Evaluation of the Productivity and Innovation Centre

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About the authors

Dr Tom Simcock is a Research Fellow in the Unit for Evaluation and Policy Analysis at Edge Hill University. He is an experienced mixed-methods researcher and evaluator, working on projects across multiple disciplines including in housing and the health service.

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Executive Summary

The Unit for Evaluation and Policy Analysis at Edge Hill University were commissioned by the Productivity and Innovation Centre at Edge Hill University to conduct a summative evaluation of the EU ERDF funded Productivity and Innovation Centre's Innovation Sprint Programme.

The Productivity and Innovation Centre provide in-depth support, equivalent to 50 hours, to SMEs to develop evidence-based solutions to innovation and growth. SMEs are taken through a rigorous exercise including data capture and business diagnostics and four workshops over four weeks.

The purpose of this evaluation was to assess the management and delivery of the project, and to examine the outcomes and impact of the project. To achieve this, the evaluation team undertook a desktop review of project documentation, an analysis of project performance data, semi-structured interviews with project staff and SMEs, and an online survey with SMEs.

Key findings

The findings of the evaluation indicate that the project can be regarded as being successful, in both the delivery and outcomes of the Productivity and Innovation Centre. The project has met its targets[1] and has significantly exceeded its target for C28. SMEs have had a positive experience of the delivery of the programme. The majority of businesses (88%) reported that the University understood their needs during the activities and 95% of businesses reported that the objectives of each of the workshops were clear. Over 9-in-10 businesses (96%) reported that the facilitation of the workshops was to a high standard.

Three key themes of '*focussed time away*', '*involvement of the facilitators*', and '*the structured participative framework of the programme*' were identified as the particular strengths of the programme by SMEs. In particular, the capacity to focus on innovation and growth away from the day-to-day activities of the business with the input of academic expertise using a structured participative and evidence-based framework were the key mechanisms underpinning the delivery and outcomes of the project.

In terms of outputs, the majority of businesses (88%) responded to the survey that the project had helped them to create a new product, service, and/or process for their business. The majority of SMEs (81%) further reported that they had now improved processes for effective innovation embedded in the business due to their participation on the programme. It is anticipated that these new skills will help SMEs to continue to innovate and grow in the future.

Over 3-in-4 businesses reported that they expect new job opportunities to be created in their organisation as a result of the support provided by the project. Of those that provided an estimate, a total of new 96.5 full-time job opportunities were identified by businesses surveyed.

The positive experiences of the project were further related to SMEs being willing to work with the University in the future. The University has already secured two new Knowledge

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[1] When using adjusted figures due to the early closure of the project and COVID-19 pandemic pause.

Transfer Partnership projects following the project, and a number of SMEs have signed up for student placements. Furthermore, the majority of businesses reported that they would recommend the support provided by the project to colleagues, with the project receiving an NPS score of 67. These findings are indicative of the improved presence, standing and engagement of the University with local and regional businesses.

Learning and recommendations

The evaluation of the project has identified the positive experience of SMEs and has helped to support SMEs to implement new products, services or processes to achieve growth. This growth has further led to increased employment opportunities in the region. Therefore, learning from this project and the programme of support provided may enable other providers to improve their offering to SMEs or it may provide a template for the University to offer similar support to SMEs across other regions in the North.

In particular, the in-depth, tailored and focussed approach of the programme was well received by SMEs, with one in particular highlighting it was better than other offerings they had previously been on. It is recommended that other programmes in the future should offer a similar approach to support SMEs achieve growth.

The recipients of support were in the majority very positive regarding the delivery of the support. However, a common recommendation from SMEs was for more formal follow up support such as webinars or workshops to help keep the SMEs on track with their innovation activities. It is anticipated that further formal follow-up activities may be a useful method to provide support towards increasing growth and continue broader conversations regarding interaction between the University and SMEs based in Lancashire.

1. Introduction

The Unit for Evaluation and Policy Analysis at Edge Hill University has been internally commissioned by the Productivity and Innovation Centre at Edge Hill University to undertake a summative evaluation of the ERDF funded Productivity and Innovation Centre's Innovation Sprint Programme (PIC or 'the project').

1.1 The Productivity and Innovation Centre

The Productivity and Innovation Centre (PIC) is a new centre at Edge Hill University part funded by the European Regional Development Fund (ERDF) to provide advisory services and innovation support for businesses across Lancashire. The PIC offers SMEs a fully funded 'Innovation Sprint' programme ('the programme') of in-depth business support that brings together business and academic expertise to support SMEs to identify challenges and develop strategies to maximise opportunities for growth. The ethos of the programme is to embed evidence and data driven decision making into businesses to harness their potential to grow.

The Innovation Sprint programme involves 50-hours of in-depth business support for SMEs. The aims of this programme are to help SMEs to analyse their growth and productivity challenges and explore innovation opportunities using a 'deep-dive' approach. The SMEs are supported to analyse these challenges through a data-driven approach, the development and preparation of workable business model solutions, and through SMEs gaining new skills within the leadership team.

Once the SME is identified through outreach or through contacting the project undertakes a 'Business Diagnostic'. This process assesses the SME to identify whether the SME is eligible for support and develops baseline data on the performance of the business. If the SME is determined as ineligible or unsuitable, these businesses are referred to Lancashire Boost where they could receive additional advice.

Once the SME is confirmed as eligible and suitable for support, the project invites them to join the programme. The first stage is a 20-hour data capture exercise to collect data on the business and market to facilitate evidence-based innovation. The project's Business Development Coordinator works with the SME along-side desk-based research to obtain relevant data and evidence for which the SME will utilise through the next stages of the programme.

Following the data-collection phase, the SME then progresses to the full Innovation Sprint process involving workshops across four days over four weeks. These workshops bring in academic expertise at different stages and utilise a raft of innovative tools to support the SME to develop solutions to their current and future challenges. These tools are tailored to suit the needs of the individual SME as they progress through the programme. This process is further designed to provide new skills to the leaders of the SME and to embed resilience into the business. Following the successful completion of the workshops, the SME are sent a progression report which provides an in-depth overview of the final solution, the key learning and insights, and the future actions for the SME to achieve their goals for growth. The project team then continue to keep in touch with the SME to monitor progress informally and also to enable referral and new support opportunities, such as student placements or Knowledge Transfer Partnerships (KTPs).

Through these activities the Productivity and Innovation aims to:
- Increase the Gross Value Added (GVA) of SMEs in Lancashire
- Improve innovation leadership skills and competencies of company management
- Improve and embed processes for effective innovation in SMEs
- Improve the position of Edge Hill University within the region as a provider of business growth support activities
- Increase the co-operation between SMEs and Edge Hill University

1.2 Evaluation approach and methods

A systematic evaluation of the Productivity & Innovation Centre (the project) was undertaken using a mixed-methods approach. The evaluation employed the following methods: review of documentation, analysis of project information data, a survey of beneficiaries, and semi-structured interviews with project officers and beneficiaries. This report's contents align with the ERDF summative assessment guidelines. However, due to the size of the project and this subsequent evaluation no financial assessment in terms of GVA or no cost-benefit analyses have been undertaken.

1.2.1 Aims and objectives

The aims and objectives of this evaluation are as follows:
1. To assess the project progress against the stated aims and objectives;
2. To examine the management and implementation of the project; and,
3. To investigate the outcomes and impact of the project.

1.2.2 Review of documentation

The evaluation team reviewed the programme documentation of the project, including project performance, governance information, steering group meetings, broader project documentation, and the original project logic model.

The purpose of this element of the evaluation was to identify information on the goals and organisations of the project, to provide an input into the assessment of the management and implementation of the project, and to inform the broader design of the study, including the semi-structured interview schedule and the survey instrument.

1.2.3 Analysis of project information data

The evaluation team undertook an analysis of the project performance data as required by the ERDF summative assessment guidelines, including project expenditure and performance against specific output targets. The purpose of this analysis was to assess the performance of the project against the set targets and objectives.

1.2.4 Survey of beneficiaries

A cross-sectional survey of project beneficiaries (i.e., SMEs) was used to examine their experiences of the delivery of the project and the outcomes of the project for them. The online survey was developed based on the aims of the evaluation, the review of the project documentation, and based on the project logic model.

The online survey was hosted on the OnlineSurveys.ac.uk platform. A draft survey was shared with the project staff to check for clarity and for further suggestions. The survey link was distributed to all SMEs that had completed the programme support by the project team. The survey was distributed to beneficiaries 19th October and 9th November 2021. A total of 40 anonymous responses were submitted. This represents an approximate 50% response

rate of all SMEs that had completed the support at that point. To minimise burden on participants and facilitate a higher response rate, demographic data was not collected from participants. As the respondents were self-selecting, there is always the possibility of response bias in the findings. There was similarity across the findings of the survey with the interviews, indicating the effect of response bias to be minimal. One researcher undertook both the quantitative descriptive analysis, and the analysis of the qualitative open-ended comment boxes. The quantitative analysis is reported in section four and five, with the qualitative findings synthesised into the relevant sections of the report.

1.2.5 Semi-structured interviews

The evaluation team undertook a small series of in-depth semi-structured interviews with beneficiaries (n=5) and project staff members (n=2). The interview schedule was developed based on the aims and objectives of the evaluation, the review of the project documentation, and based on the project logic model.

The interview schedule was shared with project staff to check for clarity and for further suggestions. A purposive sampling technique was utilised, with the project team facilitating the interview invites. One researcher undertook all of the interviews digitally, either by telephone or on the Microsoft Teams platform. One researcher undertook the analysis of the interviews and the reporting is synthesised along with the findings of the survey data in the relevant sections of the report.

1.2.6 Structure of the report

The remaining sections of this report are structured are as follows:
- In the next section, a short summary of the project context is discussed.
- In section three, the progress of the project against the stated objectives and deliverables is assessed.
- In section four, the delivery and management of the project is examined, specifically exploring the experiences of the SMEs who have accessed business innovation support from the University.
- In section five, the outcomes and impact of the project are investigated.
- In the final section, the conclusions and key learning from the evaluation are reported and discussed.

2. Project context

This section of the report provides a short overview of the economic context of which the project is situated and the local/regional challenges the project attempts to address. It provides an assessment of the project against this economic context and whether the project according to the logic model and project design could successfully achieve its aims.

The project is situated in Lancashire, a county in the Northwest of England with a population of approximately 1.5 million. The total Gross Value Added (GVA) is approximately £30.8bn p.a. and has increased by 39% since 1997. However, this increase is ten percentage lower than the broader UK increase in GVA over the same period of time[2]. There are considerable challenges for Lancashire in terms of economic performance and inclusive growth, per head GVA is £9,400 p.a. below the UK average, with average weekly earnings below UK levels as well.

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[2] Lancashire Enterprise Partnership (2019). *Lancashire Local Industrial Strategy: Evidence Base*. Available: https://lancashirelep.co.uk/wp-content/uploads/2019/09/Lancashire-LIS-Evidence-Base-DRAFT-v3.8-part-1.pdf

The 2019 Lancashire Local Industrial Strategy[3] identifies that there are skills gaps in the workforce and lower levels of worker productivity. Lancashire does have strong performance in some sectors, including aerospace and advanced manufacturing, yet there is evidence that Lancashire is currently below average in terms of business density and SME survival. The Institute for Public Policy Research (IPPR)[4] in 2019 identified that SME productivity across the north of England was between 15 and 27 per cent below the national average, and in Lancashire SMEs were 11% less productive than the national average. IPPR[5] recommended the increased targeted support to SMEs across the north of England to increase their productivity and support economic growth. Furthermore, the 2019 Lancashire Local Industrial Strategy argues that "without action Lancashire's productivity gap with the UK will widen and its employment will decline"[6]. It is therefore pertinent that business and innovation support is directed to SMEs across Lancashire to increase productivity, increase earnings of households, and support broader economic growth. The in-depth and data-driven support to increase innovation and growth provided through this project would align with the broader contextual and market needs for SME support.

The global COVID-19 pandemic has had a significant financial impact on the UK with a period of economic decline associated with the national lockdowns and additional measures[7]. While the UK government have introduced measures to provide financial support to businesses and households, there are challenging times ahead. It is anticipated that the COVID-19 lockdown will have negatively affected SMEs across Lancashire and the need for innovation and broader business support is not likely to have disappeared Rather, the design of the programme to identify challenges and develop data-driven solutions and innovations could be essential to supporting SMEs to 'build back better' in the emerging economic context. The only difficulty for the project is the face-to-face element of the workshops and operating in a COVID secure approach. However, the project team during the COVID project suspension developed a fully digital approach using online workshops to enable the project to be delivered in a COVID-19 secure manner to SMEs.

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[3] Ibid

[4] Institute for Public Policy Research (2019). *SMEs and Productivity in the Northern Powerhouse.* Manchester, UK: Institute for Public Policy Research.

[5] Ibid.

[6]   Lancashire Enterprise Partnership (2019). *Lancashire Local Industrial Strategy: Evidence Base.* p9. Available: https://lancashirelep.co.uk/wp-content/uploads/2019/09/Lancashire-LIS-Evidence-Base-DRAFT-v3.8-part-1.pdf

[7] Simcock, T. (2020). What is the likely impact of the COVID-19 pandemic on the UK private rental sector. UK Collaborative Center for Housing Evidence. https://housingevidence.ac.uk/ what-is-the-likely-impact-of-the-covid-19-pandemic-on-the-uk-private-rented-sector/

3. Project progress

This section of the evaluation report considers the progress of the implementation of the project to date and performance at the closure of the project. It is important to take note of broader contextual issues that have affected the delivery of the project.

The COVID-19 pandemic of 2020 and subsequent lockdowns required the pause of the project for a five-month period from April to August. This pause of the project did enable the project team to develop an online version of the programme to develop a COVID-19 safe route to deliver the programme. Furthermore, in autumn 2020 the project team were successful in the awarding of a further contract under another EU ERDF programme stream.

Following negotiation with MHCLG, the project team agreed to the early closure of the project with targets to reach 85% of the project performance. As such the progress of the project is assessed against the 85% of the project performance in light of the broader contextual issues out of the control of the project team.

Indicators	Targets		Performance at Project Closure		Overall Assessment
	Original	Adjusted[8]	No.	% of target[9]	
Revenue Expenditure (£m)	£1.03	£0.87	£0.844	97%	
C1/C4	126	107	108	101%	
C26	126	107	108	101%	
C28	9	9	24	267%	
C29	54	46	48	104%	

Table 3.1 above provides the spend and output performance with original and adjusted targets, and performance at project closure. The performance data was provided by the project team with the calculations from their CRM and tracker system. Currently all performance targets are above the 85% target and have achieved over 100% on all performance adjusted targets, aside from revenue expenditure. Project revenue expenditure is slightly below the target. However, this is within tolerable thresholds and does not appear to be of concern.

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[8] Target figure revised to 85% of original target due to Covid-19 pandemic closure of the project and agreement with MHCLG for the early completion of the project due to start of new EU ERDF project.
[9] Using adjusted target figure

4. Project delivery and management

This section of the report examines and investigates the delivery and management of the Innovation Sprint Programme by the Productivity and Innovation Centre at Edge Hill University. This section specifically examines the management and governance of the project, the delivery of the project, and importantly, the experiences of stakeholders. This section draws upon the data collected in the desktop review of the project, the interviews with project employees, the interviews with those who had accessed support from the project, and the survey of businesses.

The first element to address is the management, governance and broader delivery of the project. The project has a robust governance structure in place, including a project steering group with representatives from across the University. Furthermore, this group was expanded to include other projects being undertaken across the University, this enabled a more nuanced and organisation-wide approach to providing support to SMEs and students. This cross-working across different projects may have supported the project to deliver against the stated objectives.

The project had suitably robust risk registers and compliance tracking to ensure the project is on track and, the project evolved in response to changing circumstances, such as the development of an online solution for the project to deliver in a COVID secure method. This agile nature of the project and embedding the Innovation Sprint ethos into the management of this project was a key theme in the interviews, with interviewees highlighting how the project staff evolved the project overtime using a data-driven strategy in relation to developments to enable the project to be more effective. The project further utilised CRM systems and tracker spreadsheets to ensure that they had in place sufficient systems to store and track potential businesses as they progressed through the workflow of the support activities offered.

Along with the delivery of the programme, the project undertook extensive outreach and promotional activities, including the development of a suite of case studies from successful SMEs that had progressed through the programme. The project also held a very well attended breakfast event with local SMEs to bring together SMEs to foster networking and promote the Universities broader offering to businesses across the region, thus working to improve the standing of the University in the region.

The next part of this section of the report further examines the delivery of the project and how the project activities are perceived by beneficiaries and their perceptions of the quality and delivery of these activities. The overall findings identify in the majority that businesses experienced positive delivery of the project and spoke very highly of those delivering the support.

Figure 4.1 Experiences of businesses in the support provided by the University

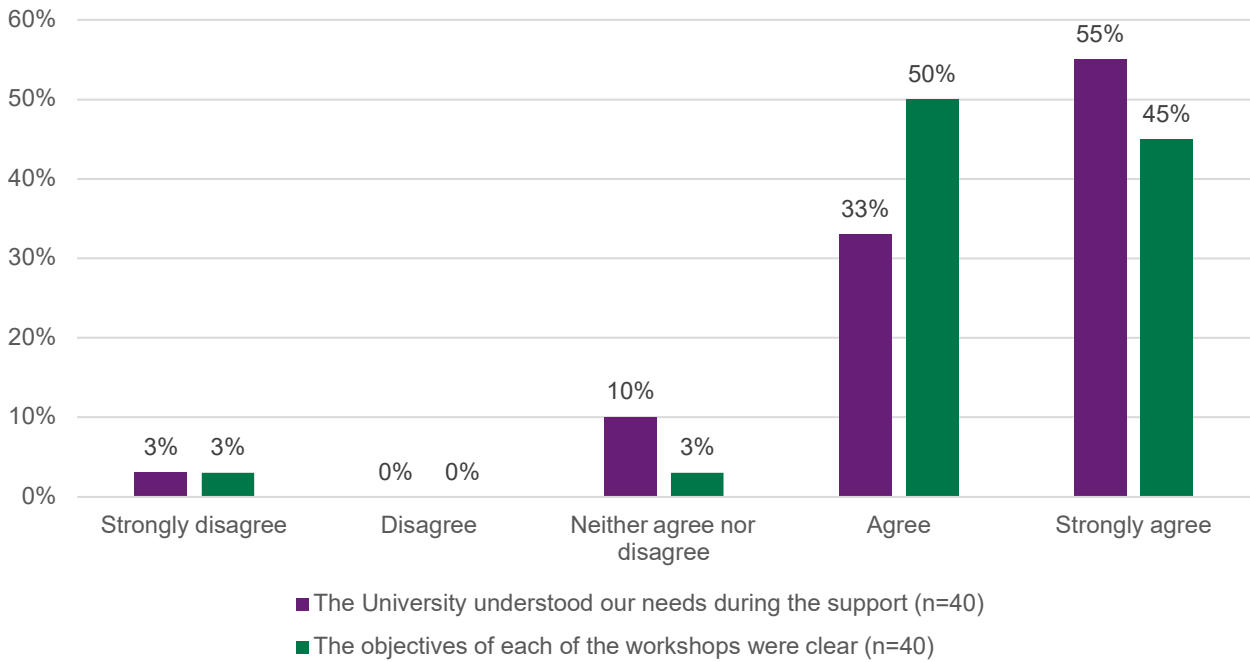Figure 4.1 above identifies that the majority of businesses had a positive experience of the project activities, with 88% of businesses reporting that the University understood their needs during the activities. The overwhelming majority of businesses (95%) reported that the objectives of each of the workshops were clear.

Figure 4.2 Experiences of business in the facilitation of the workshops of the project
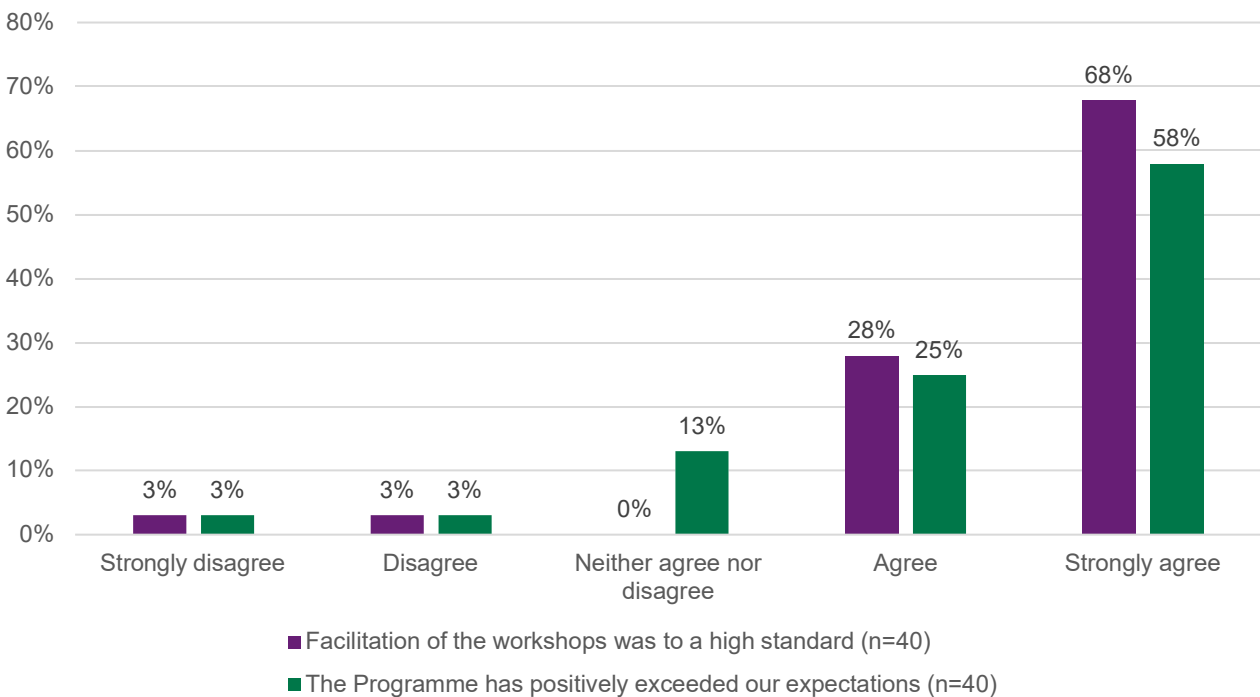
The findings presented in figure 4.2 above further demonstrate the generally positive experiences of the majority of businesses who have engaged with the project. More than 9 of 10 businesses (96%) reported that the facilitation of the workshops was to a high standard. Furthermore, more than 8 of 10 businesses (83%) reported that the delivery of the programme had positively exceeded their expectations.

This positive experience was a common theme through the interviews and the qualitative data collected through the survey. When businesses were asked what had worked well for them in the delivery of the support activities a number of key themes were identified. These were '*focussed time away*', '*involvement of the facilitators*', and '*the structured participative framework of the programme*'.

For the first theme of '*focussed time away*', participants explained that the programme provided valuable time away from the general day-to-day workings of their business. This time away then provided them with the space to come together as a business to plot out and work through new products, services or value propositions. As illustrated in the quotes below:

"Having time away in a different environment to have space to think and plan"

"Allowed us, as a business, to take time out to ensure we are aiming in the right direction"

"Senior management sitting down together for a substantial amount of time looking at issues with your help"

For the second theme of '*involvement of the facilitators*', participants explained that the in-depth, friendly and knowledge support and involvement from the facilitators was important to the success of the support provided. As illustrated in the quotes below:

"The dedicated facilitation for each workshop with the same facilitator each time provided excellent understanding and continuity"

"The facilitators understood our business well and gave great direction to ensure we achieved what we set out to do"

The third quote of '*the structured participative framework of the programme*' was identified as a common theme throughout both the interviews and the survey data. Participants in particular highlighted that the structured and participative nature of the Innovation Sprint Programme as working well in the delivery of the support. Furthermore, participants identified that the structured and focussed nature of the activities set it apart from other types of business support activities provided by other Universities and providers across the Northwest. As illustrated in the quotes below:

"The programme was very useful, the focussed nature of it gave it an edge over other similar offerings."

"The highly individualised and participative style within a structured framework."

"From what is our business about, through who our competitors are and how we can differentiate from them to what our very clear offer(s) is, was a direction changer for our business."

"The depth and 'breaking down' of the business proposition"

In both the interviews and the survey, businesses were asked if there was anything that the project could have done to improve the support provided or their experience of the project. One suggestion identified as a common theme was a request for follow-up sessions, with businesses thinking that this could be an improvement to help ensure that they are still on track with their developments over the medium to longer term.

"It would be nice to see some follow up sessions after a few months to keep us on track"

"A tough question. Maybe a follow-up or follow-up webinars with a group of attendees on what has happened since the course as a sense check on whether our business is continuing to do the right things?"

In both the interviews and the survey, businesses were provided an opportunity to provide final comments on their experience of the delivery of the programme. As with the previous questions, the majority of businesses were overall highly positive of the project and the delivery of the activities. Businesses identified that they had enjoyed the course, that they would recommend the course to others, and a number of businesses reported that the activities helped to shape their future activities that may not have happened if it was not for the support provided by the project. As illustrated in the quotes below:

"It was very well run, well taught and only positive thoughts."

"The programme kick-started us onto a new phase of development that would probably otherwise not have happened."

"My experience of the course was very positive, and I have referred a number of people to check it out."

"Excellent programme, it really helped us to move forward"

5. Project outcomes and impact

This section of the report assesses the progress the project has made towards the outcomes and impacts identified in the project logic model. Outcomes and impact that are investigated include the development of new products, services and/or process, the creation of new employment opportunities, and the impact of the project on developing future relationships between the University and SMEs.

5.1 New products, services and skills for SMEs

Figure 5.1 Outcomes of the project on new products, services, and/or processes for businesses

Legend:
- The Programme has helped us to create a new product, service, or process for the business (n=40)
- New job opportunities have been/will be created in the business as a result of the new product, service, or process created as a result of the Programme (n=40)
- We are confident we will implement our new product, service, or business objective within a 3-6 month time frame (n=40)

Figure 5.1 above provides insight into the outcomes of the project for SMEs in terms of new products or services in their business, new job opportunities and the timeframe for the implementation of these new products or services.

The findings are overall positive in regard to the outcomes of the project, with the majority of businesses responded to the survey that the project had helped them to create a new product, service, and/or process for their business (88% of businesses). The majority of businesses (73%) reported that they were confident that they would implement the new product, service or business objective within a 3-6-month timeframe. Moreover, 70% of businesses reported that there would be/have been new job opportunities created as a result of the project.

Businesses through the interviews and the survey were asked how the support activities had helped them to create a new process, service, and/or product and for detail on what was developed. In the interviews, a common theme that emerged was that while COVID-19 pandemic had affected all businesses in some way, that the support provided, and the new skills and processes would help the business to be resilient and bounce back quickly as the SMEs head into 2021. A further theme was the utilisation of a data and evidence driven approach to grow and innovate. Some businesses identified that the project has enabled them to evaluate the approach they were taking, while others identified they were developing marketing content based on evidence, and other businesses were now utilising data to inform their activities.

"We now use the data we have to get more business from our existing customer base"

*"We have created new marketing content based on evidence"*

The responses further identified that the project had helped to support the development of a broad range of new product offerings to their customers. For instance, some SMEs reported that the support provided had helped the business to change their marketing of products to attract new customers, and others reported offering new products to the market. Furthermore, businesses reported that they had been able to develop new sales processes and had undertaken organisational changes based on the programme to grow their business. As illustrated in the quotes below:

"Breaking down the business into its key proposals and implementations has been very helpful. It has enabled us to review our proposition and implement it in different ways."

"We have created a new self-service platform and merge 2 departments together called managed accounts"

"We have changed our business model and developed a new product on the back of the programme"

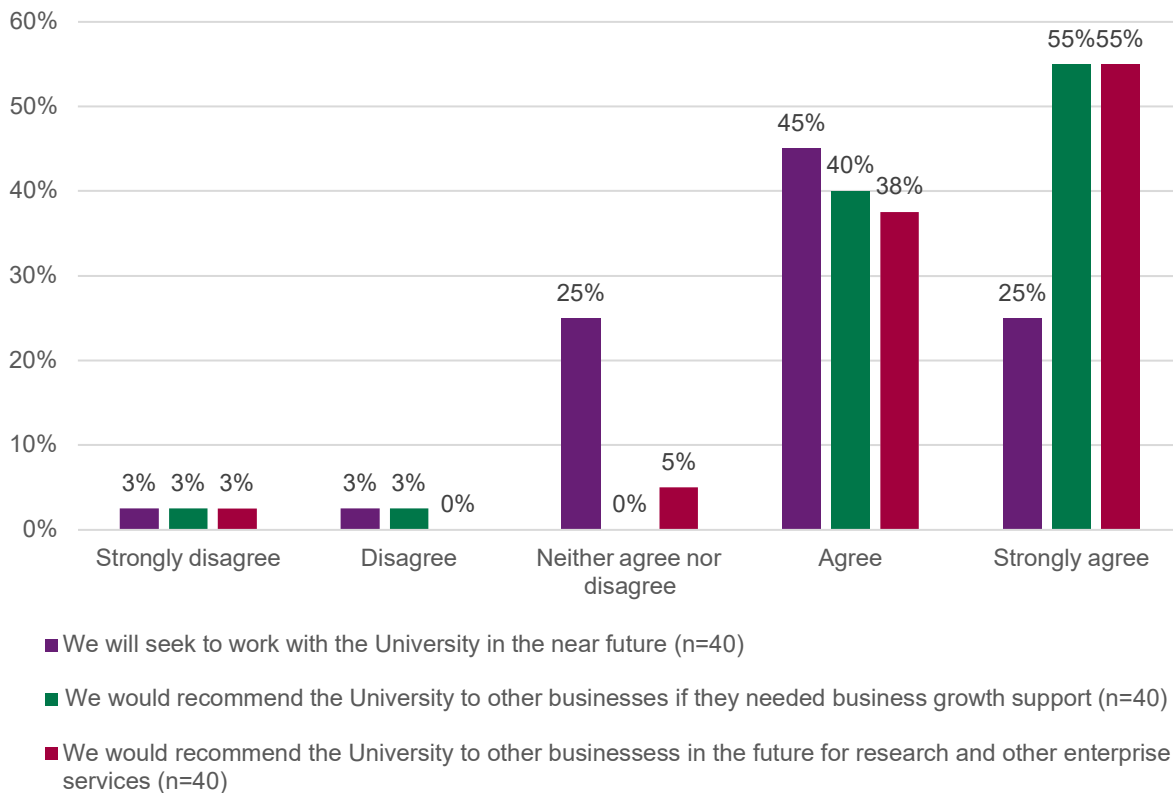***Figure 5.2 Changes to innovation approach and development of new skills as a result of the project***
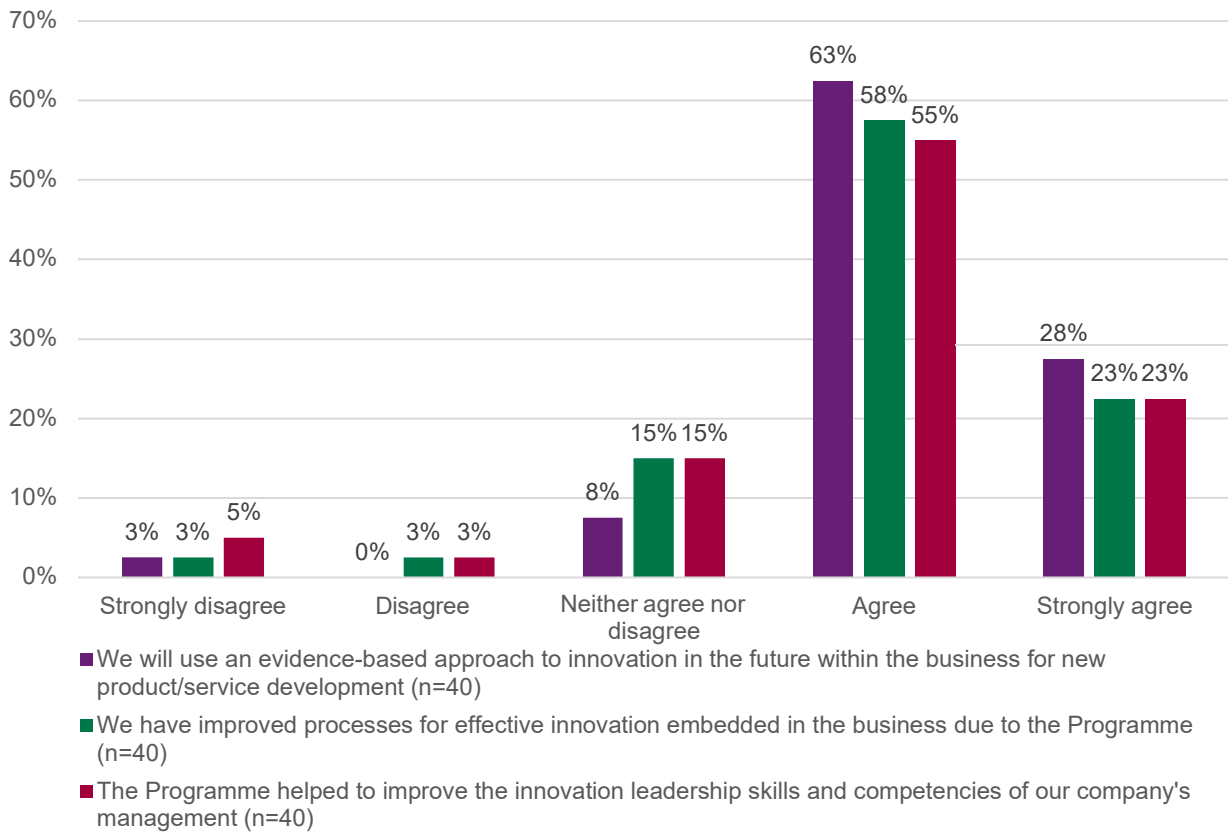
Businesses were asked whether participation on the Innovation Sprint Programme had changed processes and helped to improve the skills and competencies within the business. The overwhelming majority of the businesses (91%) that responded to the survey reported that they would use an evidence-based approach to innovation in the future to develop new products or services. Indicating that the project could have longer-term impacts on SME performance and activities.

Furthermore, the majority of businesses (81%) reported that they had now improved processes for effective innovation embedded in the business due to their participation on the programme. Finally, more than 3-in-4 businesses (78%) reported that the support from the project helped them to improve the skills and competencies of the organisation's management team. This was also identified in the interviews with SMEs, with many highlighting that they would be able to utilise the new skills and processes to support future innovation in the company. This suggests that there could be longer-term outcomes associated with this support.

5.2 Development of new relationships with the University

Figure 5.3 Proportion of Businesses that reported they would seek to work with or recommend the University in the future

- We will seek to work with the University in the near future (n=40)
- We would recommend the University to other businesses if they needed business growth support (n=40)
- We would recommend the University to other businessess in the future for research and other enterprise services (n=40)

The findings presented in figure 5.3 demonstrate that the majority of companies (93%) would seek to work with the University in the near future. With 95% reporting that they would recommend the University to other businesses if they needed busines growth support. Participants in the interview further identified that they had engaged with the project after a positive referral from another business, suggesting that businesses are actively promoting the project to other SMEs across Lancashire. Finally, 93% of businesses reported that they would recommend the University to other businesses for research and other enterprise services. This suggests that the majority of businesses had a positive experience with the University and that, through this project, the University has helped to improve its position within the region.

Table 5.1 Proportion of businesses that would seek to work with the University in the future by type of activity

	Student Placements (n=37)	Knowledge Transfer Partnerships (KTPs)(n=38)	Research opportunities (n=38)
Yes	57%	76%	57%
No	43%	27%	46%

The table (5.1) above provides a breakdown of the proportion of businesses that would seek to engage with the University in the future by type of activity. Over half of businesses reported they would seek to work with the University across all activities, with over 3-in-4 businesses reporting they would seek to work with the University on a KTP project in the future. To date, there have been two successful KTP projects that have been secured following participation in the project, with a further application in progress. Overall, 68 SMEs have been referred to the Work-Related Learning (WRL) team, with 21 student placements/projects have arisen to date and a further 21 companies are in discussions with the WRL team for placements to occur in the next year. Demonstrating that the project is having broader outcomes for the SMEs and students at the University.

5.3 New job opportunities and broader outcomes

Figure 5.4 The proportion of businesses that reported new job opportunities to be created as a result of the support provided by the project
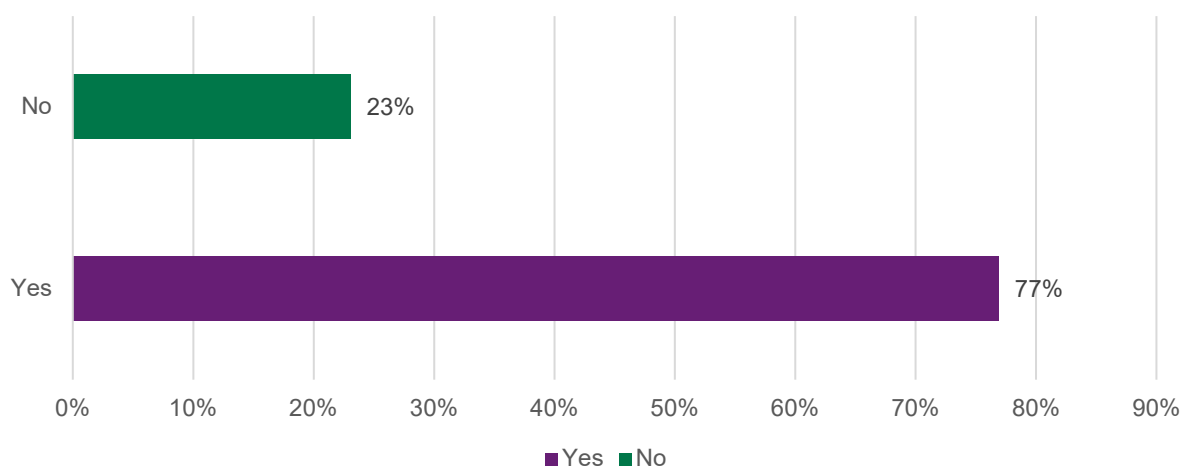
More than three quarters of all businesses reported that they expect new job opportunities to be created in their organisation as a result of the support provided by the project. Of those that provided an estimate, a total of new 96.5 full-time job opportunities were identified by businesses surveyed, with a median average of two new job opportunities per business.

Table 5.2 Reported new full-time job opportunities will be created as a result of the programme (n=29)

Total	96.50
Mean Average	3.3
Median Average	2

The evaluation explored the outcomes and impact the support provided by the project has had on the business and the broader local area. Businesses identified that the project had a number of outcomes and impacts for them. The key outcomes included an increase in turnover and new products, supported organisational change with new processes, helped to generate new job opportunities, and helped the company to identify new areas of growth for the business. As illustrated in the quotes below:

"Roughly 25% increase in turnover through launching a new product"

"A significant difference in the way that we viewed our product. Clearly showing a difference in the way we market our range. This has allowed us to venture into a partnership with a complimentary company whilst marketing our new product range into UAE, Canada, USA, Australia and Europe. We will increase our employee numbers by 2 and it has given a clarity that we did not have previously"

"Much clearer targeted market focus. Clearer definition of who we are and what we do. Employees appreciate the clearer strategic direction"

"Our business is attracting attention in our field countrywide and our staff feel more empowered to suggest innovation"
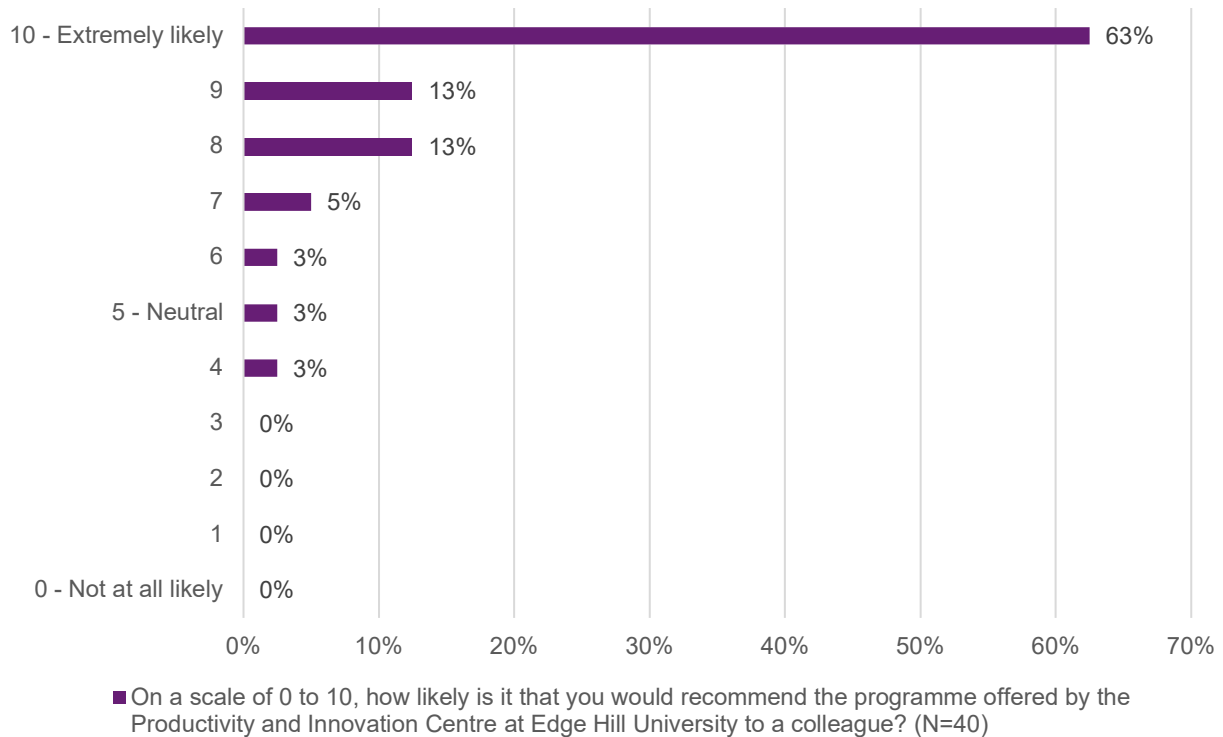
"Well lockdown has hindered development, but it has helped us create new processes and ready to come out of the other side firing. This will help with further employment, help the company grow as a company nationwide and aim to help us push into Europe"

"It gave us confidence to be reactive and adaptable to changing situations"

5.4 Recommending the project to other businesses and colleagues

Figure 5.5 Proportion of businesses that would recommend the support provided by the project to a colleague

On a scale of 0 to 10, how likely is it that you would recommend the programme offered by the Productivity and Innovation Centre at Edge Hill University to a colleague? (N=40)

The majority of businesses reported that they would recommend the support provided by the project to colleagues, with 63% reporting they would be extremely likely to recommend. Using the data from this question a Net Promoter Score was developed. The Net Promoter Score provides insight into the customer experience and is an indication of 'business growth'[10].The NPS score for the project was 67. This is a very high score and is indicative of a positive customer experience.

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[10] Net Promoter Score (2020). Available here: https://www.netpromoter.com/know/

6. Value for Money

This section provides an assessment of the value for money of the Productivity and Innovation Centre.

6.1 Effectiveness

The Productivity and Innovation Centre has contributed to a number of stated objectives and outcomes. As identified earlier in the report an analysis of the contribution of the project to the GVA of SMEs has not been conducted. This is due to the COVID-19 pandemic and the timescale of the evaluation. In particular, with the evaluation being conducted before the project has been completed and the timescale required to examine meaningful GVA change in SMEs, at this stage GVA analysis would not provide reliable findings. It is recommended that this is followed up at a future stage to further examine the effectiveness of this project.

Table 6.1. Effectiveness of the Productivity and Innovation Centre		
Outcome	**Achievement of the outcome**	**Comments**
Improve innovation leadership skills and competencies of company management	√ √ √	9-in-10 SMEs reported that they would use the skills learned through this service for future innovation.
Improve and embed process for effective innovation in SMEs	√ √ √	The majority of SMEs reported that they had valued the service provided and had now embedded new processes for innovation.
Improve Edge Hill University position within the region as a provider of business growth support activities	√ √ √	The project has met its targets of SMEs accessing support activities from the University, with SMEs highlighting the strong referral mechanism from other SMEs demonstrating the strong brand of Edge Hill University as a provider of these services.
Increase the co-operation between SMEs and Edge Hill University	√ √ √	The University has successfully secured KTP funding following these activities. SMEs are also engaging with student placements and are accessing broader services.
√ minimal achievement √ √ = moderate achievement √ √ √ = significant achievement		

6.2 Efficiency

Table 6.2 below sets out the economic costs and benefits for the Productivity and Innovation Centre programme.

	Table 6.2. Value for money of the Productivity and Innovation Centre Programme	
		Total cost
A	Cost	£844,632
B	Number of SMEs assisted	108
C	Number of SMEs supported to introduce new to the market products	24
D	Number of SMEs supported to introduce new to the firm products	48
E=C+D	Number of SMES introducing new products, processes or services	72
F=A/B	Cost per business assisted	£7,820.67
G=A/C	Cost per SME supported to introduce new to the market product	£35,193
H=A/D	Cost per SME supported to introduce new to the firm products	£17,596.50
I=A/E	Combined cost per SME supported to introducing new products, processes or services	£11,731

The review[11] of 2014-20 ERDF programme spending undertaken for DCLG identified a range of potential benchmarks to compare value for money of this programme. The review identified the mean Unit cost for assisting an SME as £34,000 and a median of £10,000. The review authors identify high-intensity support programmes, like the Productivity and Innovation Centre, the £10,000 cost per Unit would be a suitable benchmark. The Unit cost (G in table 6.2) is below this benchmarked cost.

The review also sets out the cost per SME supported to introduce new to the market products, this review identifies a mean cost per unit as £94,000 and a median of £28,000. For this outcome, the review identifies a benchmark of £28,000 for intensive support. The Unit cost for this element is at £35K and above this benchmark. The review also sets out the cost per SME supported to introduce new to the firm products, this review identifies a mean cost per unit as £94,000 and a median of £28,000. For this outcome, the review identifies a benchmark of £28,000 for intensive support. The total Unit cost for this element is at £17,596.50 and is significantly below this figure.

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[11] Regeneris Consulting (2013). *England ERDF Programme 2014-20: Output Unit Costs and Definitions*. DCLG. Available: http://www.nwueu.ac.uk/NWUEU/PDFs/Regeneris%20Consulting%20-%20ERDF%20Output%20Note%20FINAL%20Version%2018%2012%2013.pdf

6.3 Forecasting job creation

Survey data indicates that the programme will support the creation of 96.5 full-time equivalent (FTE) jobs[12]. The median number of jobs to be created was 2 per SME. If this is extrapolated across all businesses supported (without assessing for leakage, deadweight, or multiplier effects), we can estimate 214 gross jobs to be created from the support provided. To forecast the net additional jobs to be created as a result of this programme, the extrapolated figure for gross jobs was assessed in relation to deadweight, displacement, leakage and multiplier effects. The adjustments made are based upon the survey responses and standard benchmarks:

- Deadweight – the survey identified 77% of SMEs would create jobs because of the support provided. A 23% adjustment was applied for those SMEs not likely to create jobs.
- Displacement – 10% estimate was used. Prior to COVID-19, there was high levels of employment and there is likely some displacement from other industries.
- Leakage – no adjustment made as this is estimated to be minimal/nil.
- Multiplier effects – a multiplier of 1.5 has been used as an adjustment, this is consistent with previous benchmarks for business support interventions and previous guidance produced by BIS.

Table 6.3. Estimated Net Additional Jobs created through programme			
	Measure	Adjustment	Comments
Gross Jobs	214	N/A	Estimated from 2 new FTEs per SME supported
Deadweight	165	23%	77% of SMEs reported the support provided would lead to job creation
Displacement	148	10%	Estimate from previous ERDF evaluations in regard to pre COVID-19 employment levels
Leakage	148	0%	Leakage is estimated to be minimal/nil
Multiplier effects[13]	222	1.5	
Estimated Net Additional	**222**		

Table 6.3 above shows that the Productivity and Innovation Centre is forecast to support the creation of 222 net additional jobs.

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[12] *N*=29
[13] A multiplier effect to calculate the additional roles created in industry and business due to the increase in new roles from increased business activity. Previous BIS guidance and ERDF evaluations provide a benchmark of 1.5 for similar interventions.

7. Conclusions and Lessons learnt

The aims of this evaluation were to assess the project progress against the stated aims and objectives, to examine the management and delivery of the project, and to investigate the outcomes and impact of the project.

This evaluation and part of this project have been delivered during the COVID-19 pandemic. The pandemic changed the economic landscape and the day-to-day lives of the people of Lancashire. In the UK, this pandemic led to the pause of the project along with the lockdown measures introduced by the Government. Along with the restrictions introduced post-spring-lockdown, the project was paused until August 2020 when the project resumed in a digital format. This coincided with the project team being awarded a further contract under the EU ERDF scheme, which has led to the early closure of this project. Despite this, the project has exceeded adjusted targets, and in the case of C28 the project has already exceeded the original target.

The delivery of the project can be regarded as being successful; there has been strong governance and evolution in the delivery of support to SMEs to better suit their needs as the project has progressed. The experience of SMEs in the delivery of the project has been positive across both the survey and interview findings. Over 9-in-10 SMEs reported that the delivery of the support was in their view to a high-standard. In addition, the majority of SMEs reported that they would be willing to recommend the support provided to a colleague, with a high NPS score of 67. In fact, during the interviews a number of businesses reported that they had attended themselves through a positive recommendation from another business, demonstrating the positive views of the project amongst the SMEs in the local area.

This positive view of the project fed into the areas for improvement, with SMEs not identifying much that could be improved for them. However, one suggestion that was recurring through the data was for further follow-up sessions/webinars to check in with the SME and provide guidance to keep them on track. One of the important mechanisms that was identified by businesses as being key for the success of the project was the in-depth, focussed and tailored support that provided them with the time away from the day-to-day work to focus on innovation within the company.

The evaluation has found positive findings regarding the project outcomes and impacts. The project has met the adjusted targets for C1/C4, C26 and C29, and has exceeded the original target for C28. In the broader examination of outcomes with SMEs, the findings identify that the support has helped the majority of businesses to develop a new product, service or processes and 77% of businesses reported that there would be new job opportunities due to the support provided, with 96.5 new full-time roles already in the pipeline.

The project has further supported the University in cementing its position in the region as a business support provider and as a provider for research and broader enterprise activities. The majority of businesses report that they would recommend the University to other businesses for both business support and also research activities. SMEs further reported that they would seek to work with the University on Knowledge-Transfer Partnerships (KTPs) and the University has already secured two KTP projects following on from this project. It is also worthwhile noting that some SMEs had reported that the support provided had helped them to become more resilient to external factors and this could support them to survive and prosper in a post-COVID world.

This evaluation has identified key learning for future innovation and business support activities. SMEs reported that having dedicated time-away from the day-to-day activities was a key factor for the support to be effective. Future providers should ensure that there is dedicated 'away' time for SMEs to engage with the project to enable SMEs to get the most out of the time on the programme. Secondly, the in-depth and focussed nature of the support was further identified as being a key factor in the success of the project rather. Therefore, providers should seek to deliver support in smaller groups where the activities are closely aligned to the needs of the SME needing support. It is anticipated that this learning could help support future business support programmes to achieve similar outcomes as this project. Thirdly, the close integration of projects and combined governance through the project steering groups was identified in the review as a particular strength that had enabled the sharing learning across different projects and contributed to improved support for students and SMEs working together.

Overall, this project has had successful outcomes not just for SMEs in terms of increasing innovation through new products, services or processes, but has also led to the development of new job opportunities across the Lancashire region. Along with cementing the position of Edge Hill University as a provider of research, knowledge-exchange activities and business innovation support. It is anticipated that this project will have positive impact on the SMEs and local populations in the long-term. The need for businesses to continue to innovate and become more resilient during this period of economic uncertainty requires continued investment into projects to assist SMEs.

Appendix 1 – Questionnaire

Q1) Please indicate how far you agree with the following statements about the Productivity and Innovation Centre programme.

Q1.1 The University understood our needs during the support

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q1.2 The objectives of each of the workshops were clear

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q1.3 Facilitation of the workshops was to a high standard

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q1.4 The Programme has positively exceeded our expectations

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q2) Do you have any comments about what worked well for the programme?

[*Open-text box*]

Q3) Do you have any comments on what could have been improved for you during the programme?

[*Open-text box*]

Q4) Do you have any final comments on your experience of the delivery of the programme?

[*Open-text box*]

Q5) Please indicate how far you agree with the following statements about the programme.

Q5.1 The Programme has helped us to create a new product/service/process for the business

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.2 New job opportunities have been/will be created in the business as a result of the new product/service/process created as a result of the Programme

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.3 We are confident we will implement our new product/service/business objective within a 3–6-month time frame

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.4 We will use an evidence-based approach to innovation in the future within the business for new product/service development

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.5 We have improved processes for effective innovation embedded in the business due to the Programme

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.6 The Programme helped to improve the innovation leadership skills and competencies of our company's management

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.7 We will seek to work with the University in the near future

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.8 We would recommend the University to other businesses if they needed business growth support

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q5.9 We would recommend the University to other businesses in the future for research and other enterprise services

[*Strongly disagree / Disagree / Neither agree nor disagree / Agree / Strongly agree*]

Q6) Do you expect to continue to engage with Edge Hill University in the future for the following:

Q6.1 Student placements

[*Yes / No*]

Q6.2 Knowledge Transfer Partnerships (KTPs)

[*Yes / No*]

Q6.3 Research opportunities

[*Yes / No*]

Q7) Please could you provide more information on how the programme has helped you to create a new product/service/process for the business?

[*Open-text box*]

Q8) Do you expect new job opportunities to be created in the business as a result of the support offered by the programme?

[*Yes / No*]

Q8.1 Please could you estimate how many full-time job opportunities you expect will be created as a result of the programme?

[*Open-text box*]

Q9) Please could you describe the outcomes and impact the innovation support programme has had on your business, your employees and your local area?

[*Open-text box*]

Q10) On a scale of 0 to 10, how likely is it that you would recommend the programme offered by the Productivity and Innovation Centre at Edge Hill University to a colleague?

[*0 – Not at all Likely / 1 / 2 / 3 / 4 / 5 – Neutral / 6 / 7 / 8 / 9 / 10 – Extremely Likely*]

Q11) Do you have any final comments that you wish to share?

[*Open-text box*]