effect	£681,489
Deadweight (19.0%)	£129,483
Net additional GVA	**£552,006**

Note: Figures subject to rounding

The project had therefore generated over £500,000 in net additional GVA by the end of 2022.

5.3.3 Forecasts of future GVA created

The nature of the project is that, in many cases, further turnover increases will accrue in future years as businesses supported grow further. GVA has therefore been estimated to the end of 2030, the last year in which beneficiaries identified that there would be a turnover impact.

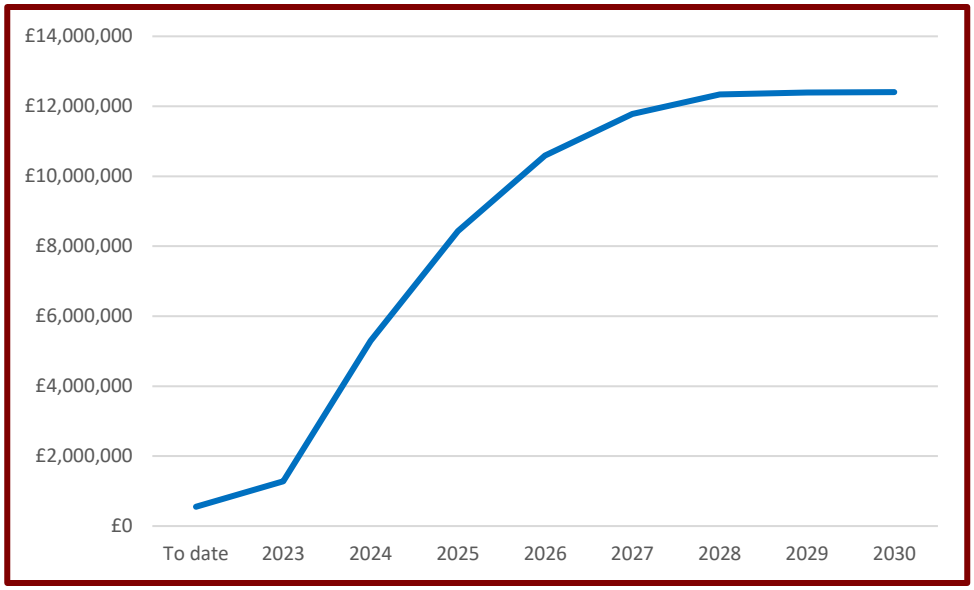
Table 5.4 sets out the gross and net additional GVA to 2030, the last year in which survey respondents identified a turnover impact. The project is forecast to generate over £12 million in net additional GVA by 2030.

Table 5.4: Gross and net additional GVA to 2030[11]	
	Total
Gross GVA	£13,045,159
Displacement (3.0%)	£388,448
Net local direct effect	£12,656,711
Multiplier effect (21%)	£2,657,909
Total gross local effect	£15,314,620
Deadweight (19.0%)	£2,909,778
Net additional GVA	**£12,404,842**

Note: Figures subject to rounding

The graph below shows the net additional GVA impact of the project based on survey responses. The data shows that the project's GVA impact is expected to be realised most from 2024 onwards, as uptake of immersive technologies increases.

Figure 5.1: Cumulative net additional GVA



[11] GVA has been forecast to 2030 as this is the last year when survey respondents identified the project would impact turnover

5.4 Wider benefits

5.4.1 Addressing barriers to introduction of Immersive Technologies

The Immersive Business project has delivered a range of wider benefits to project beneficiaries. Table 5.5 sets out the main barriers to the introduction of Immersive Technologies identified by beneficiaries which were overcome due to support from the project and therefore helped to deliver wider benefits to the project beneficiaries.

Table 5.5: Wider benefits

Barrier to introduction of the technologies	% of respondents who found the project to be very helpful or helpful in overcoming the barriers
Increased technical knowledge	68%
Support with prototypes	64%
Explore market opportunities/ increase market knowledge	36%
Support to scale-up your business	24%
Mentoring	32%
Networking opportunities/events	52%
Signposting to other support	52%

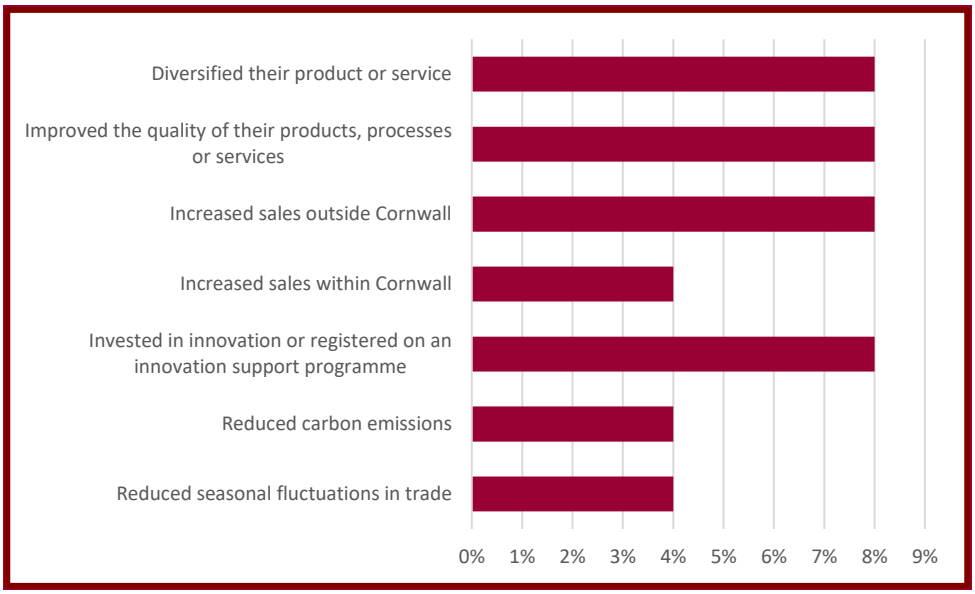
Source: Beneficiary survey, 2023

Results from the survey indicated that businesses highlighted increased technical knowledge and support with prototypes as key in dealing with barriers to use of the technologies. Specific business support to scale up their business was not seen as a strong feature for this project. Rather in keeping with the project objectives Immersive Business was focused on knowledge and use of immersive technologies to drive business resilience and growth in the medium and longer term.

5.4.2 Outcomes associated with participation in the project

The Immersive Business project has provided beneficiaries with valuable support which has opened up new possibilities for SMEs in Cornwall and the Isles of Scilly. As shown in Figure 5.2 below, some businesses have gone on to increase sales both within and outside Cornwall as a result of their participation in the project.

Figure 5.2: Outcomes of involvement in the project



Source: Beneficiary Survey, 2023

5.5 Cross-cutting themes

The Immersive Business project embedded the key ERDF cross-cutting themes of Sustainable Development and Equality & Diversity throughout its delivery. The activities which demonstrate these cross cutting themes were overseen by the Steering Group and guided by the creation of both an Equality & Diversity Action Plan and a Sustainability Action Plan. A Cross-Cutting Themes Champion was also appointed to ensure that operations were sensitive to areas highlighted in both plans.

The Equality & Diversity Action Plan was created to ensure the project working and learning environment was free from unfair discrimination. In following the plan, the delivery team received training in Equality, Diversity & Inclusivity, Information Security, and GDPR, as part of the standard mandatory induction programme for both universities. The team also took part in compulsory refresh training sessions at specific intervals. Promotional and marketing materials produced for the project did not perpetuate stereotypes and were made available in alternative formats where appropriate. Events and activities were offered in accessible locations or via virtual solution to enable participation.

The Environmental Sustainability Plan captured the steps the delivery partners have taken to create a healthy, ecologically, economically and socially responsible living and learning environment. A Building User Guide was made available to the team and stakeholders whilst the Business Engagement fellows signposted beneficiaries to support programmes designed for SMEs to reduce their energy consumption. The building construction and design were implemented in line with the environment and sustainability policies of the project's partner organisations. Purchases were made through a process that adhered to a functioning sustainability policy and

training on Environmental Sustainability policies and action plans was available to new starters on the project.

Additionally, 4% of the business survey respondents identified the project had directly contributed to their business reducing its carbon emissions. The project actively worked with businesses to reduce their carbon footprint, as seen in the case studies included in Section 7 of this report, such as Screen Cornwall.

5.6 Summary

The Immersive Business project has had some positive impacts to date in terms of employment and GVA, with these impacts expected to become stronger over the next few years. Table 5.6 sets out the employment and GVA benefits associated with the project.

Table 5.6: Summary of employment and GVA benefits

To date	Gross	Net additional
Jobs created	6.9	6.2
GVA	£580,500	£552,006
To 2030	**Gross**	**Net additional**
Jobs created	96.5	87.3
GVA	£13,045,159	£12,404,842

The project also delivered a range of other benefits including:

- diversification of business' goods and services;
- increases in sales within and outside of Cornwall;
- improvements to the quality of products, processes and services; and
- addressing barriers to immersive technologies, such as by improving technical knowledge and providing support with prototypes.

6 Value for Money

6.1 Introduction

This section sets out an assessment of value for money. It comprises an analysis of the three E's – Economy; Effectiveness; and Efficiency:

- Economy (ratio of costs to inputs) - relates to the extent to which the required project or programme is being delivered at an appropriate price. This will often be in the form of a cost appraisal and might include ratios, such as, cost per business assisted;
- Effectiveness (delivery of objectives or key outcomes) – assesses the extent to which the project or programme will achieve the desired objectives; and
- Efficiency or cost effectiveness (ratio of public sector costs to outputs) – this often involves the use of unit costs.

6.2 Economy

The Immersive Business project was delivered economically. For example, procurement to create the immersive technology facility and project procurement, such as for the evaluation, have to adhere to ERDF regulations through public sector compliant tender processes. In addition, all staff were paid at market rates for their involvement in the project.

6.3 Effectiveness

The Immersive Business project contributed to the delivery of the objectives of a number of strategies and policies, as shown in Section 2.6 of this report.

Table 6.1 sets out an assessment of the extent to which the project met its original objectives.

Table 6.1: Effectiveness of the Immersive Business Project

Objective	Achievement of the objective to date	Comments
Enable businesses in CIoS to take advantage of the emerging opportunities in immersive technology	√√	The project has, to date, supported 43 SMEs, of which 12 have been supported to introduce new to the firm products.
Create a cutting-edge facility and equipment, available for businesses to develop, test and display immersive products and solutions	√√	The project has provided beneficiaries with access to University equipment and facilities at Penryn Campus which SMEs could otherwise not be aware of or afford. The beneficiary survey and stakeholder consultations suggest there is opportunity to expand the use of the Centre and the equipment.

Provide access to expert technical and immersive business support staff who will enable them to make their vision a reality	√√√	The beneficiaries supported rated the support received very highly. The technical specialists and academic technical leads are leaders in their field.
Deliver an immersive technologies primer project, aimed at describing the market opportunities for Cornish SMEs	√√	The Primer project was built by student workers and was comprised of a virtual experience which clients could explore and interact with to discover the "art of the possible"
Deliver an extensive outreach project in Cornwall and the Isles of Scilly, bringing immersive technologies to the doorsteps of businesses in remote parts of the region	√√	Range of events held including online and in person at the immersive business facility and at some off-site locations. The delivery of outreach activities was initially restricted by the pandemic. Section 3.3 includes a map demonstrating location of beneficiaries within CIoS and shows that the project failed to reach remote parts of the region.
Create and facilitate a community of SMEs, academics, technicians, national and global immersive technology businesses	√√	The project has involved collaboration between Falmouth University and the University of Exeter. There have also been some events encouraging networking, including the recent conference.
Enable SME access to immersive technology toolkits, product development support, and skills development projects and bespoke advice	√√√	The project has provided beneficiaries with access to both universities' technical experts. Provision of specialist, bespoke support would be too costly and difficult to access for businesses without the project.
Underpin the project with a comprehensive programme of events, workshops and co-creation labs in immersive technologies for business	√√	To date, 43 businesses have engaged with the project which is significant given that the pandemic delayed opening of the centre and restricted activities.

√ = minimal achievement √√= moderate achievement √√√ = significant achievement

6.4 Efficiency

6.4.1 To date

Drawing on the project activity to date and the beneficiary survey of likely benefits and timescales an assessment of the efficiency of the project in relation to outputs and outcomes achieved to Q4 2022 and to 2030 has been carried out. This is presented in Table 6.2 and 6.3 below.

Table 6.2: Value for money of the project to date		
		Total
A	ERDF cost (£)	£1,342,093
B	Businesses assisted	43
C	Gross jobs created	6.9
D	Net jobs created	6.2
E	Public sector match investment (£)	£335,953
F	Net GVA increase (£)	£552,006
G=A/B	ERDF cost per business assisted	£31,211
H=A/C	ERDF cost per gross job	£195,072
I=A/D	ERDF cost per net job	£215,534
J=E/A	Ratio of public sector match investment to ERDF cost	0.3:1
K=F/A	Ratio of GVA increase to ERDF cost	0.4:1

6.4.2 To 2030

An assessment of the efficiency of the project in relation to outputs and outcomes projected for 2030, the final year in which benefits were identified, has also been carried out. This is presented in Table 6.3 and shows significant improvements in cost per job and the GVA to funding ratio.

Table 6.3: Value for money of the project to 2030		
		Total
A	ERDF cost (£)	£1,601,008
B	Businesses assisted	70
C	Gross jobs created	96.5
D	Net jobs created	87.3
E	Public sector match investment (£)	£400,252
F	Net GVA increase (£)	£12,404,842
G=A/B	ERDF cost per business assisted	£22,872
H=A/C	ERDF cost per gross job	£16,594
I=A/D	ERDF cost per net job	£18,335
J=E/A	Ratio of public sector match investment to ERDF cost	0.3:1
K=F/A	Ratio of GVA increase to ERDF cost	7.7:1

6.5 Summary

To date, the Immersive Business project has an ERDF cost per business assisted of £31,211, an ERDF cost per gross job of £195,072, an ERDF cost per net additional job (allowing for leakage, deadweight, displacement and multipliers) of £215,534 and a return on investment of 0.4:1.

The long-term value for money of the project will however be substantially greater. By 2030, the ERDF cost per gross job is forecast to fall to £16,594, the ERDF cost per net additional job is forecast to fall to £18,335 and the return on investment is forecast to increase to 7.7:1.

7 Case studies

Seymac Distribution Ltd	
Seymac Distribution Ltd is a Redruth based firm in Cornwall, specialising in marketing for attractions for over 100 tourism businesses across the region. They distribute leaflets and information packs to promote their clients to visitors and have developed an app to help tourists find the best restaurants, events, and places to visit among other things. Additionally, the company have repurposed a section of a building that was previously unutilised to develop a Virtual Reality (VR) arcade and escape room which has enabled them to develop their own attractions. Through this they were able to identify a high demand for VR car racing games, however, they found the only available ones on the market took a long time to set up, which weren't viable circumstances for the quick turnaround time needed for arcade games. The Immersive Business project has assisted the company in writing the code that was needed for the main computer which monitors and organises the VR racing machine. This meant contributing to the build of a networked game launcher with operator control for the racing game. This has helped with assigning the rooms for each player of the game and controlling the user interface to keep the game running efficiently between each player use. The company heard about the support Immersive Business could provide through word of mouth from an induvial they had contact with due to their activities in Cornwall. The business support has allowed Seymac Distribution Ltd to grow their offer as company to further their expansion into the arcade industry and therefore a new market. In terms of the taking the business forward in the future, it has enabled them to demonstrate there is a demand for this market and they are hopeful they will be able to secure future funding to expand their facility and equipment offer. Seymac Distribution Ltd see the main strengths of the of the Immersive Business project as being related to the technical ability of the technology specialists who were able to turn the plans of the company into a reality. It has given the company an opportunity to develop, particularly, as without the support from the project it wouldn't have been a financially viable investment for the company to make.	

ARC Marine	
ARC Marine is a Truro based artificial reef company who build environmentally friendly, carbon negative concrete reefs which serve as artificial habitats for marine life. They have developed a mutually beneficial solution for both habitats and infrastructure through a significant new avenue of supplying their Reefcubes as scour defence to offshore renewables, coastal defence and aquaculture. Immersive Business helped ARC Marine to create an executable computer programme that enables the company and their stakeholders to walk around and experience the site, as well as take high-resolution images which can be used to illustrate the site for planning purposes. This has been delivered through rough concept drawings, 3D models of key equipment and CAD drawings of their concrete plan. This project that Immersive Business has supported the company with, to be able to show stakeholders what potential sites would look like, has been a key element in producing a franchise model. Establishing a franchise model that enables ARC Marine to take the models and processes which have generated success for them and package that as a repeatable franchise is the focus of their growth strategy, which Immersive Business has helped them to achieve.	

Screen Cornwall	

Screen Cornwall are a Redruth based filming support company who provide filming advice, locations and crew to productions interested in shooting in the region. These services include information on accessing filming permits and local production services through their network of landowners and local craft and tech talent.

The assistance provided through Immersive Business helped the company to explore whether film and TV production companies based outside the region could work with 360° images of the locations they are interested in to realise the writer/director's vision. This was done with the aim of increasing awareness of locations in the region and films shot in the area in an environmentally considerate manner.

In particular, the support provided by Immersive Business included a calculation which found digitising the area would have a carbon footprint of 0.000006 tonnes of CO2, including the hosting and sending of the image files, compared to an average carbon footprint of 0.14 tonnes of CO2 for a location scout to travel from London and back.

As a result, Screen Cornwall have concluded that 360° footage could be a carbon-efficient first stage for anyone creating a shortlist of locations to be scouted. They are now exploring funding availability for equipment to deliver 360° capture for location scouts across the region.

H2O Safety	
H20 Safety are a Cornwall based company located in North Quay who specialise in water rescue provision and training, rib charter and pontoon provision. They also provide all-terrain vehicle support and training as well as supporting events, construction, and film and television projects. Immersive Business has helped the company to identify how immersive technologies can be applied to their business processes to increase their capacity to tender for and work with clients. Prior to working with Immersive Business, H2O Safety had experienced a phase of growth which helped to identify a need for a bespoke tool to aid in the design and layout of temporary pontoons in an efficient and safe manner. This reduces time working on the projects and increases the health and safety of the designs. As a result of working with Immersive Business, the company's plan for the future is to develop more efficient ways of working with the intention of attracting more opportunities as a result.	

The Virtual Hippo	

The Virtual Hippo is a Penryn based company which focuses on the use of hypnotherapy techniques using virtual reality. This type of hypnotherapy has a variety of benefits including decreasing stress and anxiety as well as helping with chronic pain.

Originally, the company worked with Immersive Business to explore possible funding models and development processes for a new virtual reality experience that could support medical use and hypnotherapists to develop mindfulness spaces and treat chronic pain. Following the initial 12 hours of business support to scope the project and explore the business case, the business was successful in receiving an Innovate UK fast grant as a first-time applicant. This provided a limited resource to explore medical accreditation for experiences and further understand requirements to test the efficacy of the health and wellbeing outcome.

The Virtual Hippo returned to Immersive Business to plan and develop an initial prototype of a mindfulness experience to demonstrate and test the impact and efficacy for chronic pain. The business assist team built a full CGI environment based on illustrations provided by the company and advised them to create the narrative within the scene. They also encouraged the company to think about considerations for audio capture to incorporate within the experience. This was built up to be a minimally viable product to allow testing and to be used to describe the intentions of the final product.

Since the support provided by Immersive Business, The Virtual Hippo has developed initial stages of testing and is seeking additional funding and investment. In the long term this product will be developed with the NHS to be accredited for medical and therapeutic use.

Premier Water Solutions 10 Ltd	PWS & INSTALLATIONS Premier Water Solutions 10 Ltd

Premier Water Solutions 10 are an environmental, water and drainage consultancy and installation company based in Truro. They focus on flood resilience and flood planning.

Initially, the support Immersive Business provided the company with was in preparing the company to make an Innovate UK Fast Start application which would have assessed the feasibility of a Cornwall wide unified flood model and would have included an immersive visualization. Whilst the application was pivoted into other sources of innovation funding, the concept of visualisation was expanded and support from Immersive Business was scoped to deliver a VR simulation to demonstrate the reality of having a home flooded and the effectiveness of an automated flood defence barrier.

The company used base image capture at their premises using Insta360 Titan and then stitched the images using Insta360 stitcher. The VR experience was built using the 360 degree base image, then blocking out a 3D environment to match the base image simulating a flood incident using fluid dynamic simulation using Phoenix FD and 3D Studio Max. They then composited the animation to output 3D stereo video to show automated flood barrier.

As a result of Immersive Business, Premier Water Solutions 10 will be launching the VR experience and simulation as part of their session on Property Flood Resilience (PFR) at the annual Cornwall Community Flood Forum conference.

The Newlyn School of Art Artists	NEWLYN SCHOOL OF ART

The Newlyn School of Art is an innovative art school located in Newlyn. They offer a broad range of art courses, including online, short and year-long.

Following an initial workshop exploring the application of Augmented Reality for visual artists and galleries delivered by Professor Tanya Krzywinska, a cohort of artists worked closely with the Immersive Business technical team paired with academic mentoring, to explore virtual reality and augmented reality within their own artistic practices.

An exhibition to showcase five clients: Simon Averill, Andrew Litten, Patricia Wilson Smith, Seamus Moran and Kate Walters was held at Tremenheere Sculpture Garden. The pieces displayed ranged from 360 degree photography, paintings augmented using the platform Artvive and virtual reality shaman experiences.

The showcase brought the work to a range of new audiences, including engagement from international audiences and young people both of which are key audiences for the gardens to develop and grow.

Ali Braybrooks, Tremenheere's Garden Manager, said the experience will help boost the visitor experience. "We hope that the inclusion of augmented reality will also provide another interesting and different perspective to viewing art for people of all ages and experiences."

The outcomes of the exhibition have enabled the artists to explore new mediums and routes to market. Simon Averill highlighted the development of digital skills and confidence as part of the project and that seeing visitors interact with his artwork really brought his artistic process alive.

Seamus Moran exclaimed "This is magical" when first reviewing how LIDAR capture could accurately recreate sculpture to explore scale and texture without the prohibitive costs of working in physical materials. Emphasising that digital processes not only showcase and market delicate works that cannot always be exhibited in person but also provides the opportunity for research and development without the costs and wastage of materials. Seamus continues to use the model to exhibit his work "in any space" and to highlight the intricacy of the work to galleries.

Trudie Moore Artist	

Trudie Moore is a contemporary visual artist based in Redruth. Her paintings explore the tensions created by control and restraint and the contrast with freedom in the painting process.

During Trudie Moore's original engagement with Immersive Business, they completed 12 hours of business assist to develop skills and knowledge transfer in Studio Max, Blender, Photoshop, Spatial virtual exhibitions and collaboration spaces. This was done in a series of 1:1 guidance sessions. This introduction into working in 3D modelling and immersive tools provided insight into new ways of working. The use of plastics alongside natural fibres is key to Trudie's artistic process, however, planning work digitally would reduce waste material alongside providing an additional way to market the artist's work.

Exploring how to take artwork from the physical into the virtual without losing the detail of natural materials and colour represented a technical and creative challenge, with Creative Specialist Johnny Pope exploring ways to retain textures in a simplified rendering process. Following this, Trudie worked with the engagement team to explore the business models of working digitally alongside how metaverse spaces can intertwine with e-commerce solutions and augment in person exhibitions.

Using Spatial.io, a prototype virtual space was developed by the artist. Immersive Business worked alongside them, developing six 3D assets for a series of public exhibitions, both virtually and in person. This exhibition provided the opportunity for audiences to explore the scale of the artwork as well as understanding the process of developing the pieces of work. Ultimately, this led to the creation of a virtual shop which increased traffic on the website as well as product sales.

Additionally, the exhibition "Open studios" provided an initial test for the exhibition, using both virtual reality and augmented reality to expand the size of the exhibition space and increase engagement. This resulted in initial sales of the work and further client engagement.

8 Conclusions and lessons

8.1 Introduction

This section sets out the main conclusions of the evaluation. It also identifies a number of lessons that can be learned from the project and recommendations for future activity.

8.2 Conclusions

The Immersive Business project has had a positive impact in terms of introducing SMEs in CIoS to immersive technologies and beginning to use the technologies to develop their business activities and grow. The project has had a limited impact to date in relation to employment and turnover, although the number of jobs created is forecast to be substantially greater by 2025 as a result of the support provided. It has also increased turnover among beneficiaries with further increases forecast. These are forecast to translate into substantial GVA benefits over the long term as businesses more deeply integrate immersive technologies within their operations. The project has also delivered a range of wider benefits including diversification of goods and services, and quality improvements. It has also successfully addressed the barriers to the introduction of new technologies faced by SMEs in the area, including lack of technical knowledge, awareness of the market, and prototype support.

The project has been successful in responding to the needs of businesses by providing support from the pre-application stage to post-support ongoing engagement. This has resulted in high satisfaction rates among beneficiaries with the services provided.

Whilst the project was slow to deploy processes and once it was further into delivery, the project was well-managed and delivered by a dedicated project team, with advice and guidance provided by the Steering Group. Use of technical experts at the universities has brought in additional expertise which has ensured that beneficiaries have been provided with a holistic support package. This has ensured that the project has been delivered smoothly.

The project has been effective in meeting its own objectives and is expected to provide good value for money in terms of, for example, cost per business assisted. The return on investment is relatively low to date but will increase substantially as beneficiaries continue to grow in future years as a result of the support provided. The cost per job created will also reduce substantially from an ERDF cost per net additional job of £215,534 to £18,335, with the return on investment improving from 0.4:1 to 7.7:1.

8.3 Lessons learned and recommendations

A number of lessons and recommendations have been identified for future support initiatives. Elements of good practice which should be continued on future initiatives include:

- collaboration between the two universities which have complementary skills to support a wide range of businesses, in terms of both their sector and their level of digital maturity/technical expertise;

- delivering a range of project activities at the Immersive Business facility has developed a knowledge exchange hub at the university campus, where learning is shared, and businesses can network;
- signposting applicants to relevant, alternative support programmes and organisations, such as The Growth and Skills Hub (CIoS LEP);
- the level of flexibility of the project team. Their ability to adapt and change processes was a real strength given the timing of the project and impact of Covid-19;
- the role of the Business Engagement Fellows in working with the technology leads to translate business needs into immersive technology; and
- the focus on SMEs and micro businesses worked well as it de-risked the trialling of new technologies and created opportunities for process and product changes which will grow and help future proof their businesses.

Recommendations for consideration on future initiatives include:

- clear communication strategy at the outset with state of the art on-line presence and demonstrator materials/case studies generally and for target sectors specifically to illustrate the 'offer';
- explore provision of grant funding fund to enable beneficiaries to de-risk purchase of immersive equipment. A suitable option would be to provide small-scale funding of up to £5,000 for SMEs to purchase equipment, requiring a minimum of 50% match funding to purchase good-quality immersive technology equipment for use within their business, based on their business needs and experience within the programme;
- alignment of terms and conditions for staff in the same roles regardless of which organisation holds the employment contract;
- recognition that new teams take time to integrate notwithstanding each individuals' experience and expertise and specific support may be needed;
- consider the specific technical skills and resourcing required for the project and ensuring sufficient resources are allocated to provide support to businesses;
- the role of the Steering Group to be enhanced to be focussed on strategic direction as well as governance;
- mapping and targeting of potential beneficiaries and digital maturity to understand their capacity to absorb the support on offer, making use of the wider network;
- consider how the project support can next be provided to businesses which now have awareness of immersive technologies after completing the "Swift" route through the project; and
- to consider what synergy is generated by support organisations working in concert.

Appendix A : List of consultees

Consultations have been carried out with the following individuals - the list includes details of their role in relation to the Immersive Business project.

- Olivia Toms (External Funding Officer, Falmouth);
- Brian Waterfield (Project Lead, Falmouth);
- Tanya Krzywinska (Immersive Content lead, Falmouth);
- Rose Goodship (Business Engagement Fellow, Falmouth);
- Grant Day (Business Engagement Fellow, Exeter);
- David Prior (Pro Vice-Chancellor and Steering Group member, Falmouth);
- Matt Eyre (Project Management Group member, Exeter); and
- Louise Osbourne (Steering Group member, Exeter)

Appendix B : Example Consultation Topic Guide

Job Role	
When did you join the project team?	
How did you become involved in the Immersive Business project?	
What is your role in Falmouth/Exeter University?	
What is your role in the Immersive Business project?	

The Programme Performance	
To what extent have the key strategic objectives been achieved? These include reaching particular sectors, collaboration between Falmouth and Exeter, and reaching businesses across the region and those who previously hadn't engaged with business support.	
Have you collaborated with Exeter University on other programmes/projects?	

The Project	
How well did attracting businesses to the project work?	
How well did selecting businesses for the different routes of support work?	
How well did working with businesses to achieve adoption of immersive technology go?	
What impact did Covid-19 have on the project?	
How important was the physical space to the delivery of the outputs?	

Project Management	
Have there been any issues in the day to day management of the project?	
Was it challenging to recruit for any roles in the delivery of the project?	
Did the project management set up allow/encourage a good level of collaboration/contribution from all members?	
Did it positively influence the delivery of the project?	

Programme Outcomes	
What have been the main benefits to come out of the project for Cornwall?	
What has worked well in the project?	
Is there anything that has worked less well, and if so, why?	

Legacy/The Future	
Has there been any additional inward investment in CIoS as a result of the project yet?	
In addition to responding to the UKSPF call, are there plans to apply for further funding?	

Case Studies	
Are there any businesses that stand out to you that would be good as a case study? Why?	

Appendix C : Survey questionnaire

Immersive Business - Evaluation Questionnaire

Good morning/afternoon. My name is ..... from Spirul. Falmouth University, in partnership with the University of Exeter have commissioned AMION Consulting to carry out an independent evaluation of the Immersive Business Project.

Spirul are working with AMION to ask businesses about the impact, and their experience, of the Immersive Business project. This survey should take less than 20 minutes to complete. Please could you spare some time to give your views?

All of Spirul's surveys are conducted under the Market Research Society's Code of Conduct, your answers will be treated as completely anonymous.

SECTION 1 – COMPANY DETAILS PRE-CODE FROM PROGRAMME DATA

Q1	Business name	
	Interviewee name	
	Job title	
	Telephone number	

Q2	**In which year did you first join the project? (SINGLE CODE ONLY) PRE CODE FROM PROGRAMME DATA**	
	2021	
	2022	
	2023	
	Don't know / won't say	

Q3	**In which sector does your business predominantly operate? (SINGLE CODE ONLY) PRE CODE FROM PROGRAMME DATA**	
	Mining & Quarrying	
	Information & Communication	
	Education	
	Arts, Entertainment & Recreation	
	Human health & Social work	
	Professional, Scientific & Technical	
	Manufacturing	
	Wholesale & Retail; repair of automotives	
	Other Service (please state)	

Q4	**Which support route did your company experience? (SINGLE CODE ONLY)PRE-CODE FROM PROGRAMME DATA**

	The "Swift" route		GO TO Q6
	The "Hummingbird" route		GO TO Q5

Q5	**What new-to-firm product, service or process have you been assisted in creating? PRE-CODE FROM PROGRAMME DATA**

The rest of this survey relates to your activities in Cornwall

SECTION 2 – SUPPORT RECEIVED FROM THE IMMERSIVE BUSINESS PROGAMME

Q6	**On a scale of 1 to 10, where 1 is very poor and 10 is very good, what was your awareness of the business opportunities for businesses generally presented by Immersive Technologies both before and after engaging with the Immersive Business team? (WRITE IN – ONE NUMBER IN EACH BOX)**	
	Before	**1 2 3 4 5 6 7 8 9 10**
	After	**1 2 3 4 5 6 7 8 9 10**

Q7	**On a scale of 1 to 10, where 1 is very poor and 10 is very good, what was your awareness of the business opportunities for your business specifically presented by Immersive Technologies both before and after engaging with the Immersive Business team? (WRITE IN – ONE NUMBER IN EACH BOX)**	
	Before	**1 2 3 4 5 6 7 8 9 10**
	After	**1 2 3 4 5 6 7 8 9 10**

Q8	**What type of support have you received from the project? (CODE ALL THAT APPLY)**	
	Increased technical knowledge	
	Support with prototypes	
	Explore market opportunities/increase market knowledge	
	Support to scale-up your business	
	Mentoring	
	Networking opportunities/events	
	Signposting to other support	
	Other (please state)	

Q9	**How would you rate the support received in helping you overcome barriers to the introduction of Immersive Technologies? (SINGLE CODE FOR ALL THAT APPLY)**						
		Very helpful	Helpful	Neither helpful nor unhelpful	Unhelpful	Very unhelpful	Don't know / won't say

	Increased technical knowledge						
	Support with prototypes						
	Explore Market Opportunities/ increase market knowledge						
	Support to scale-up your business						
	Mentoring						
	Networking opportunities/events						
	Signposting to other support						
	Other (from Q10 state)						

Q10	**To what extent do you feel the project enabled you to link up with national and local immersive technology partners and/or facilities? (WRITE IN)**			
		Business Partners	Facilities	
	Strongly agree			GO TO Q11
	Somewhat agree			GO TO Q11
	Agree			GO TO Q11
	Disagree			GO TO Q12
	Strongly disagree			GO TO Q12
	Don't know / won't say			GO TO Q12

Q11	**Having seen other Immersive Facilities how can Falmouth University improve their offer? (WRITE IN)**

Q12	**Prior to receiving support from the project, on a scale of 1-10 (with 1 being reluctant to introduce and 10 being, always looking at ways to introduce new technologies), how would you rate your company's attitude to introducing new technologies? (INSERT SINGLE NUMBER)**
	1 2 3 4 5 6 7 8 9 10

Q13	**After receiving support from the project, on a scale of 1-10 (with 1 being reluctant to introduce and 10 being always looking at ways to introduce new technologies), how**

	would you rate your company's attitude to introducing? (INSERT SINGLE NUMBER FOR EACH)	
	Information Technology generally	**1 2 3 4 5 6 7 8 9 10**
	Immersive Technologies	**1 2 3 4 5 6 7 8 9 10**

Q14	**Please indicate how satisfied or dissatisfied you were with the following stages of the support process: (SINGLE CODE ONLY FOR EACH) –**						
		Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Don't know
	Pre-programme guidance and information						
	Application process						
	Decision making and feedback						
	Technical support						
	Ongoing advice and guidance						

Q15	**What do you think worked well on the programme and what could have been better? (WRITE IN)**	
	WORKED WELL	**COULD BE BETTER**

Q16	**On a scale of 1 to 10 (with 1 being not likely at all and 10 being extremely likely), based on your experiences of the Immersive Business project, how likely would you be to recommend their services to other businesses? (INSERT SINGLE NUMBER)**
	1 2 3 4 5 6 7 8 9 10

Q17	**How did you hear about the Immersive Business project? (SINGLE CODE ONLY)**	
	Programme website	
	Through a business advisor	
	Through the Local Enterprise Partnership	
	Through Falmouth or Exeter University	
	Word of mouth	
	Other (please state)	

SECTION 3 – IMPACT OF SUPPORT PROVIDED

Q18	**Has the support received through the project had…? (SINGLE CODE ONLY)**		
	A measurable economic impact on the business already (employment, turnover) but not likely to have further measurable impact		GO TO SECTION 4 THEN SECTION 6
	A measurable economic impact on the business already and expected to have a further measurable impact in the future		GO TO SECTION 4 THEN SECTION 5 THEN SECTION 6
	No measurable economic impact yet, but is expected to have a measurable impact in the future		GO TO SECTION 5 THEN SECTION 6
	No measurable economic impact yet and is not expected to have a measurable impact in the future		GO TO SECTION 6

SECTION 4 – QUANTIFICATION OF BENEFITS ACHIEVED

Q19	**As a result of the support provided, has the number of people employed by your business in Cornwall increased? (SINGLE CODE ONLY)**		
	Yes		GO TO Q20
	No		GO TO Q22
	Don't know / won't say		GO TO Q22

Q20	**By how many has the number of people employed by your business in Cornwall increased as a result of the support provided? (WRITE IN)**		
	Number		GO TO Q22
	Don't know / won't say		GO TO Q21

Q21	**If you are unable to provide a figure, could you provide an estimate of the percentage change in employment in your business as a result of the support provided? (WRITE IN)**		
	Percentage (%)		GO TO Q22
	Don't know / won't say		GO TO Q22

Q22	**Did the support received through the project lead to an increase in turnover in your business? (SINGLE CODE ONLY)**		
	Yes		GO TO Q23
	No		GO TO Q28
	Don't know / won't say		GO TO Q28

Q23	**In what year did this turnover increase start? (WRITE IN)**	
	Year	
	Don't know / won't say	

Q24	**For how many years do you think this turnover increase will continue from the year when it started, or if the turnover increase is now over, how long did it last? (WRITE IN)**		
	Number of years		GO TO Q26
	Don't know / won't say		GO TO Q25

Q25	**If you are unable to provide an answer in years, could you provide an answer within one of the following ranges (SINGLE CODE ONLY)**	
	Up to one year	
	Between one and 3 years	
	Between 3 years and 5 years	
	Over 5 years	
	Don't know / won't say	

Q26	**Can you provide an estimate of the average annual increase in your business turnover as a result of Immersive Business support? Please provide an answer in £s (WRITE IN)**		
	Value (£)		GO TO Q28
	Don't know / won't say		GO TO Q27

Q27	**If you are unable to provide a figure, could you provide an estimate of the percentage lower your business turnover would be if you had not received support (WRITE IN)**		
	Percentage (%)		GO TO Q28
	Don't know / won't say		GO TO Q28

Q28	**As a result of the support provided, has your business….? (CODE ALL THAT APPLY)**	
	Increased sales within Cornwall	
	Increased sales outside Cornwall	
	Increased exports or started exporting	
	Diversified your product or service	
	Reduced seasonal fluctuations in trade	
	Benefited from private investment	
	Invested in innovation or registered on an innovation support programme	
	Improved the quality of your products, processes or services	
	Reduced carbon emissions	
	Other (please state)	

Q29	**Covid 19 affected many businesses. Has support from the Immersive Business project helped you reduce the negative effects of Covid 19 for example by; (CODE ALL THAT APPLY)**	
	Improving recruitment and retention by supporting remote working	
	Widening your customer base by increasing remote accessibility	
	Other (write in)	

SECTION 5 – QUANTIFICATION OF ANTICIPATED FUTURE BENEFITS

Q30	**As a result of the support provided, do you expect the number of people employed by your business in Cornwall to increase in the future? (SINGLE CODE ONLY)**		
	Yes		GO TO Q31
	No		GO TO Q33
	Don't know / won't say		GO TO Q33

Q31	**As a result of the support received through the programme, how many jobs do you think will be created by your business in Cornwall in the future? (WRITE IN)**	
	Number	
	Don't know / won't say	

Q32	**When do you expect this change in employment to be achieved? (WRITE IN)**	
	Year	
	Don't know / won't say	

Q33	**As a result of the support provided, do you expect your turnover to increase in the future? (SINGLE CODE ONLY)**		
	Yes		GO TO Q34
	No		GO TO Q36
	Don't know / won't say		GO TO Q36

Q34	**As a result of the support received through the project, what percentage increase in future turnover do you expect? (WRITE IN)**	
	Percentage (%)	
	Don't know / won't say	

Q35	**When do you expect this increase in turnover to be achieved? (WRITE IN)**	
	Year	
	Don't know / won't say	

Q36	**Approximately how long do you expect to sustain the measurable future impacts of the support provided? Please provide and answer in years (WRITE IN)**		
	Number of years		GO TO Q38
	Don't know / won't say		GO TO Q37

Q37	**If you are unable to provide an answer in years, could you provide an answer within one of the following ranges (SINGLE CODE ONLY)**	
	Up to one year	
	Between one and 3 years	

	Between 3 years and 5 years	
	Over 5 years	
	Don't know / won't say	

Q38	**As a result of the support provided, how confident are you that your business will survive and grow? (SINGLE CODE ONLY)**	
	Very confident	
	Confident	
	Neither confident nor unconfident	
	Unconfident	
	Very unconfident	
	Don't know / won't say	

SECTION 6 – FUTURE DEMAND

Q39	**Which of the following types of technology support do you think SMEs in Cornwall will need over the next few years? Please select only the most important three (CODE ONLY THREE)**	
	Technology upskilling (incl e-commerce/data management/AI)	
	Explore market opportunities	
	Intellectual property advice	
	Help to engage with national and local immersive business partners?	
	Help to engage with national and local immersive business facilities?	
	Opportunities to work with universities and research centres	
	Other (please state)	

Q40	**Compared with other types of business support, how important would you rate the need for technology support to help your business survive/grow in the future? (INSERT SINGLE CODE ONLY)**	
	Equally important	
	More important	
	Less important	

Q41	**How likely would you be to take part in this project if a fee was required? (SINGLE CODE ONLY)**		
	Very likely		GO TO Q42
	Likely		GO TO Q42
	Neither likely nor unlikely		GO TO SECTION 7
	Unlikely		GO TO SECTION 7
	Very unlikely		GO TO SECTION 7
	Don't know / won't say		GO TO SECTION 7

Q42	**How much would you be willing to pay? (SINGLE CODE ONLY)**	
	Up to £500	
	£501-£1,000	
	£1,001-£3,000	
	£3,001-£5,000	
	>£5,000	

SECTION 7 – BUSINESS INFORMATION

Q43	**How many employees does your business employ in Cornwall? (WRITE IN)**	
	Number of employees	
	Don't know / Won't say	

Q44	**What percentage of your workforce in Cornwall would you estimate are full-time? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q45	**What proportion of your workforce in Cornwall do you estimate live within Cornwall? (SINGLE CODE ONLY)**	
	0 to 9%	
	10% to 19%	
	20% to 29%	
	30% to 39%	
	40% to 49%	
	50% to 59%	
	60% to 69%	
	70% to 79%	
	80% to 89%	
	90% to 99%	
	100%	
	Don't know / won't say	

Q46	**What was the turnover of your business during your last financial year? (WRITE IN)**		
	Turnover	£	GO TO Q48
	Don't know / won't say		GO TO Q47

Q47	**If you don't know / preferred not to state your turnover, would you be able / willing to estimate your turnover in relation to the following bands? (SINGLE CODE ONLY)**	
	£0 to £50,000	
	£50,001 to £100,000	
	£100,001 to £250,000	
	£250,001 to £500,000	
	£500,001 to £750,000	

	£750,001 to £1 million	
	£1 million to £1.5 million	
	£1.5 million to £2 million	
	£2 million to £5 million	
	Over £5 million	
	Don't know / won't say	

Q48	**What percentage of your goods and services are sold to customers in Cornwall? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q49	**What percentage of your market is served by competitors from Cornwall? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

Q50	**What percentage of your turnover goes on bought-in materials, components and services from suppliers located in Cornwall? (WRITE IN)**	
	Percentage	
	Don't know / won't say	

CLOSE/THANK PARTICIPANT Thank you very much for your time and co-operation. I'll just confirm that my name is ..... from Spirul on behalf of Falmouth and Exeter Universities and this interview has been conducted within the Code of Conduct of the Market Research Society.