Business Development Programme
Evaluation – Final Report
Greater Birmingham and Solihull Local Enterprise Partnership

28th August 2015
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<tr>
<td>Prepared by</td>
<td>Peter Dickinson; Heather Rose; Simon Donlan</td>
</tr>
<tr>
<td>Checked by</td>
<td>Peter Dickinson</td>
</tr>
<tr>
<td>Date</td>
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Executive summary

Introduction

ICF Consulting Ltd (ICF) was commissioned to undertake an independent evaluation of the Greater Birmingham and Solihull Local Economic Partnership (GBSLEP) Business Development Programme (BDP) on behalf of Birmingham City Council (BCC). The evaluation comprises three phases from August 2013 to June 2015. This report is the Final Evaluation Report. It reports on the final phase of fieldwork undertaken in May and June 2015, but draws on all aspects of the research to provide an overview of the programme as a whole.

The BDP is an £8 million business support programme which provides a package of support to existing small and medium sized (SME) businesses in the GBSLEP area to stimulate private sector investment for business consolidation and growth. The programme runs from September 2012 to June 2015 (to December 2015 for monitoring) and is part-funded by the European Regional Development Fund (ERDF). Support to businesses is provided through: 100 hours of mentoring and coaching (the great200leaders scheme) for 200 businesses, and; financial grants (the Financial Assistance Scheme) to businesses of up to £15,000 to support 232 businesses in their business expansion activities.

Methodology

This report is based on:

- Interviews with the programme team (BCC), delivery partners (Winning Moves, Local Authority representatives from all LEPs except Solihull MBC), coaches (West Midlands Manufacturing Advisory Service [WMMAS], Winning Moves);
- Online surveys of:
  - Participating businesses of the Financial Assistance Scheme;
  - Participating businesses of the great200leaders scheme;
  - Non-participating businesses¹;
  - An Economic Impact Assessment survey of Year One and Year Two beneficiaries²;
- Case studies of participating businesses.

Business support rationale and landscape

SMEs are crucial to the UK’s and to GBSLEP’s economic growth. Compared to their relative employment size, SMEs are more likely to create jobs. The number of start-ups has been increasing in recent times and has helped to reduce unemployment.

However, not all SMEs are achieving their full potential and need support to accomplish this. Those SMEs that access business support in their formative years are better equipped to tackle barriers to growth than SMEs that do not, but market failures often prevent take up of such support.

Finance is an important aspect of business expansion but it also presents a barrier. Over half of all SMEs (53%) either do not apply for finance (even though they need it) or have difficulties if they do access it. Research has found that access to finance programmes have positive impacts on: sales and turnover; wages and income, and; firm-level and wider employment.

¹ After invalid email addresses were removed.
² Year Three beneficiaries have not been included because they were still on the programme.
Numerous reports point to the skills and development gap of UK business managers. This is despite the fact that leadership and entrepreneurship skills are important drivers of turnover, productivity, strategy formalisation, responsiveness and best practice in human resource management. Evidence suggests that companies which access and make use of business support and growth services, especially during their formative years, are more likely to flourish.

Therefore the rationale for BDP is fully justified by the wider research into the needs of businesses and the impacts of financial and mentoring support. Because of this and the success of the BDP, BCC and GBSLEP are considering future partnerships across the West Midlands area as a continuation of the BDP as a relevant fit within the portfolio of provision supported by BCC.

Management, delivery and performance of BDP

Programme management by BCC is viewed positively by delivery partners who state this arrangement is one that they would wish to see continuing in the future. Delivering the BDP has been a steep learning curve but a positive experience for all.

Recruitment to the great200leaders programme has been a concern. As a result of slow recruitment and missed targets in 2013, some changes to the programme took place. This included: the creation of a bursary scheme for great200leaders, and; a ‘rolling programme’ for great200leaders. The flexibility for great200leaders has contributed to increased take-up.

The process for FAS was changed to ‘funding rounds’ creating a more flexible and regular process. The biggest concern was the exclusion of businesses who had a small element of B2C sales. Even though this represented a small percentage of their turnover they were still excluded from applying for the FAS.

A main area of confusion was the coherence of the BDP, as there was little overlap between the two strands. This confusion led to communication problems between the delivery partners over who was involved in the promotion of great200leaders. Local authority delivery partners and Birmingham Chamber of Commerce had little involvement in great200leaders.

Year One and Two economic impacts

Levels of deadweight of both of the strands of BDP are low compared to other business support programmes, as are leakage and displacement. This means that the net additionality of the BDP is relatively high; a large proportion of jobs and GVA attributed to BDP have remained in the GBSLEP area.

Overall, BDP led to a net increase in employment of 688 jobs, £18.3m of GVA and over 1,200 jobs safeguarded.

The value for money of the BDP is also high when compared to other publicly funded business support. This means that BDP was a very efficient programme costing only £4,151 per job created. These jobs are likely to be sustained over at least the next three years.

Case study interviews suggest that businesses on the whole have benefitted from increased turnover and business growth as a result of both the FAS and great200leaders schemes which has created internal (personal or leadership) as well as external (marketing or business expansion) successes.

Business perspectives

Financial Assistance Scheme:
Most of those receiving financial assistance were not enrolled on the great200leaders scheme, although nearly two-thirds were aware of it.
None of the businesses had heard about the programme through marketing materials and awareness of the scheme also received the lowest in terms of satisfaction scores. Overall satisfaction with the application process had remained broadly the same since the first year and was generally considered ‘satisfactory’.

The majority of businesses sought to create new jobs or safeguard existing jobs, as well as to enter or diversify into new markets as the main objective of their application. In addition, most respondents (92%) reported early outcomes as a result of the grant, including increased turnover, jobs and productivity.

Ninety-six per cent of respondents reported that they would recommend the programme to other businesses – mostly as a result of the cash injection – in order to achieve marketing and relocation goals.

**great200leaders:**

Less than half of respondents to the survey (41%) were aware of the Financial Assistance Scheme, however the majority of the businesses that were, had applied for and received the grant. Most businesses had heard about the scheme through their coach, although a few had heard about it through marketing promotions (typically radio).

Most businesses stated that the main reason for applying to the scheme was to receive personal support to meet the growth needs of the business. This was reflected in their business goals, the prevalent of which was to ‘improve management team’ or ‘staff base’. Overall satisfaction with great200leaders was rated ‘satisfactory’ and broadly similar to Year One. Most satisfaction was with the one to one support provided by the coach, as well as DISC profiling. The Action Learning Sets was one of the lowest in terms of satisfaction. Reasons cited were low attendance and the length of the sessions.

The vast majority (94%) reported early outcomes as a result of great200leaders, including improved management, productivity and job creation. Most respondents reported that they would recommend the scheme to other businesses on the basis of gaining a new perspective on their business and learning needs from coaches and peers.

**Non-participating businesses**

Responses were only received from businesses which had not participated in the Financial Assistance Scheme – most of whom had found out about the scheme through one of the LEP partners (only two through marketing materials). Most had applied to the scheme in order to create jobs or to develop their marketing and branding, as well as to expand existing premises. The vast majority were unhappy with the application process because they found the eligibility criteria (on eligible costs and on business sector) to be unclear from the outset. Most were not signposted to other forms of financial support.

**Conclusions and Recommendations**

**The programme rationale and context**

As far as the FAS is concerned, the BDP’s position fills a gap not currently being met by other public programmes. This is in the context of a reduced business support landscape over most of the life of the programme. The FAS has filled a gap in the portfolio of business support with ‘moderate’ amounts of capital. However, some delivery partners had innovatively used their BDP funding to develop smaller BDP-type programmes for micro and other businesses for whom the FAS was too large.

The great200leaders scheme also meets a need within the marketplace and came at a good time for businesses in a reduced public sector support landscape. However, the distinction between it and other programmes – such as GrowthAccelerator and Goldman Sachs 10,000 small businesses – is less obvious to some businesses and partners.

The management of the programme, through the steering group, is working effectively with all partners wishing to see these relationships continue. Some initial challenges have been
addressed effectively by the partnership which is committed to the goals of the programme and regularly attend steering group meetings and provide data when required.

Whilst BDP marketing had limited impacts on recruitment, marketing materials developed by Clarke Associates were highly praised by delivery partners. An important development of the programme was the use of social media which was an important spin-off from the programme as it built the capacity of BCC, Clarke Associates and the delivery partners to exploit this new media.

The main concern, as far as the FAS is concerned, was the eligibility criteria. Across the life of the programme, the definition of eligible sectors was expanded to include all B2B businesses. The main criticism was the exclusion of B2C firms, even though the B2C component may be as little as 1% of the business.

Recommendations for the development of future programmes are:

- Delivery partners to continue the support provided to firms completing the FAS application as it further develops the relationship between firms and delivery partners.
- Build on the effective partnership working achieved through the FAS.
- Use experience of the BDP to develop more realistic targets on future programmes. The experience of BDP provides a more practical and tested rationale for delivery targets in the successor programme.
- Encourage further leadership and management development across LEP area. Given the difficulties of achieving take-up for the great200leaders scheme, but the benefits of coaching and mentoring to business growth, it is important to explore the most effective ways in which such support can be developed.
- Ensure that there is a portfolio of provision to support a range of business sizes and sectors. The FAS fitted in well with similar programmes because the range of financial support filled a gap below some larger schemes and some delivery partners used their BDP resources to develop smaller FAS-type support for smaller businesses thus filling a gap at the lower end of financial support.
- Explore the causal link between business support and growth. The broader evidence suggests that growing businesses are adept at seeking out and accessing support. If this is the case then the impact of business support programmes needs to be revisited as publicly funded business support would seem to support growing businesses (a key LEP aim in itself) rather than create growth themselves.

**Delivery arrangements and outputs**

Businesses were generally satisfied with the functioning and delivery of both schemes of the BDP and most would recommend the programme to other businesses.

Marketing in general started late and had limited impact. Improvements were made throughout the programme which has demonstrated a greater understanding of the programme, its target audience, the local dimension and the flexibility of the management and partnership.

Whilst BDP was two distinct strands, businesses appeared to be aware of the other strand much more than delivery partners thought. Few FAS businesses accessed great200leaders, but one third of great200leader businesses successfully applied for the FAS.

The high level of business satisfaction with both strands of BDP suggests businesses would be very receptive to further support but there is little evidence that this has or will happen. BDP beneficiaries are growth businesses and would benefit from being made aware of or actively encouraged to take up further publicly funded support be it via delivery partners, the LEP or the Growth Hub.

The BDP has led to capacity building amongst the delivery partners, especially concerning experience of European Structural Funds (i.e. ERDF programmes) and social media. This
should have impact in the future in enabling partners to become more involved in European funded programmes, and marketing to businesses more generally.

BCC has demonstrated flexibility and responded well to comments from businesses, delivery partners and the evaluators in developing the programme. For example, changing the eligibility criteria (for FAS) and moving to a rolling programme of recruitment (for great200leaders).

Businesses’ main criticism of the application process was investing time in the application only to find that they or the application was ineligible. This criticism diminished as the FAS developed and businesses on the whole were satisfied with the application process (apart from businesses which did not receive funding). Various recommendations have been made by partners to adapt the criteria to allow a wider range of businesses to take part. These should be considered in the light of potential new funding rounds although it is acknowledged that ERDF funding is unlikely to support ‘business to consumer’ businesses in the future, or the retail sector.

The overall effectiveness of the great200leaders scheme is considered by businesses to be positive – in particular the one to one coaching. While receiving personalised tailored coaching is an extremely effective business support mechanism, the ability of the businesses to choose to engage with only this element of the scheme (which most did) had resource implications for the provider. The cost-effectiveness of this intensive support should be weighed against its attractiveness to businesses, particularly as many of the businesses will have received effectively a 50% discount through the bursary (funded from Winning Moves out of their own resources).

Recommendations for the development of future programmes are:

- Learn from the lessons of BDP to improve the marketing of future programmes. From a business perspective, much of the marketing activity appears to have been ineffectual.

- Understand the dynamics of business support. Deadweight of the BDP appears to be low with many beneficiaries new to publicly funded business support. Given the delivery partners' and GBSLEPs' focus on growth businesses, the BDP can provide lessons on how to promote and deliver support.

- Instigate more follow-up activities. There should be more aftercare of businesses receiving support to provide them with targeted information, advice and guidance either from the delivery partners themselves or via the Growth Hub.

- Monitor the take-up of coaching and mentoring. The BDP successor programme (if it receives funding) will not include a coaching and mentoring strand. The rationale is that other schemes are available. Given the importance of management and leadership development to business growth, take-up of other schemes should be monitored to see if a great200leaders type scheme is needed in future.

Impacts

Relative to its size, the BDP has had a significant impact on jobs and GVA across the GBSLEP area. Levels of deadweight, leakage and displacement are low which means that there are high levels of additional jobs and GVA and these have tended to remain within the GBSLEP area.

Overall, BDP led to a net increase in employment of 688 jobs, £18.3m of GVA and over 1,200 jobs safeguarded. Compared to other business support programmes the level of net impacts is high but the cost per job is relatively low. This means that the BDP was also an efficient programme costing only £4,151 per job created. These jobs are likely to be sustained over at least the next three years.

Case study interviews suggest that businesses on the whole have benefitted from increased turnover and business growth as a result of both the FAS and great200leaders schemes which has created internal (personal or leadership) as well as external (marketing or business expansion) successes.
The main recommendation is:

- The business and delivery models of the BDP have clearly delivered a large level of jobs and GVA for a programme of its size. Qualitative research suggests that this is due to the partnership model; management by BCC, and; that the BDP meets important business needs in overcoming barriers to growth. These elements should be built on in any future successor programme.

**Future of the programme**

The partnership has developed a clearer understanding of the ‘fit’ of the BDP within the portfolio of provision available through the Growth Hub, as well as the potential of a range of funding sources (European, UK and private) available to continue a programme with a similar purpose. An application to the next ERDF programme is being developed and it is likely that BCC will build on the successes of the existing BDP programme through collaboration with the GBSLEP, as well as potentially other LEPs in the West Midlands, such as the Marches, Staffordshire and Stoke-on-Trent.

The BDP successor programme is likely to be a grants programme only and not contain a coaching and mentoring element. This is because other public and private schemes are available, and businesses will be able to use the grant to pay for management and leadership development if they wish to.

Much has been learned, especially by delivery partners, in promoting and supporting businesses in a BDP-type, delivering a European Structural Fund programme, and working with social media. BDP has been flexible and has developed in the light of delivery partner and business experience. Direct approaches by delivery partners appear to be most effective in promoting both aspects of the BDP, it has also helped them in building relationships with businesses.

The eligibility criteria tended to draw a lot of criticism. Whilst ERDF regulations must be followed, other sources of funding should be explored to fill any gaps, especially those businesses with a low proportion of B2C sales.

Recommendations for the future of the BDP are:

- BDP has proved to be an effective programme of business support with relatively high impacts, low costs and low deadweight. BDP therefore has been a highly successful programme and there is a great deal to build on, in terms of what has worked and what can be learned from both for the successor programme and other GBSLEP programmes more generally.
1 Introduction

1.1 Evaluation of the Business Development Programme

ICF Consulting Ltd (ICF) was commissioned in August 2013 to undertake an independent evaluation of the Greater Birmingham and Solihull Local Economic Partnership (GBSLEP) Business Development Programme (BDP) on behalf of Birmingham City Council (BCC). The evaluation comprises three phases over a two year period (August 2013 to June 2015). This report is the Final Report which brings together all elements of the evaluation to provide an overall assessment of the BDP.

The BDP is an £8 million business support programme which provides a package of support to existing small and medium sized (SME) businesses in the GBSLEP area to stimulate private sector investment for business consolidation and growth. The programme runs from September 2012 to June 2015 (to December 2015 for monitoring) and is part-funded by the European Regional Development Fund (ERDF). Support to businesses is provided mainly in two distinct ways: firstly, through 100 hours of mentoring and coaching (the great200leaders scheme) for 200 businesses, and; secondly, financial grants (the Financial Assistance Scheme) to businesses of up to £15,000 to support 232 businesses in their business expansion activities.

This is the BDP Final Evaluation Report and provides an overall assessment of the programme, its processes, delivery models, outputs and impacts, and plans for the future of the programme.

Specifically, this report:

- Provides a review of progress of the businesses recruited or provided with Financial Assistance over the 2½ years of the programme (January 2013 to June 2015), including an assessment of the impact the programme has had on businesses;
- Assesses the recruitment, marketing and entry criteria for businesses joining the programme; and,
- Provides conclusions and recommendations across the two years and 9 months of the programme.

1.2 Evaluation methodology

A summary of the objectives of the evaluation, and the specific tasks undertaken to provide evidence of achievement towards them, are set out in Annex 1.

This report has been structured around the following key tasks:

- An Inception meeting, and subsequent review of programme documentation, monitoring and management information, and contextual review of the business support landscape;
- Interviews with the programme team (BCC), delivery partners (Winning Moves, Local Authority representatives from all LEPs except Solihull MBC, Clarke Associates), coaches (West Midlands Manufacturing Advisory Service [WMMAS], Winning Moves) – see Annex 2 for a full list;
- Online survey to 196 participating businesses in all 2.5 years of the Financial Assistance Scheme (65 responses - 33% response rate). These businesses were all SMEs with pre-support turnovers ranging from £65,000 to £14.2m (average £2.4m) and the number of employees ranging between 2 and 179 (average 14);
- Online survey to 130 participating businesses in all 2 years of the great200leaders scheme (44 responses – 34% response rate); These businesses were all SMEs with pre-support turnover ranging from £10,000 to £13m (average £2.4m) and the number of employees ranged from one to 75 (average 22);
■ Online survey to 197 non-participating businesses. These were businesses who had applied for the FAS but, for whatever reason, did not receive the grant (18 responses – 9% response rate);

■ A total of 19 Case Studies; 8 businesses from Year One (update interviews) and 11 businesses from Year Two (new businesses). See Annex 3 (Year One businesses) and Annex 4 (Year Two businesses) for case studies.

■ Online Economic Impact Assessment survey of 66 businesses receiving support prior to November 2014. Impacts have been scaled up to provide estimates to be representative of the 432 business beneficiaries over the course of the programme.

1.3 Limitations to the study

Various limitations to the methodology and the consequences this has had on the interpretation of data are set out below:

■ The beneficiary surveys were administered as an attempted census (i.e. the survey link was sent to every participant on the BDP). As demonstrated above, a variety of methods to boost the response rate were employed. However, despite these measures, response rates to the surveys were not sufficiently high to be considered representative of the overall population. This was due to a combination of the low number of responses and also the small population size. The implication for the evaluation is that, taken on their own, the survey results cannot be considered as a robust representation of the entire BDP population. To compensate for this, other sources of evidence have been analysed, including case studies, interviews with coaches, delivery partners and the management team and MI data, in order to triangulate findings and ensure robust conclusions.

■ For the economic impact assessment, the low response rate meant that there were too few responses in either strand to conduct the analysis separately for both the great200leaders and the Financial Assistance Scheme. Instead, the economic impact was calculated for the BDP as a whole.

■ Despite numerous attempts to arrange a telephone interview, we were unable to interview all of the delivery partners. As a result the opinions expressed are not wholly representative of all LEP partners in the BDP – however the results should be considered broadly representative.

■ Some case studies were not able to take place despite numerous attempts to schedule an interview. This has little impact on the results of the study although some ‘colour’ on the longer term impacts of the programme may be considered as lacking from the report.

1.4 Structure of the report

The remainder of this report is structured as follows:

■ Section two provides an update of the business support landscape and the context in which the BDP continues to operate, including an examination of future opportunities;

■ Section three contains findings on the design, delivery and performance of the BDP including an update on progress towards targets;

■ Section four details the economic impact of the BDP based on results from the economic impact survey;

■ Section five details the business perspectives from the programme’s operation;

For example, to achieve a confidence interval of 95% +/- 5 (standard research requirements), a population of 130 participating businesses in the great200leaders scheme would require 98 participants to complete the survey. For the Financial Assistance Scheme, a population of 196 participants would require 131 participants to complete the survey.
Section six provides the conclusions and recommendations arising from the findings, including progress made towards recommendations in the second interim report. This is supported by the following Annexes:

- Annex one sets out a summary of the work programme;
- Annex two sets out the list of interviewees; and
- Annexes three and four provide the updated case studies (Year One and Two businesses) and new business case studies (Year Three).
2 Business support landscape

This section provides an update since the last report of the local context for business support, SME barriers to business growth and the market failure that government sponsored business support addresses.

2.1 The context of business support for SMEs

2.1.1 GBSLEP area profile

The GBSLEP is a partnership of businesses, local authorities and universities which support job creation and private sector growth in the GBSLEP area by planning and delivering business support, funding opportunities and other infrastructural development activities.

The GBSLEP area has a population of nearly two million and is home to 848,000 jobs. The GBSLEP area economic output (GVA) is currently worth £36.5 billion (an increase since the last report). This is forecast to grow – estimates suggest that by 2020, GVA output of the area could be worth £40.3 billion, and the population of working age likely to have grown by 26,000. Confidence of local companies is improving since the economic crisis - albeit with a sense of caution. The relative contribution to economic output is shown in Figure 2.1 below.

Figure 2.1 Contribution to GBSLEP economic output (GVA) by constituent district

![Pie chart showing the distribution of economic output by constituent district.]

Source: GBSLEP Strategic Economic Plan, 2014

Within the GBSLEP area, there are just under 57,000 SMEs – this figure has also increased since the last report.

Table 2.1 shows the distribution of SMEs within the LEP – this is roughly equivalent to the contribution to the economic output of the LEP area by constituent district.
Table 2.1  Number of SMEs by GBSLEP districts

<table>
<thead>
<tr>
<th>GBSLEP district</th>
<th>No. SMEs</th>
<th>% of total</th>
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<tbody>
<tr>
<td>Birmingham</td>
<td>26,555</td>
<td>47%</td>
</tr>
<tr>
<td>Bromsgrove</td>
<td>4,235</td>
<td>7%</td>
</tr>
<tr>
<td>Cannock Chase</td>
<td>3,100</td>
<td>5%</td>
</tr>
<tr>
<td>East Staffordshire</td>
<td>4,080</td>
<td>7%</td>
</tr>
<tr>
<td>Lichfield</td>
<td>4,335</td>
<td>8%</td>
</tr>
<tr>
<td>Redditch</td>
<td>2,385</td>
<td>4%</td>
</tr>
<tr>
<td>Solihull</td>
<td>6,910</td>
<td>12%</td>
</tr>
<tr>
<td>Tamworth</td>
<td>2,020</td>
<td>4%</td>
</tr>
<tr>
<td>Wyre Forest</td>
<td>3,185</td>
<td>6%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>56,800</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>


Recent (2014) progress has put GBSLEP GVA on a par with the national average per head figure (£18,628 per head compared to £19,125 - excluding London). Furthermore, the GBSLEP area’s productivity is also close to the national average (excluding London).

While the GBSLEP area has a number of strengths, an identified weakness is the low proportion of high growth firms. The GBSLEP Strategic Economic Plan4 (SEP, April 2014) found that the GBSLEP area has a relatively small proportion of companies employing 10 or more employees that are high growth (5.6%) compared to the national average (6.9%). High growth SMEs in the GBSLEP area identified problems accessing credit or loans amongst the top four barriers to growth5. Skill levels (including management and leadership), percentage of businesses operating in lower value sectors, and levels of exports have also been identified as an area of relative weakness.

Given this background, GBSLEP recognises the continuing need to support local businesses to grow. The Strategy for Growth has been bolstered by the local Growth Deal and European Structural Funds which have identified supporting business growth as interlocking strategic priorities and pillars. This will be partly managed via a physical and virtual LEP-wide Growth Hub which will take an evidence-led approach to supporting local businesses, particularly those with growth potential6.

2.1.2 SMEs and business support

There is a range of support available to SMEs. National schemes, such as, Growth Accelerator and Enterprise Capital Funds, work in tandem with locally developed initiatives funded mostly through European Structural Funds and Regional Growth Funds. The rationale for such support is due to SMEs capacity to generate and safeguard jobs. Compared to their relative employment size, SMEs are more likely to create jobs, even though they have been hardest hit by the recession7. This is particularly true of younger SMEs.

An important driver of economic growth is the development of SMEs. The policy debate has recently shifted to supporting ‘scale ups’ which reflects the fact that a relatively small number

5 Aston Business School (June 2012), High-Growth Firms (HGFs) and Mid-Sized Businesses (MSBs) and their Contribution to Employment in the Greater Birmingham and Solihull (GBSLEP)
6 GBSLEP, European Structural Investment Fund Strategy.
7 OECD (2014), Young SMEs, growth and job creation.
of firms create a disproportionate amount of jobs. These and other research evidence concludes that the skills of owner managers and access to finance are two of a handful of barriers to SME growth.

**Access to finance**

Access to finance is an important aspect of business expansion. In the latest small business survey the reasons for accessing finance are increasingly linked to growth. SMEs who need finance but do not apply for it do so because they: do not want to take on the additional risk; feared their application would be rejected, or; thought finance would be too expensive.

Over half of all SMEs (53%) either do not apply for finance (even though they need it) or have difficulties if they do access it. Applying for and being rejected for bank loans was the most reported problem.

A systematic review of evidence found that access to finance programmes had the greatest effect on: sales and turnover; wages and income, and; firm-level and wider employment. Although there was no consistent impact on any one indicator across the 27 studies. The evidence review also found that programmes targeted at SMEs were more or less effective than non-targeted programmes.

**Coaching and mentoring**

Numerous reports point to the skills and development gap of UK business managers. This is despite the fact that leadership and entrepreneurship skills are important drivers of turnover, productivity, strategy formalisation, responsiveness and best practice in human resource management.

A recent report by UKCES concludes that:

*The UK has a ‘long tail’ of poorly managed businesses. When businesses’ management practices are assessed, the UK has a healthy proportion in the top quartile internationally, but also many in the bottom quartile. By contrast, the US has many more in the top quartile than the bottom quartile, and Germany and France have many in the top quartile and in the middle of the range…*

*Many workplaces could be working better if they were managed better. With its large number of micro businesses, the UK has a higher share of managerial employees than many other countries. Whereas managers in other advanced economies tend to be much better qualified than the rest of the workforce, this is much less true in the UK. Businesses report that managers are the occupational group least likely to receive training.*

Evidence suggests that companies which access and make use of business support and growth services, especially during their formative years, are more likely to flourish. Therefore a key element of national and local business growth strategies has been on providing access to high quality business support, particularly to support the development of

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9 BIS (December 2013), SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention.


11 Ibid.


leadership skills and improved access to finance. For example, Business Hub Birmingham brings together key strategic organisations from across Birmingham (GBSLEP, Birmingham City Council and Birmingham Chamber) to form a ‘one-stop shop’ for businesses.

However, the causal link is complex. Research suggests that there is a ‘virtuous circle’ whereby firms with growth ambition are much more likely to access business support and management training, which is a factor in further growth:

...firms with substantive growth ambition are more likely to have invested in management and leadership training and to have invested in off-the-job training for employees. They are also more likely to have taken strategic advice about running the business, used a business mentor and participated in formal training.

Or as another report concluded:

Simply put, owners disposed to growth have greater ambition and tend to report fewer obstacles than those that are more negatively disposed to growth.

Coaching and mentoring can help business owners change their ‘innate dispositions to...resist change and growth’.

The latest evidence also suggests that SMEs are becoming less likely to access external support with the proportion doing so falling from 49% in 2010 to 44% in 2013.

2.2 Programme development and design

2.2.1 Origins of the BDP

Whilst the previous section is based on recent reports, it summarises the rationale for the BDP. The importance of SMEs to economic development, and the need to surmount the barriers of finance and management skills to unlock their potential have been a constraint on business growth for a number of years. This had driven the development of previous programmes, such as the Enterprise City High Growth Programme, Green Bridge Fund and Enterprise Catalyst.

In May 2012 a review of the Enterprise City High Growth Programme took place to see whether it should be delivered for an additional year (2012-13). At the same time, the GBSLEP Business Development Programme was approved to commence alongside the Growth Accelerator Programme (which targets high growth businesses). A consensus was reached to move straight into the new successor LEP-wide programme, thereby ending the Enterprise City High Growth Programme a year early.

The BDP was originally envisaged as two separate programmes:

- A programme of Financial Assistance based on the previous BCC project ‘Stimulating Demand’; and,
- A programme of coaching and mentoring based on the previous BCC project ‘Enterprise City High Growth’.

BCC submitted two applications to DCLG on this basis (the LEP partners were not involved in the development of the bid application) but were asked to ‘scale down’ and combine both elements into one programme, so that this would fit within the DCLG objectives and overall funding available. This ‘scaling down’ and the funding available determined the number of potential business that could be supported by the programme.

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18 BIS (2015), Business Growth Ambitions amongst SMEs – changes over time and links to growth (Interim report)
19 BIS (2015), Understanding Growth in Small Businesses
20 Ibid.
As the two elements of the BDP were brought together, BCC sought to develop the BDP to address local market failures for businesses at different stages of growth:

What we have tried to do is put together a portfolio of programmes depending on the stage or type of business. We wanted the provision we developed to fit in the clear gap in the provision.\(^2\)

The business case made in the application and interviews with the programme management team indicate that the rationale was based on:

- Research stating that SMEs will contribute the majority of new jobs; but that the economic outlook is weak and that SMEs will therefore need support to maximise growth opportunities, especially in the West Midlands which is underperforming nationally\(^2\);
- Uncertainty around national initiatives to support SMEs e.g. Business Link online transition. “No other tangible provision of public support that SMEs can access in the GBSLEP area” and a medium term ‘gap’ in provision;
- Evaluations of Enterprise City High Growth and the Stimulating Demand programme indicating a demand from businesses for this type of programme based on positive feedback and value added; and
- Surveys on the economic climate indicating a downturn in SME formation and growth.

The current business support and economic landscape seems very different now than in 2013 when the first interviews with partners in this evaluation were undertaken. UK economic growth seems much more secure, the strategic economic context for LEPs has been underpinned by the Growth Deals, Strategic Economic Plans and European Structural Fund (ESIF) Strategies, and discussions for a Combined West Midlands Authority seeks to decentralise a number of economic levers.

### 2.2.2 Development of coaching and mentoring strand

BCC had ‘identified a gap’ in coaching for businesses in the Birmingham City region six years previously (under the first round of the Enterprise City programme in 2006). Enterprise City and its successor Enterprise City High Growth sought to address this continuing market failure. The current coaching and mentoring element of the programme is a continuation of these programmes, albeit with a different funding model (requiring match funding from businesses), and a wider application (across the GBSLEP area rather than the Birmingham city region). It also has a different delivery partner after a competitive tendering process.

This tendering process took longer than expected to agree, resulting in the great200leaders element starting six months later than planned. This has had a knock-on effect on the recruitment to the programme. Originally it was planned that there would be three overlapping cohorts of 66 businesses, rather than the originally planned two cohorts of 100 businesses. The delivery partner – Winning Moves - developed a ‘brand’ for the coaching and mentoring aspect, great200leaders.

In the final year of the programme, a roll on:roll-off mentoring programme was developed which replaced the original cohort approach whereby all businesses joined the programme at the same time. In the new approach, firms could begin the great200leaders programme at any point throughout the year (as opposed to a set start date) as long as they then followed all of the sessions.

### 2.2.3 Development of the Financial Assistance strand

The Financial Assistance grant was the first of its kind developed by BCC. It is designed to fill a local gap by supporting businesses to meet growth expansion plans with match funding

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\(^2\) Programme management interviewee

\(^2\) Work Foundation,
GBSLEP Business Development Programme Evaluation: Final Report

of £10,000-£15,000. The rationale for this element of the programme as set out in the application was:

“...There are geographical variations of business survivals and significant differences among SMEs around knowledge, experience, business skills and access to the funding required. As a result businesses find it hard to justify investment because of this ‘unknown’ future; expansion plans are deferred or delayed until the SME can identify which way to turn for the support they seek to give them the ability and confidence to proceed. The current changing landscape will create medium term gaps in provision leaving SMEs unwilling to commit to investment that brings about additionality.”

BDP was developed during a period of uncertain demand-side conditions: economic restructuring; high unemployment; and credit restriction on SMEs, all of which led to a depletion of company reserves and lack of business confidence. This provided additional justification for the provision of grants rather than bank-led debt or equity finance.

The Financial Assistance grant aims to act as a catalyst to improve SME owner/manager confidence and to encourage them to grow – thereby leading to new jobs and generating GVA within the GBSLEP area.

The Financial Assistance element of the BDP also evolved over the period of the programme in the light of experience and employer demand. This included changes in the sector definition of eligible firms and what the grant could be used for.

2.3 Continuing the Business Development Programme

The BDP was the first GBSLEP cross local authorities business support programme. The core components of the BDP aimed to address two of the main barriers hampering the growth of SMEs in the Greater Birmingham and Solihull region: leadership and management skills; and the ‘equity gap’ in accessing modest amounts of finance to fund growth. The BDP is also contributing to the overarching GBSLEP ‘Strategy for Growth’ targets.

Having successfully completed the ERDF funded project, GBSLEP, BCC and its partners are planning to use the new ERDF 2014-2020 programme to fund a successor to the BDP. The lessons learned from administering and delivering the BDP have fed into a new programme application for ERDF funding.

The intention is to develop a new programme across a wider range of local authority areas. The planned programme will be a grants-only programme but the grants will be able to be spent on mentoring support.

2.4 Summary of section

- SMEs are crucial to the UK’s and to GBSLEP’s economic growth – they are innovative, generate competition and create relatively large numbers of jobs. The number of start-ups has been increasing in recent times and has helped to reduce unemployment.

- However, not all SMEs are achieving their full potential and need support to accomplish this. Those SMEs that access business support in their formative years are better equipped to tackle barriers to growth than SMEs that do not, but market failures often prevent take up of such support.

- To address this, several government led initiatives have been developed to support growth. The UK Plan for Growth sets out the Government’s aims to remove barriers to growth.

- LEPs have been tasked to play an important role in supporting businesses in a variety of ways, including encouraging networks and mentoring as well as developing

24 Interviewee
infrastructures for successful businesses. In the case of GBSLEP, they are continuing to support businesses through the BDP.

- BCC and GBSLEP are considering future partnerships across the West Midlands area as a continuation of the BDP as a relevant fit within the portfolio of provision supported by BCC.
3 Management, delivery and performance

This section presents the findings on the management and delivery structure of the programme, funding profile, and progress towards outputs. It is based on interviews with the programme team, delivery partners and coaches as well as data received from partners.

As we shall see, very few of the local authority delivery partners had much dealings with the great200leaders programme and so could pass little comment on it.

3.1 Management arrangements

3.1.1 Programme management

Overall programme management for the BDP sits with the Business Development and Innovation team at BCC. BCC is the accountable body for the BDP, run on behalf of the other members of the GBSLEP.

BCC is responsible for the management and delivery of the BDP on behalf of the LEP partners. BCC has strategic level involvement – they did not have the resource to deliver a LEP-wide programme by themselves so they secured commitment from the LEP partners and Birmingham Chamber of Commerce to deliver the programme in their respective local areas (the Chamber delivers the programme in Birmingham). According to the programme management team, this ensured that BCC leveraged their track record and experience in delivering similar programmes but also enabled the programme to have LEP branding and funding:

“We were dealing with a totally new environment with nine Local Authorities. We wanted to be inclusive across the LEPs – they are included in the Steering Group and management arrangements. We realised that it would be better for the LEPs if we ‘offloaded’ the engagement role and referrals to them so that they would engage with their local businesses.”

Despite some initial challenges, nearly all LEP partners and coaches believed that BCC’s inclusive approach has been critical to the setup of the programme. Initial challenges included:

- working out the management and contractual arrangements;
- establishing arrangements for those that did not have ERDF or European funding experience, and;
- building trust and confidence between the partners.

In this process, BCC provided support in one to one discussions, and provided information on what is to be expected and delivered.

As the BDP developed, the roles in relation to project management became more clearly understood. Throughout the evaluation partners have been very positive about the programme management arrangements and the role of BCC. All of the interviewees thought BCC had been ‘approachable’ and provided ‘good communication’. Partners became much better informed to complete participant monitoring data returns, and set up their internal systems.

This enabled BCC and the steering group to have more up-to-date information available to measure progression towards BDP targets.

3.1.2 Steering group

The Steering Group for the BDP programme is made up of representatives from BCC, all GBSLEP Local Authority delivery partners and the Chamber of Commerce, Winning Moves.
and Clarke Associates. The group is chaired by a member of the management team from BCC. All steering group meetings have been well attended. The purpose of the meetings is for partners to catch up on the progress being made by the other delivery partners and to agree ways to address any issues and challenges which have occurred to date. Partners have benefitted from being able to share good practice and learn from the experience of others. One partner explained that the steering group has been “very good right through the process. A big plus point is the way that the partnership has evolved and is functioning. It has fostered better partnership working between the districts”.

The BDP, as the first cross-LEP programme was seen as ‘breaking the ice’ for collaborative working paving the way for other initiatives such as Green Bridge.

3.1.3 Delivery partners

BCC has formal contractual agreements with the GBSLEP partners, Birmingham Chamber of Commerce, and Winning Moves to deliver elements of the programme. Each of these delivery partners is responsible for promotion and recruitment to the BDP scheme. BCC also contracted Clarke Associates (a Public Relations company) to conduct locally tailored marketing and promotional activities. Figure 3.1 summarises the relationship between the partners and associates.

Figure 3.1 Programme delivery team

Source: ICF GHK research

Throughout the evaluation partners have indicated that the structure of the partnership (i.e. with BCC providing overall management, and the LEPs / Chamber providing delivery) has been very successful and is an arrangement that they would wish to see continuing in the future, not least because of the reduced administrative / monitoring burden on the partners (e.g. with ERDF funding given their lack of experience):

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26 Project managers from Winning Moves and Clarke Associates
“The BDP brought business support partners together and BCC brought this and their expertise to the table and built it from the bottom up so we feel part of a team, whereas other schemes feel that it is down to us and you find out at the last minute and we are supposed to go out there and promote it. BCC did not have to share this but they did and it has been a real strength of the BDP and a blueprint for future programmes, as you need a genuine partnership of the willing”.

Most partners also stated that as a result of the programme, partners are now working better together although it is recognised by most that this has been a ‘steep learning curve’ and that partners rarely have contact with each other outside of Steering Group meetings. However, the relationships developed stand them in good stead for future opportunities for collaboration. This positive development has led to BCC being recognised in the Federation of Small Business Awards for ‘Collaborative Working’.

The only aspect which could have been further developed was a better working relationship with the great200leaders delivery partners and coaches in order to cross-refer businesses from the grants to the great200leaders programme. There seemed to be a lot of confusion about relationships and responsibilities between FAS and great200leaders, and between the local authority delivery partners and Winning Moves.

In addition to creating better partnership working relations across the LEP area, delivery partners also felt that it helped create better working relationships with employers within their areas. Until BDP came along, the smaller local authorities had very little to offer their local businesses. BDP enabled them to build up better relationships with local employers because it gave them a ‘foot in the door’ a reason to contact with something to offer.

Regarding developments to the programme, various recommendations were made to increase the fit between the FAS and the needs of businesses. These included:

- Broadening the definition of eligibility to include:
  - Business to customer/retail businesses (business to customer companies are ineligible for the BDP);
  - More sectors, for example, social enterprises, tourism, retail and service industry businesses;
- Applications for smaller amounts of funding for businesses with less ambitious plans or for start-ups;
- Greater flexibility on what the grant can be used for (e.g. skills development).

Some of these suggestions were taken on board, for example, the expanding sector definitions to include professional services.

Many of the comments concerning the eligibility criteria reflect the different nature of businesses in different local authority areas. The sector, size, economic performance and the state of the buildings all had an impact on demand for the FAS. For example, in some areas businesses had weathered the recession quite well and were now looking to expand. In some areas the physical conditions of buildings was poorer which increased demand from businesses wanting to do up their premises.

3.1.4 Coaches (great200leaders)

Coaches were recruited by Winning Moves to deliver one to one coaching and to oversee the action learning sets. Winning Moves developed a coach specification and this was advertised to their associates (including WMMAS28 and Pera). Coaches are managed by Winning Moves and a ‘lead coach’. Coaches are assigned to a business on the basis of geography, their specialism, or if they have an established relationship with them. Coaches help SME leaders identify and prioritise what they need to do to against their weaknesses, using tools such as DISC.

28 After the start of the programme, Winning Moves were bought by WMMAS so the two companies are now effectively one. They shall be referred to as separate entities for the purpose of this evaluation.
Some delivery partners said that they would have liked to have developed a working relationship with the coaches in order to better understand their specialisms and to refer businesses for the great200leaders programme.

Since the beginning of the programme various changes have taken place in the pool of coaches and mentors available to businesses on the great200leaders scheme. These changes, according to BCC, have resulted in a more suitable group of coaches and mentors with a range of expertise to meet the needs of local businesses.

The amount of time coaches have committed to working on great200leaders-related activities has not changed (approximately three days a week). Some of the coaches also work on complementary programmes such as the Growth Accelerator programme. Coaches did however mention that they are now spending more time on recruiting businesses to the programme to address low levels of recruitment.

3.2 Branding, marketing and awareness raising

General marketing and PR activity for the BDP programme was the responsibility of Clarke Associates who were contracted by BCC in March 2013. Clarke Associates began marketing activities for the Financial Assistance scheme in April 2013 and great200leaders in May 2013. The majority of activity has been through traditional media (locally tailored press releases for publication in newspapers), broadcast opportunities, social media activities (Twitter, Facebook and LinkedIn), ‘surgeries’ to answer businesses questions and promotional case studies.

Clarke Associates has been set targets by BCC in terms of the number of articles in certain publications they are expected to achieve. Partners indicated that they thought Clarke Associates’ activities had complemented their own PR activities but that they had been brought in to promote the programme rather late and that there was less locally-tailored promotion than had been expected. Coaches suggested that the marketing budget should have been larger.

An important benefit of using a specialist marketing company was that it built the capacity of many partners in the use and benefits of social media. BCC and Clarke Associates attended a social media training session and this has successfully fed into the marketing activity. All resources were put into a format that could be promoted through social media. This experience has provided valuable capacity building for the partners in using this new and developing medium for promotional activities across a number of their activities.

Each of the local authority partners has also contributed to raising awareness and promoting the BDP in their local area in more traditional ways through networking, telephone and face-to-face contact.

Some partners have well established links to their local business communities, whereas others less so. But as we have mentioned, BDP gave local authority partners in particular something positive they could use to contact businesses with and this has helped them greatly in their relationship with local businesses and gave them something to offer to inward investors as well. One delivery partner mentioned that, towards the end, they were concerned that some landlords were encouraging tenants to bid for the BDP in order to develop their premises but this appears not to have been widespread.

By the end of the programme, the FAS was ‘selling itself’ largely through word of mouth and had to be closed six months early.

Partners did not feel engaged with the promotion and marketing of the great200leaders programme. One respondent said: ‘We did not really know what to do with it’. The feeling amongst some coaches was that local authority partners were experienced in delivering business financial support but not something less tangible.

Whether it was the lack of engagement with delivery partners or the belief that the mentoring and coaching programme was not appropriate for many smaller businesses is a moot point. Whatever the reason there could have been a better relationship with local delivery partners.
For example, one delivery partner would have liked to know which of their local businesses had signed up to the programme so they could follow-up with them and see if they wanted any further support. But they found it difficult to get this information. Coaches also felt that one way of boosting marketing would have been for local partners to send out marketing information on the BDP with other communications to businesses (e.g. about their local council rates etc). So it seems like there was a communication problem over supporting the roles of each partner.

Most recruits to great200leaders were businesses which the coaches and mentors already had links with. Some had received support from previous schemes. As one coach described it there were: “...regular customers that know how to tap into provision”. This would lend credence to the research findings reported in Section 2.1.2 where the causal link is growth businesses accessing business support rather than business support impacting on growth.

An initial concern was confusion over how the two strands of the BDP were branded and promoted. Some felt that the BDP should have been one programme with two complementary strands, whereas others felt there was little crossover and each strand should be promoted separately. As it transpired, the FAS and great200leaders were two distinct schemes with little cross-over between the two as far as businesses were concerned.

What has emerged is the need to develop a ‘portfolio’ of support so if a business is not eligible for one programme there is another one which will suit them. With this in mind some partners felt that there was a gap at the lower end of the market for sub £10k loans. In fact one delivery partner used the staffing costs they received for delivering the BDP to fund a smaller loan programme for micro businesses to fill the gap.

BCC said that promotion and marketing of the programme from the outset was constrained by the budget available. While it was recognised that marketing could have been improved, various activities have taken place in the past 18 months to boost take-up of the great200leaders scheme in particular. This includes introducing a £1,000 bursary to reduce the price for businesses. In addition, Winning Moves has employed a telemarketer.

The interviews with coaches and partners indicated a wide range of awareness raising and marketing of the programme is undertaken. Examples of awareness raising activity for both schemes of the programme included:

- Promotional videos and case studies of businesses for the website as well as e-newsletters (provided by Clarke Associates);
- Events organised by the partners including Chamber of Commerce events, business networking events, access to finance events and business surgeries.
- Partners’ marketing including the BDP as part of a portfolio of support for businesses which is promoted through productions such as mail shots, monthly magazines/newsletters and their own website.
- Proactive awareness raising through ‘door to door knocking’ with businesses or through targeting business owners using business rates information.
- Use of social media (e.g. LinkedIn). The benefits of this have been mixed. For example one partner felt that social media acts as part of the "drip feed creating general awareness", while another partner stated that using social media was not very targeted and attracted a large number of businesses that were not eligible.
- Some partners mentioned that the Financial Assistance Scheme often worked as an initial hook to engage businesses and that the great200leaders scheme the programme would ‘piggy back’ onto this, but with varying success.

Marketing was still an area which coaches and other partners stated could be improved upon, and was mentioned by every interviewee – this was more the case with great200leaders but was still an issue for some with the Financial Assistance Scheme. In
order to increase participation in the great200leaders programme all of the coaches have been dedicating time to support marketing activities.

3.3 Recruitment and selection process

3.3.1 Financial Assistance Scheme

The Financial Assistance scheme provides grants to eligible businesses of between £10,000 and £15,000 against minimum project costs of £22,989. The grant award is available for 43.5 per cent of eligible project costs, subject to satisfying criteria and approval. Table 3.1 below outlines the eligibility criteria that potential grant recipients must demonstrate.

<table>
<thead>
<tr>
<th>Table 3.1 Financial Assistance Scheme eligibility criteria</th>
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<tbody>
<tr>
<td><strong>Profitable</strong></td>
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<tr>
<td>Be profit seeking and have been trading for more than 6 months</td>
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<tr>
<td><strong>SME</strong></td>
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<tr>
<td>Have between 1-249 employees</td>
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<tr>
<td>Have an annual turnover less than £42 million</td>
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<tr>
<td>Have a balance sheet less than £36 million</td>
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<tr>
<td>Is less than 25% owned by a larger company or combination of larger companies</td>
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<tr>
<td><strong>Eligible SIC and activity area</strong></td>
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<tr>
<td>The business must be in an eligible SIC code and activity area – it originally excluded, among others, retail and professional services. However, professional service businesses were made eligible later on.</td>
</tr>
<tr>
<td><strong>Pay business rates to one of the LEP partners</strong></td>
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<tr>
<td>The business’s premises must, or will be going to, pay its business rates to one of the local authorities within the GBSLEP area, i.e. Birmingham, Cannock, East Staffordshire, Lichfield, North Worcester (Bromsgrove, Redditch, Wyre Forest), Solihull or Tamworth.</td>
</tr>
<tr>
<td><strong>Limited State Aid</strong></td>
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<tr>
<td>The business should not have received more than £200,000 of State Aid assistance in the last 36 months.</td>
</tr>
<tr>
<td><strong>Business Expansion projects</strong></td>
</tr>
<tr>
<td>Financial Assistance applications must be for business expansion projects costing a minimum of £22,989</td>
</tr>
<tr>
<td><strong>Creating/Safeguarding at least one FTE post</strong></td>
</tr>
<tr>
<td>The Financial Assistance Scheme should create/safeguarding at least one FTE post.</td>
</tr>
<tr>
<td><strong>Business Plan</strong></td>
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<tr>
<td>The business must have a current business plan if less than 2 years old.</td>
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Generally, the majority of recruitment has been generated from leads developed at generic business support awareness raising events. Some partners expressed some caution in that, as non-specific events, some potential recruits may not fit the eligibility criteria.

As the FAS developed, BCC introduced ‘funding rounds’, whereby funding is provided to a group of businesses each month rather than the original open rolling programme. They found this to be particularly effective as it introduced an element of competition:

“…this triggered businesses to think about putting a bid in as it gave them a deadline”.

Throughout the programme, in order to increase the likelihood of businesses being offered the grant and to make the application process more efficient, partners provide assistance to businesses to complete the form. This has significantly reduced the number of ineligible businesses to virtually zero. This assistance has included: sitting down and completing the form alongside the business; inviting businesses into the office to go through the application form with them; offering the assistance of a business advisor to help complete the form, and; to checking the form including project costs, eligibility and financials of the business. One partner commented:
“We have to do a bit of going backwards and forwards (about 4 phone calls and 4 emails before it is acceptable). But this means that virtually all of the applications are accepted”.

Partners attend financial assistance panels on a rota basis and all partners are informed of panel decisions via email on the applications presented at panel. The whole application process from start to finish should take an average of 4 to 6 weeks, although delivery partners said that it was generally quicker than this.

Businesses awarded Financial Assistance are expected to spend the grant within three months.

Several changes to the forms have taken place over the period of the programme (due to changing ERDF / DCLG requirements) and this did cause some problems. Two partners needed to take on an external consultant to help to sift applications and support businesses to complete the application.

The main criticism surrounded eligibility criteria with partners wishing to see:

- Size of grant too large. Businesses must match minimum grant costs of £10,000. Some small and micro enterprises are not able to provide this initial upfront cost which has excluded them from applying;
- Not for capital expenditure. Some businesses were keen to invest in capital (physical assets) to support business growth but these costs are also ineligible under the programme conditions.

In the new programme currently being developed, the maximum grant available has been increased by £5,000 to £30,000 and capital expenditure can be included.

3.3.2 great200leaders scheme

To be eligible for great200leaders, businesses must demonstrate the following:

**Table 3.2 great200Leaders eligibility criteria**

<table>
<thead>
<tr>
<th>Profitable</th>
<th>The same as for the Financial Assistance Scheme</th>
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<tbody>
<tr>
<td>SME</td>
<td></td>
</tr>
<tr>
<td>Eligible SIC and activity area</td>
<td></td>
</tr>
<tr>
<td>Pay business rates to one of the LEP partners</td>
<td></td>
</tr>
<tr>
<td>Limited State Aid</td>
<td></td>
</tr>
<tr>
<td>Potential to increase turnover and/or increase staff base</td>
<td>The business must have the potential to increase turnover by a minimum of 15% per annum and/or increase employees by at least 5 FTEs in the next 3 years.</td>
</tr>
<tr>
<td>Attend monthly workshops</td>
<td>The business must be able to commit to attending monthly workshops for at least 12 months.</td>
</tr>
<tr>
<td>Make a financial contribution</td>
<td>The overall cost of the coaching and mentoring programme is £6,000. The participating business contributes £2,000, while ERDF contributions are £4,000.</td>
</tr>
</tbody>
</table>

Winning Moves and their team of coaches have responsibility for recruiting businesses on to the great200leaders scheme. The original targets were as follows:

**Winning Moves:**

- 17 Growth Accelerator Clients (from a database of 120 clients);
- 1 BCC/Financial Service referrals;
- 2 Other partner/press activity .

Manufacturing Advice Services (MAS)
■ 10 MAS clients (from a database of 220 clients);
■ 10 clients within Coach’s networks.

Pera\textsuperscript{29}
■ 10 Growth Accelerator Clients (database of 50 clients);
■ 10 clients within Coach’s networks.

The methods for recruitment to the programme were widened in July 2013 to include the members of the GBSLEP. This was in order to boost recruitment because coaches were not able to provide the number of referrals expected. But as we have seen this is felt to have had little effect outside Birmingham.

This lack of referrals was partly due to businesses in the local area being unable to meet the eligibility criteria. Other challenges were linked to out of date contact databases (e.g. using Business Link contacts) and the need to generate interest amongst businesses who had not engaged with this sort of support before.

Coaches suggested that difficulties with recruitment were due to the cost to businesses, and SME leaders’ reluctance to participate in training because it is not seen as something for them:

“many SME leaders are not professionally trained. The concept of training is alien to some leaders because they either see it for other people or something that costs business rather than a benefit.” (Coach, Great200Leaders)

Initial confusion over the relationship between great200leaders and the FAS (see above) and staggered starts to promoting the two elements also contributed to low take-up rates during the first year of great200leaders.

Local partners felt that the level of contribution was too great for businesses as coaching and mentoring was less of an immediate need to the business unlike moving or updating premises which the FAS was mainly used for.

Recruitment activities undertaken by Winning Moves include:

■ A launch event (held in May 2013). 67 individuals attended with 43 businesses represented. 27 companies were recruited to the great200leaders strand of the programme at this event. Coaches stated this was a successful event with excellent speakers, but that it should have been launched at the same time as the Financial Assistance.

■ Taster events - businesses were offered free taster sessions of the great200leaders programme. Initially, six taster events occurred in April, May, June and July 2013.

■ Cross-referral from GrowthAccelerator clients also provided some of the sign-ups to the great200leaders programme, as the two programmes are considered complementary to each other\textsuperscript{30}.

Recruitment on the great200leaders strand continued to be a challenge throughout the programme. The move from having a set deadline for recruitment to an open ‘rolling’ deadline did improve take-up and the programme did meet its overall employer recruitment target. Some felt that there were other similar schemes available which were cheaper, for example, Growth Accelerator. This belief has fed into the BDP successor programme. It was felt that there were a number of coaching and mentoring schemes available to businesses, and if they want to use the FAS to fund this it will be their choice.

\textsuperscript{29} Pera’s involvement was discontinued in the first cohort due to lack of numbers and one coach leaving.

\textsuperscript{30} This is an important point to note for future evaluations of the BDP where GVA will be calculated. Businesses on both programmes will need to make clear the specific impact (e.g. number of jobs created) of the great200leaders programme as distinct outputs separate from the GrowthAccelerator programme. This is so that the effect of either programme is not double-counted. It is possible that the combined effect of both programmes is of greater value than the value of taking part only in great200leaders – however, this calculation is outside the scope of the evaluation.
The introduction of a bursary to lower the cost of the programme to £1,000 for 50 businesses (funded by Winning Moves) was also successful in encouraging businesses to sign up for the programme (particularly those in the manufacturing sector which were considered to be more price-sensitive and require fewer networking activities than other businesses).

While the great200leaders scheme is intended to be ‘flexible’ (in the sense that businesses can pick and choose which elements of the support they wish to take up), all of the partners mentioned a perceived lack of time to participate in the programme as a barrier to increased participation. One coach suggested that workshops could be reduced to half a day to enable business leaders to attend.

### 3.4 Funding profile and expenditure

#### 3.4.1 Total programme funding

The programme is 49% funded by the ERDF, 45% by the private sector (including Birmingham Chamber of Commerce) and the remainder by the GBSLEP partners (see Table 3.3).

**Table 3.3 Total BDP Funding profile and expenditure**

<table>
<thead>
<tr>
<th>Source of funding</th>
<th>Programme profile at start</th>
<th>Profiled expenditure from Jan 14</th>
<th>Total expenditure to Jun 15</th>
<th>Percentage of programme start profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham City Council</td>
<td>£334,034</td>
<td>£278,555</td>
<td>£229,516</td>
<td>69%</td>
</tr>
<tr>
<td>Other public sector, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cannock Chase District Council</td>
<td>£112,875</td>
<td>£112,875</td>
<td>£80,452</td>
<td>71%</td>
</tr>
<tr>
<td>Tamworth Borough Council</td>
<td>£15,750</td>
<td>£15,750</td>
<td>£18,199</td>
<td>58%</td>
</tr>
<tr>
<td>Lichfield District Council</td>
<td>£15,750</td>
<td>£15,750</td>
<td></td>
<td>in Lichfield</td>
</tr>
<tr>
<td>Solihull Metropolitan Borough Council</td>
<td>£26,250</td>
<td>£26,250</td>
<td>£22,205</td>
<td>85%</td>
</tr>
<tr>
<td>East Staffordshire Borough Council</td>
<td>£15,750</td>
<td>£15,750</td>
<td>£16,640</td>
<td>106%</td>
</tr>
<tr>
<td>North Worcestershire (for Bromsgrove, Redditch and Wyre Forest District Councils)</td>
<td>£23,625</td>
<td>£23,625</td>
<td>£6,123</td>
<td>26%</td>
</tr>
<tr>
<td>Private Sector, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birmingham Chamber of Commerce</td>
<td>£3,742,750</td>
<td>£3,730,441</td>
<td>£3,749,777</td>
<td>101%</td>
</tr>
<tr>
<td>SMEs</td>
<td>£3,695,500</td>
<td>£3,683,191</td>
<td>£3,661,287</td>
<td>99%</td>
</tr>
<tr>
<td>European Funding (ERDF)</td>
<td>£3,848,658</td>
<td>£3,916,446</td>
<td>£3,806744</td>
<td>99%</td>
</tr>
<tr>
<td>Total project expenditure</td>
<td>£8,038,317</td>
<td>£8,038,317</td>
<td>£7,863,736</td>
<td>98%</td>
</tr>
</tbody>
</table>

*Source: Birmingham City Council, July 2015*

By June 2015, nearly 96% of the expected (profiled) expenditure had been spent. The total public sector expenditure equates to approximately two thirds of the programme’s profile at the start of the programme. Only Birmingham Chamber of Commerce exceeded the profiled expenditure for 2014. This is due to re-profiling where low take-up of partner funding has been reallocated to Birmingham Chamber of Commerce to support them to achieve additional outputs (as they have been overachieving targets).

The other partners (local authorities) had spent the least - only 71% of their combined expected expenditure to the end of June 2015.
Additional finance was available from DCLG because of the success of the BDP. BCC put a bid of £1.5m together but this did go through as the extension was shelved due to the General Election.

3.4.2 Financial assistance expenditure profile and achievement

The forecast expenditure profile and the actual expenditure to July 2015 for this strand of the BDP is set out in Table 3.4.

Nearly all partners agreed that the funding provided is adequate to meet the objectives of the programme – though one interviewee stated that more resources would enable them to do more marketing and on the ground recruitment activities. All partners provide in-kind support to assist businesses in completing their applications.

As we have mentioned several delivery partners used the funding they received for their staff time in delivering the programme to generate additional grant schemes for smaller businesses.

Table 3.4 Financial Assistance expenditure profile and achievement

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profiled expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERDF</td>
<td>£787,500</td>
<td>£1,439,499</td>
<td>£745,582</td>
</tr>
<tr>
<td>SME</td>
<td>£962,500</td>
<td>£1,869,693</td>
<td>£1,030,832</td>
</tr>
<tr>
<td>Total ERDF &amp; Match</td>
<td>£1,750,000</td>
<td>£3,309,192</td>
<td>£1,776,414</td>
</tr>
<tr>
<td>Actual expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ERDF £456,577)</td>
<td>(ERDF £1,316,811)</td>
<td>(ERDF £735,591)</td>
<td></td>
</tr>
<tr>
<td>(SME £595,189)</td>
<td>(SME £1,699,424)</td>
<td>(SME £958,660)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>£1,051,766</td>
<td>£3,016,235</td>
<td>£1,694,251</td>
</tr>
<tr>
<td>Percentage of profile</td>
<td>60%</td>
<td>91%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: Birmingham City Council, July 2015

3.4.3 great200leaders expenditure profile and achievement

Just under one third (30%) of the programme budget is allocated to the great200leaders scheme. The current profiled expenditure for 2013-14, and actual expenditure for 2015 is set out in Table 3.5 below. Overall, the entire programme target for expenditure for the great200leaders has been met.

Table 3.5 Great200leaders expenditure profile and achievement

<table>
<thead>
<tr>
<th></th>
<th>Profiled expenditure 2013</th>
<th>Profiled expenditure 2014</th>
<th>Actual expenditure 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF</td>
<td>£266,667</td>
<td>£452,083</td>
<td>£207,964</td>
</tr>
<tr>
<td>SME</td>
<td>£133,333</td>
<td>£226,041</td>
<td>£107,133</td>
</tr>
<tr>
<td>Total ERDF &amp; Match</td>
<td>£400,000</td>
<td>£678,125</td>
<td>£315,097</td>
</tr>
<tr>
<td>Actual expenditure</td>
<td>£301,875</td>
<td>£583,031</td>
<td>£315,097</td>
</tr>
<tr>
<td>Percentage of profile</td>
<td>75%</td>
<td>86%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Birmingham City Council, July 2015
3.5 Programme targets and outputs to date

The programme targets are based on prior experience of BCC delivering coaching and mentoring in the Birmingham City region (through the Enterprise City High Growth programme), and the scale of commitment from the LEP partners to provide referrals for the Financial Assistance Scheme.

Programme outputs for the BDP are to:

- Create 432 new jobs through the successful implementation of SME expansion plans:
  - Provide 232 SMEs with Financial Assistance:
    - leading to £3.162m of private sector investment as part of the £5.75m of investment in business expansion which;
    - leads to the creation of 232 new jobs by December 2015.
  - Enable 200 SMEs to grow their business through the provision of up to 100 hours of tailored coaching and mentoring:
    - leading to the creation of another 200 new jobs by December 2015; and,
    - £5.5m of additional GVA when taking into account the long term impacts of the support;
    - leading to the creation of £15m additional GVA benefit in the region at an average of £35k per job by 2015;

- Safeguard 432 existing jobs through the successful implementation of SME consolidation and growth plans.

Private sector leverage is also reported, although no target figure has been set for this. The achievements towards these objectives will also contribute to GBSLEP’s overarching targets.

Contribution to GVA is assessed in the next section.

Delivery partner outputs were calculated on a pro rata basis, but this caused a problem as some delivery partners had little experience of delivering such a scheme. Also the calculation did not take into account the different sector and size structures of businesses in each local authority area which can impact on FAS and great200leaders take-up.
| Main Project outputs | Financial Assistance Scheme |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|----------------------|-----------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Businesses supported to improve their performance | 232 | 232 | 184 | 79% | 200 | 200 | 200 | 100% | 432 | 384 | 89% |
| New jobs created | 232 | 232 | 422 | 182% | 200 | 200 | 137 | 69% | 432 | 545 | 126% |
| Existing jobs safeguarded | 232 | 232 | 41 | 18% | 200 | 200 | 54 | 27% | 432 | 145 | 34% |
| Value of grants approved | £2,526,826 | £2,526,826 | £2,676,352 | 105% | - | - | - | - | £2,526,826 | £2,676,352 | 105% |
| Private sector leverage achieved | - | - | £641,068 | - | - | - | - | - | - | £641,068 | - |

*Source: Birmingham City Council, July 2015*

* Data on the number of new jobs created and existing jobs safeguarded will continue to be collected until December 2015 so these numbers are likely to increase.*
3.5.2 Financial Assistance Scheme

Table 3.1 shows that almost twice the number of target new jobs had been created (422 new jobs compared with a target of 232). The number of jobs safeguarded was below target (422 jobs safeguarded compared with a target of 41) but this was believed to be due to the fact that businesses were creating rather than safeguarding jobs.

The target for number of businesses supported was also below target (184 compared to a target of 232 but this was because the average grant is £2,000 more than predicted it is not possible to meet the original numerical target number of grants awarded. However, the award of grants by value (£) is ahead of schedule.

Table 3.2 shows the profiled targeted recruitment of businesses for the Financial Assistance Scheme for each Local Authority area and the progress towards achieving the total programme target.

Table 3.2 Financial assistance – target and achievement

<table>
<thead>
<tr>
<th>Programme</th>
<th>Target</th>
<th>Actuals to July 2015</th>
<th>Percentage achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham Chamber of Commerce</td>
<td>80</td>
<td>104</td>
<td>126%</td>
</tr>
<tr>
<td>Cannock</td>
<td>40</td>
<td>17</td>
<td>43%</td>
</tr>
<tr>
<td>East Staffs</td>
<td>20</td>
<td>16</td>
<td>80%</td>
</tr>
<tr>
<td>Lichfield/Tamworth</td>
<td>40</td>
<td>19</td>
<td>45%</td>
</tr>
<tr>
<td>Lichfield</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tamworth</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Worcestershire</td>
<td>40</td>
<td>17</td>
<td>35%</td>
</tr>
<tr>
<td>Solihull</td>
<td>30</td>
<td>19</td>
<td>63%</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>185</td>
<td>74%</td>
</tr>
</tbody>
</table>

Source: Birmingham City Council, July 2015

3.5.3 great200leaders

Achievement of targets for great200leaders were more challenging for all of the partners. Table 3.1 shows that the target number of businesses (200) were supported, jobs created and safeguarded were both lower than their respective targets.

Interviewees suggested the following reasons for a lower uptake than initially anticipated:

- It involved a financial cost to businesses and so was inherently more difficult to promote.
- It can be difficult for businesses to recognise the benefits of external business support. One interviewee stated that “a grant [Financial Assistance Scheme] is tangible but the mentoring is not and businesses cannot see what they get for their £2k”. This point was also made during a number of the business case study interviews.
- The time invested by businesses is sometimes prohibitive; one interviewee explained “giving up a day to attend the workshops can be a lot and people tend to bail out”.
- Some businesses have not been eligible for the programme despite loosening the criteria, suggesting that partners still need support in pre-application advice to businesses.
- A small number of partner and coach interviews suggested that cost may have been a prohibitive factor. The bursary to reduce the cost had helped more recently.
The later than planned start meant that marketing and promotion of the programme was delayed which may have been a contributing factor to the slow recruitment.

The location of great200leaders events was thought to be a barrier for some businesses engaging with the programme, with one partner stating that it has been difficult to recruit for great200leaders because ‘it is delivered in Birmingham and Birmingham is seen [by some businesses] as a long way from Cannock’.

The coach interviews indicated that some elements are more popular than others. For example, the Action Learning Sets were not initially thought by businesses, to add value. However, once engaged, businesses come to see the added value these provide. This point was also reiterated in the business case study interviews.

The workshops could have been more flexible. For example, there was one devoted to pensions and one business commented: “I would leave that to my accountant to sort out”. The workshops could have been focused on key issues which businesses were identifying with their coaches.

For partners, the knowledge of the outcomes of businesses who have been on the great200leaders scheme was also limited and it is only through the Winning Moves case studies that partners have heard how useful the programme has been.

Follow up of businesses was mixed in the partner interviews. Half of the partners do not have any other contact with businesses, while half of the partners have an ongoing relationship with businesses and liked to keep them informed or signpost them to other programmes if they are relevant, such as Green Bridge for example.

Despite these perceived barriers and ‘costs’ to companies (compared to the Financial Assistance Scheme), great200leaders is on schedule to meet its target of 210 businesses.

### Table 3.3 great200leaders – target and achievement

<table>
<thead>
<tr>
<th>Programme Target</th>
<th>Achievement (July 2015)</th>
<th>% achievement (July 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham Chamber of Commerce</td>
<td>50</td>
<td>111</td>
</tr>
</tbody>
</table>
| Cannock | 40 | 7 | 18%
| East Staffs | 20 | 12 | 60%
| Lichfield & Tamworth | 40 | 25 | 63%
| **Lichfield** | | 13 |
| **Tamworth** | | 12 |
| North Worcestershire | 40 | 24 | 60%
| Solihull | 20 | 21 | 105%
| **TOTAL** | **210** | **200** | **95%** |

Source: Birmingham City Council, July 2015

Internal (i.e. unassessed by ERDF) monitoring targets were also set for great200leaders. Table 3.4 shows that a higher than forecast proportions are: Asian or Asian British – Pakistani; and, female / women led. Achievement by age, gender and ethnicity against the target business profile is as follows:

---

31 It is unclear why the information provided by BCC suggests this target is 210 rather than 200
### Table 3.4  Participant characteristics (great200leaders)

<table>
<thead>
<tr>
<th></th>
<th>Target No.</th>
<th>No. achieved (June 2015)</th>
<th>Target %</th>
<th>% Achievement to date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total participants</strong></td>
<td>200</td>
<td>200</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>160</td>
<td>177</td>
<td>80%</td>
<td>77%</td>
</tr>
<tr>
<td>Mixed - White and Black Caribbean</td>
<td>4</td>
<td>-</td>
<td>2%</td>
<td>-</td>
</tr>
<tr>
<td>Mixed - White and Black African</td>
<td>4</td>
<td>-</td>
<td>2%</td>
<td>-</td>
</tr>
<tr>
<td>Mixed - White and Asian</td>
<td>2</td>
<td>-</td>
<td>1%</td>
<td>-</td>
</tr>
<tr>
<td>Black or Black British Caribbean</td>
<td>9</td>
<td>-</td>
<td>5%</td>
<td>-</td>
</tr>
<tr>
<td>Black or Black British African</td>
<td>8</td>
<td>-</td>
<td>4%</td>
<td>-</td>
</tr>
<tr>
<td>Asian or Asian British – Indian</td>
<td>8</td>
<td>6</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Asian or Asian British - Pakistani</td>
<td>4</td>
<td>7</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Chinese or other ethnic group</td>
<td>1</td>
<td>1</td>
<td>1%</td>
<td>-</td>
</tr>
<tr>
<td>Not disclosed</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>170</td>
<td>155</td>
<td>85%</td>
<td>78%</td>
</tr>
<tr>
<td>Female</td>
<td>30</td>
<td>45</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Age Group (Winning Moves data for Cohort 1 December 2013)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-24</td>
<td>2</td>
<td>3</td>
<td>1%</td>
<td>0.5%</td>
</tr>
<tr>
<td>25-34</td>
<td>40</td>
<td>111</td>
<td>20%</td>
<td>DNA</td>
</tr>
<tr>
<td>35-44</td>
<td>64</td>
<td>40</td>
<td>32%</td>
<td>DNA</td>
</tr>
<tr>
<td>45-54</td>
<td>58</td>
<td>3</td>
<td>29%</td>
<td>DNA</td>
</tr>
<tr>
<td>55-64</td>
<td>32</td>
<td>3</td>
<td>16%</td>
<td>DNA</td>
</tr>
<tr>
<td>65+</td>
<td>4</td>
<td>10</td>
<td>2%</td>
<td>DNA</td>
</tr>
<tr>
<td>Unknown / Not disclosed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Birmingham City Council, July 2015*

Participants were drawn from a range of sectors, most frequently from the manufacturing sector.

### 3.6 Summary of section

- Programme management by BCC is viewed positively by delivery partners who state this arrangement is one that they would wish to see continuing in the future.
- Most partners recognise that delivering the BDP has been a steep learning curve but a positive experience for all, particularly in the light of future potential programmes.
- Some recommendations from the partners about future programmes include greater flexibility in the eligibility requirements, and more effective marketing and promotion.

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32 Data not available – it is not possible to extrapolate achievement according to monitoring targets by age group as Winning Moves collected incompatible age group data across both years of cohorts.
While budgets have been constrained for marketing activities (and it is acknowledged that this could be improved), a wide range of marketing activities has taken place in the final year of the programme. Recruitment to the great200leaders programme has been a particular concern.

As a result of slow recruitment and missed targets in 2013, some changes to the programme took place. This included: the creation of a bursary scheme for great200leaders, and; a ‘rolling programme’ for great200leaders. The flexibility for great200leaders has contributed to increased take-up.

The process for FAS was changed to ‘funding rounds’ creating a more flexible and regular process.

A main area of confusion was the coherence of the BDP, as there was little overlap between the two strands. Whether this was due to the delivery model, marketing approach, types of business the two strands appealed to, costs of support, and/or geography of delivery is not clear.

This confusion led to communication problems between the delivery partners over who was involved in the promotion of great200leaders. Local authority delivery partners and Birmingham Chamber of Commerce had little involvement in great200leaders.

As far as the FAS is concerned, delivery partners thought that the eligibility criteria needed to be changed. The biggest concern was the exclusion of businesses who had a small element of B2C sales. Even though this represented a small percentage of their turnover they were still excluded from applying for the FAS.
4 Year One and Two economic impacts

4.1 Introduction

The economic impacts generated through the BDP have been measured using a methodology consistent with the guidance issued by HM Treasury (the Green Book\textsuperscript{33}), and guidance produced by the Department for Business, Innovation and Skills (BIS), specifically in relation to measuring the impacts of the former RDAs\textsuperscript{34}. Specific methodological points are included within the following sections on gross and net additional economic impacts. Figure 1.1 provides a summary illustration of the process of calculating net additional impacts. The impacts below are calculated based on analysis of the 66 survey responses that were received, scaled up to be representative of the 432 business beneficiaries over the course of the programme.

The economic impacts have been calculated as a whole for BDP, as well as for the individual programme strands. The Value for Money is also calculated using the full costs and benefits of the BDP are accounted for.

Figure 4.1 Calculating net additional economic impacts

4.2 Gross economic impacts

Data on gross economic impacts were obtained for two measures:


\textsuperscript{34} BIS (2009) RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework
The number of jobs created and safeguarded within businesses that participated in the BDP was collected by the BCC programme team in order to meet output reporting requirements. Businesses were only permitted to report employment outputs that could be directly attributed to the programme. Data on part-time and full-time jobs was collected and then converted into full-time equivalent (FTE). Job outputs are as at November 2014.\(^{35}\)

Data on the value of Gross Value Added (GVA) created/safeguarded have been derived from company turnover data, based on the application of a GVA-to-turnover ratio\(^{36}\) derived from the Annual Business Survey 2013\(^{37}\). Businesses were asked to report their turnover before they received support and at the time of the business survey (November 2014\(^{38}\)), and were also asked to estimate what their turnover would have currently been had they not received support. The results can thus be attributed to the programme, and exclude the effects of wider economic conditions (positive or negative).

Table 4.1 summarises the gross economic impacts achieved by the BDP. The results indicate the creation of 962 additional full time equivalent jobs, while safeguarding a further 1,689. A total of £47.8m GVA has been created. The FAS had the larger gross impact of the two strands across all three impact metrics. These figures are gross and do not take into account losses due to deadweight, leakage and displacement.

### Table 4.1 Gross employment and GVA impacts of the BDP\(^{39}\)

<table>
<thead>
<tr>
<th>Economic impact indicator</th>
<th>great200leaders</th>
<th>Financial Assistance Scheme</th>
<th>Total BDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs created</td>
<td>172</td>
<td>630</td>
<td>962</td>
</tr>
<tr>
<td>Jobs safeguarded</td>
<td>266</td>
<td>1,136</td>
<td>1,689</td>
</tr>
<tr>
<td>GVA created</td>
<td>£11,262,149</td>
<td>£28,985,792</td>
<td>£47,776,904</td>
</tr>
</tbody>
</table>

#### 4.3 Net additional economic impacts and value for money

#### 4.3.1 Net additional economic impacts

The following assumptions have been made in order to calculate the net additional economic impacts generated by the BDP:

- **The spatial unit of analysis is the GBSLEP area;**

- **Deadweight** describes the gross economic benefits that would have been generated by businesses regardless of the support provided through the BDP, specifically because beneficiaries would have been able to access alternative forms of support. To assess the deadweight effect, beneficiaries of support were asked whether they believed that they could have received similar assistance from another source and if they believed that the support would have been of a similar quality (in the case of the coaching and mentoring) or same amount (in the case of the grant);

- **Leakage** results from economic benefits accruing outside of the spatial unit of analysis (the GBSLEP area), for instance if jobs created or safeguarded as a result of the

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\(^{35}\) Impacts on businesses accessing the FAS or great200leaders after this date have not been included as impacts would not have had time to have worked through.

\(^{36}\) The ratio used was £1 of turnover to £0.30 of GVA


\(^{38}\) Impacts on businesses accessing the FAS or great200leaders after this date have not been included as impacts would not have had time to have worked through.

\(^{39}\) Note that the gross employment and GVA for each strand are slightly deflated as some businesses took part in both aspects of the programme.
business support provided through the programme are filled by people living elsewhere. Leakage has been measured by asking businesses to indicate the proportion of their workforce who live outside of the GBSLEP area. Note that leakage has only been applied to employment impacts, since GVA impacts are accrued at a business’s location;

- **Displacement** takes place where impacts have been generated at the expense of non-beneficiaries, for instance if a business achieves growth by taking market share from another business within the GBSLEP area. Displacement has been measured by asking businesses to indicate the proportion of their direct competitors and the proportion of their customers who are based within the GBSLEP area, and multiplying the two;

- **Economic multipliers** are used to measure the additional economic impacts generated through the supply chain expenditure of programme recipients, or through the expenditure of their employees. In the absence of detailed information on the supply chain expenditure of businesses or the household expenditure patterns of employees, ready reckoners derived from existing research studies have been used, based on the benchmarks published by BIS\(^40\). A multiplier of 1.25 has been used (the mean average for a sub-regional business support programme).

A summary of the resultant additionally factors for BDP is provided in Table 4.2, broken down by programme strand\(^41\).

- Overall the deadweight was just 18 per cent for jobs – including both those created and safeguarded – and 16.7 per cent for GVA indicating that the vast majority of businesses would not have been able to seek similar support of equivalent standard from elsewhere. These are relatively low levels of deadweight for business support programmes which tend to be at least 33% and usually a lot higher\(^42\).

- Deadweight was lower in the great200leaders strand measuring at 4.3 and 10 per cent for Jobs and GVA respectively. The FAS had higher deadweight for jobs (20.9 per cent) and GVA (18.9 per cent), however this is only marginally above the total BDP additionality, which is relatively low.

- Displacement across the BDP was just 17.2 per cent for jobs and 19.5 for GVA indicating that the vast majority of businesses on the programme were not taking market share from other businesses in the GBSLEP area.

- The FAS, despite being relatively low, was greater than great200leaders for jobs and GVA (both 20.8 per cent). The great200leaders strand displacement only measured 11.2 and 10.3 per cent for jobs and GVA respectively.

- Job leakage was just 15.8 per cent indicating that the vast majority of jobs created were filled by individuals residing in the GBSLEP area. The great200leaders had higher job leakage (22.5 per cent) than the FAS (15 per cent). Overall GVA leakage was more pronounced with more than half being created outside of the GBSLEP area due to the high proportion of suppliers from outside the area. In other words, 54.2 per cent of additional spending by firms as a result of the BDP was not within the local economy. This is particularly true for the great200leaders strand that had a 59.1 per cent GVA leakage compared to 50.9 for the FAS.

- The net-to-gross ratio shows the proportion of net additionality of the programme with regard to the gross change. The ratios were much higher for the safeguarding and creation of jobs than for GVA, for both the programme as a whole and the individual

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\(^{41}\) For the purpose of the additionality calculations respondents who completed both strands were included in both the great200leaders and Financial Assistance Scheme strand estimations.

strands. The job net additionality for great200leaders was particularly high, measuring at 82 per cent of gross job creation.

Table 4.2  Additionally factors used in the impact assessment

<table>
<thead>
<tr>
<th>Impact measure</th>
<th>great200leaders</th>
<th>Financial Assistance Scheme</th>
<th>Total BDP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jobs</td>
<td>GVA</td>
<td>Jobs</td>
</tr>
<tr>
<td>Deadweight (minus)</td>
<td>4.3%</td>
<td>10.0%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Displacement (minus)</td>
<td>11.2%</td>
<td>10.3%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Leakage (minus)</td>
<td>22.5%</td>
<td>59.1%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Multiplier (plus)</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Net-to-gross ratio</td>
<td>82%</td>
<td>41%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Table 4.3 summarises the net additional employment and GVA impacts achieved by the BDP for years one and two. Within the GBSLEP area, the support provided through the BDP in the first two years created a total of 668 jobs (i.e. 72 per cent of the 962 gross new jobs created) and safeguarded a further 1,207. In addition, the impact on turnover was equivalent to a net additional £18.3m GVA. The FAS aspect of BDP created and safeguarded more jobs compared with the great200leaders. The grant also generated £11m GVA, which is more than double the £5.8m impact attributed to the great200leaders.

Table 4.3  Net employment and GVA impacts of the BDP

<table>
<thead>
<tr>
<th>Economic impact indicator</th>
<th>great200leaders</th>
<th>Financial Assistance Scheme</th>
<th>Total BDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs created</td>
<td>141</td>
<td>419</td>
<td>688</td>
</tr>
<tr>
<td>Jobs safeguarded</td>
<td>219</td>
<td>756</td>
<td>1,207</td>
</tr>
<tr>
<td>GVA created</td>
<td>£4,849,286</td>
<td>£10,953,207</td>
<td>£18,341,480</td>
</tr>
</tbody>
</table>

4.3.2 Value for money

A simple Value for Money analysis has been used to assess the benefits in relation to the programme’s funding allocation (see Table 4.4). The total cost of the programme is £7.9m, of which 48 per cent is funded by the ERDF, 47 per cent by the private sector and the remainder by the Birmingham City Council. The programme’s overall cost per business assist is £18,203, of which Birmingham City Council contributed £531, ERDF £8,812 and the private sector £8,680.

Table 4.4  Value for Money of the BDP

<table>
<thead>
<tr>
<th>Birmingham City Council</th>
<th>Private sector</th>
<th>ERDF</th>
<th>Total Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total project cost</td>
<td>£229,516</td>
<td>£3,749,777</td>
<td>£3,806,744</td>
</tr>
<tr>
<td>Cost per business assist</td>
<td>£531</td>
<td>£8,680</td>
<td>£8,812</td>
</tr>
<tr>
<td>Cost per net additional job</td>
<td>£121</td>
<td>£1,979</td>
<td>£2,010</td>
</tr>
</tbody>
</table>

The programme’s overall cost per net additional job is £4,151, which compared to other similar business support is relatively low. Table 4.5 details other business support programmes with associated cost per job ratio ranging from £38,000 to £4,151 for BDP.

43 Note that the net employment and GVA for each strand are slightly deflated as some businesses took part in both aspects of the programme.
Table 4.5  Value for Money benchmarks for other programmes targeting businesses

<table>
<thead>
<tr>
<th>Value for money benchmarks</th>
<th>Cost per job</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDA Science, R&amp;D and Innovation Support</td>
<td>£38,000</td>
</tr>
<tr>
<td>RDA sector/cluster support initiatives</td>
<td>£12,135</td>
</tr>
<tr>
<td>NW Business Growth Hub</td>
<td>£6,500</td>
</tr>
<tr>
<td>RDA Business Development and Competitiveness</td>
<td>£14,000</td>
</tr>
<tr>
<td>Business Development Programme</td>
<td>£4,151</td>
</tr>
</tbody>
</table>

4.4 Future economic impacts

A comprehensive assessment of the economic impacts of the BDP requires full consideration of the future effects of the intervention. The analysis presented above represents the economic impacts of the BDP over the course of its three operational years. In order to assess the future economic impact of the BDP, beneficiaries were asked to indicate whether they expected their employment and annual turnover to increase over the next three years as a direct result of the support they had received. The responses to these questions are shown below in Figure 4.2.

Figure 4.2  Over the next three years, do you think that the number of employees / annual turnover of your business will increase as a direct result of the great200leaders / Financial Assistance Scheme?

Base: great200leaders responses (32); Financial Assistance Scheme responses (44). Note that some beneficiaries received both strands of support and therefore completed the survey for each.

Beneficiaries were also asked how many years they expected the turnover impacts of the support on their business to last for. The responses to these questions are presented in Figure 4.3.
Figure 4.3  Approximately how long do you expect the turnover impacts to last?

Base: great200leaders responses (32); Financial Assistance Scheme responses (44). Note that some beneficiaries received both strands of support and therefore completed the survey for each.

Early indications are that the great200leaders has longer lasting impacts than the FAS. This is to be expected given the different nature of the two forms of support. The great200leaders coaching and mentoring aims to improve the skills of managers, which is more likely to have longer lasting impacts on the performance of a business.

For the purposes of the impact assessment, beneficiaries that indicated an increase in employment / turnover in the next three years were asked to estimate this increase. The results of the economic impact assessment including both ‘to date’ and future benefits are shown in Table 1.4.

Including both the impacts to date and the anticipated future benefits, it is estimated that the 432 beneficiaries over the three year programme will create or safeguard an additional 414 jobs, as a direct result of the support that they have received through the BDP. Similarly, the total impact of the BDP support, by July 2018 is expected to generate £5,213,289 net additional GVA per year. Moreover, some businesses expect the turnover impacts of the support to last even further into the future.

Table 4.6  Cumulative future net additional impacts of the BDP

<table>
<thead>
<tr>
<th>Economic impact indicator</th>
<th>Impact to date (July 2015)</th>
<th>Once future impacts are realised (by July 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs created / safeguarded</td>
<td>1,894</td>
<td>2,308</td>
</tr>
<tr>
<td>GVA created</td>
<td>£18,341,480</td>
<td>£23,554,769</td>
</tr>
</tbody>
</table>

4.5  Summary of impact updates to Case studies

The full case study write-ups are presented in Annex 3 and Annex 4. These are split into an update of businesses who featured as case studies in the previous report (see Annex 3) and new case studies who received report in the final year (see Annex 4). These sections
4.5.1 **Financial Assistance Grant**

Businesses featuring in the case studies reported that the Financial Assistance grant provided businesses with support focused predominantly on two types of activity: the relocation of business premises and investing in market research.

Of those businesses who provided an update, all but one reported both an increase in staff and turnover since their last interview in October/November 2014. For those receiving the case studies more recently, only one did not report impacts on turnover and employment, although this one businesses did expect both to increase in the coming months.

Businesses stated that the relocation to alternative premises has continued to have a positive impact on business expansion and growth. For some businesses, this resulted in the direct employment of new staff and an increase in productivity and new customers. In addition, one business reported that a key benefit of being able to take on more employees meant that they could reduce the workload pressures on senior personnel within the business, enabling the owner to focus more of their time on business development in the hope of generating future growth. New or refurbished space also has a positive impact on staff morale, as well as winning new work and enabling the business to have a smarter, more presentable and professional image.

Businesses that received the FAS support to aid with marketing their business have all been able to take on and work with additional clients. They have also been able to maintain a level of marketing, which they were unable to do so before.

4.5.2 **great200leaders**

Businesses participating in the great200leaders scheme reported improvements in their individual skills as business leaders, as well as greater clarity on the direction and strategic goals of the business. Other impacts included: improved team working, and; improved communication between directors.

In addition, some businesses have reported changes in the way they operate, including using the Action Learning Sets to discuss critical business issues among senior management and focus on skills development having taken on new employees. Furthermore, at least two of the businesses had remained in contact with their original great200leaders coach and were continuing to work on their action plan. This was either funded privately or by another funded scheme. One business had gained a place on another business support programme, as a direct result of the support they had received from great200leaders.

All of the participants felt the 1-1 coaching was very valuable, especially because in some cases, the coach/mentor meant that they were more focused on their action plans and tasks to work on because they knew they would have to report back to the coach in 4-6 weeks’ time.

The majority of participants reported increases in business turnover and growth, which participants did attribute to their involvement in the great200leaders scheme.

4.6 **Summary of section**

- Levels of deadweight of both of the strands of BDP are low compared to other business support programmes, as are leakage and displacement – all were below 23%.
- This means that the net additionality of the BDP is relatively high. This means that the large majority of jobs and GVA attributed to BDP have remained in the GBSLEP area.
- Overall, BDP led to a net increase in employment of 688 jobs, £18.3m of GVA and over 1,200 jobs safeguarded.
The value for money of the BDP is also high when compared to other publicly funded business support. This means that BDP was a very efficient programme costing only £4,151 per job created. These jobs are likely to be sustained over at least the next three years.

Case study interviews suggest that businesses on the whole have benefitted from increased turnover and business growth as a result of both the FAS and great200leaders schemes which has created internal (personal or leadership) as well as external (marketing or business expansion) successes.
5  Business perspectives survey

This section provides the perspectives of businesses on the FAS and great200leaders programme. It brings together all responses across the three business surveys undertaken across the two year evaluation.

5.1  Financial Assistance Scheme - business perspectives

5.1.1  Awareness of other schemes

Of 65 FAS recipients responded to the survey, 35% of all FAS recipients. Of these, 57 per cent (37) were aware of the great200leaders coaching and mentoring scheme. However, only 27 per cent (10) had applied to the great200leaders, of which nine were successful and one application was still pending at the time of survey submission. This suggests that there was more cross-over between the two strands of the BDP than delivery partners thought.

Fourteen per cent (9) of respondents had engaged in one or more similar types of business support, including Growth Accelerator (5), ERDF Grant (2), Green Bridge Supply Chain Programme (1), High Enterprise Growth programme (1), and various MAS productivity projects (2). This suggests that the Financial Assistance Scheme is reaching businesses that have not otherwise been engaged in business support activities – potentially a ‘new market’ of businesses. This suggests that the FAS at least was being accessed by businesses new to publicly funded business support.

5.1.2  Application process

- Most businesses found out about the scheme from their relevant local authority with 28 reported referrals.
- Birmingham Chamber of Commerce was the most active organisation, a total of 17 businesses citing it as their initial information-source.
- Other important information sources include informal business networks and private brokers (14), MAS (2), one of the great200leaders coaches (3), and internet search (1).
- Only two of the 65 surveyed beneficiaries had heard about the Financial Assistance Scheme from marketing material / advertising.
- All but four (60) respondents considered the eligibility criteria to be clear from the outset.

5.1.3  Satisfaction

Overall, respondents were satisfied with the application process for the Financial Assistance Scheme, with a mean level of satisfaction across all aspects of the process of 4.04 out of 5. Year One of the programme had a marginally higher mean satisfaction of 4.04 compared to 3.83 for Year Two and 4 for years 2 and 3 combined. More than two thirds rated their satisfaction as either satisfied (4) or very satisfied (5).

Satisfaction levels were highest during “the decision-making process” and “the assessment process”. In each phase, 84 per cent of respondents selected either satisfied’ or ‘very satisfied’ and between them only five respondents were dissatisfied. “Awareness of the scheme” was the aspect that had the lowest level of satisfaction, with a mean score of 3.39 and a fifth of respondents indicating dissatisfaction. This suggests that the Financial Assistance Scheme would have benefited from more effective marketing to raise awareness of the scheme. This is supported by the earlier finding that marketing material and

44 Note that years 2 and 3 are combined due to changes in the BDP for cohort 3
advertising were not a source of awareness for any of the beneficiaries. Full responses are provided in Table 5.1

Table 5.1 Overall, how satisfied were you with the following stages of the Financial Assistance Scheme?

<table>
<thead>
<tr>
<th>Stage of Scheme</th>
<th>1 not satisfied</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 very satisfied</th>
<th>Total</th>
<th>Mean level of satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness of the scheme</td>
<td>5%</td>
<td>16%</td>
<td>33%</td>
<td>30%</td>
<td>17%</td>
<td>100%</td>
<td>3.39</td>
</tr>
<tr>
<td>Getting information about the scheme</td>
<td>0%</td>
<td>8%</td>
<td>22%</td>
<td>38%</td>
<td>32%</td>
<td>100%</td>
<td>3.94</td>
</tr>
<tr>
<td>The application process</td>
<td>3%</td>
<td>5%</td>
<td>17%</td>
<td>38%</td>
<td>38%</td>
<td>100%</td>
<td>4.02</td>
</tr>
<tr>
<td>The assessment process</td>
<td>0%</td>
<td>3%</td>
<td>13%</td>
<td>34%</td>
<td>50%</td>
<td>100%</td>
<td>4.03</td>
</tr>
<tr>
<td>The decision-making process</td>
<td>0%</td>
<td>5%</td>
<td>11%</td>
<td>32%</td>
<td>52%</td>
<td>100%</td>
<td>4.32</td>
</tr>
<tr>
<td>Receiving the grant</td>
<td>0%</td>
<td>5%</td>
<td>17%</td>
<td>23%</td>
<td>55%</td>
<td>100%</td>
<td>4.28</td>
</tr>
<tr>
<td>Monitoring of the grant</td>
<td>0%</td>
<td>5%</td>
<td>29%</td>
<td>24%</td>
<td>42%</td>
<td>100%</td>
<td>4.03</td>
</tr>
<tr>
<td>All aspects of the FAS</td>
<td>1%</td>
<td>7%</td>
<td>20%</td>
<td>31%</td>
<td>41%</td>
<td>100%</td>
<td>4.04</td>
</tr>
</tbody>
</table>

Base: 64 responses. Note that one respondent did not answer this question.

Fewer than half (29) of the beneficiaries made use of the accredited business advisor support provided by their local authority. Of those who had used this support, all but one of these were satisfied with this support and the majority (22) were very satisfied.

Nine suggestions for potential changes to the Financial Assistance Scheme were received from respondents relating to timescales and paperwork. These included:

- Allow more time to complete the work after you have received the grant as it allows you to look at longer projects;
- The scheme doesn’t lend itself to good established businesses that just need financial support for new products/services so that they can expand and/or move into new markets. If we were a failing company, with not much future and needed to move, it would have been much easier to meet the criteria;
- Make it easier to apply reduce the need for projections, which are difficult to be accurate;
- Clearer criteria at the outset about what can be claimed;
- [The application process] is rather long-winded;
- £15,000 doesn’t go very far. The amount of work that went into the application process probably just warranted the money;
- It was only by chance we found out about the scheme. I suggest the scheme has improved marketing to get the message out to SMEs that the grant is available; and
- Sometimes the need to obtain 3 quotes seems excessive.

The case studies also indicated that businesses who participated in the Financial Assistance Scheme were very positive about the support they received. Overall, the eligibility criteria and application process were thought to be clear and straightforward. Participants spoke
highly of the support they received from local authorities in completing the application forms, and providing information and advice throughout the whole process. In addition, businesses reported a relatively quick response in relation to the decision process.

5.1.4 Aims and objectives

The most frequently cited objective from beneficiaries in applying for the grant (selected from a predefined list) was to create new jobs (52), followed by safeguard existing jobs (43). All but four respondents (60) selected at least one of these two options relating to jobs, and over a third (24) selected one as the main reason. The next most frequently chosen reasons were marketing and branding (35), enter/diversify into new markets (24), installation of cabling as part of relocation/expansion (23) and increasing profitability and expanding existing premises (both 22). Figure 5.1 provides the full breakdown of beneficiaries’ objectives.

Figure 5.1 How important were the following business goals in your decision to apply for the grant from the Financial Assistance Scheme?

- Create new jobs: 81%
- Safeguard existing jobs: 67%
- Marketing and branding: 55%
- Enter/diversify into new markets: 38%
- Installation of cabling as part of...: 36%
- Increase profitability: 34%
- Expand existing premises: 34%
- Installation of heating and lighting: 28%
- Help with removal costs: 25%
- Assist with rent and rates associated with moving...: 23%
- Improve research and development/product...: 23%
- Refurbishment of new premises: 2%
- New equipment assist new orders: 2%
- Assistance with moving: 2%

*Base: 64 responses. Note that one respondent did not answer this question.*

Information from the case studies also corroborated the data found in the surveys that they applied for Financial Assistance because they were looking for support to cover the costs of relocation. For the majority of businesses, the ultimate aim of relocating premises was to increase capacity in order to support job creation and business productivity. Additionally, it was important for businesses to have good quality premises and facilities to attract new customers. One business was hoping to use the grant to undertake market research.
5.1.5 Outcomes and impacts

Early outcomes as a result of the Financial Assistance Scheme were reported by 92 percent (60) of beneficiaries across all three cohorts. The most common early outcomes were increased jobs (50), increased turnover (46), and increased productivity (39). Other outcomes were improved management (35) and increased investment (30). Of the respondents selecting “Other” (5) one elaborated stating that the “scheme allowed us to use other cash resources to purchase another small company in order to expand our business”. A full list of the responses selected is in Figure 5.2.

Figure 5.2 Has the receipt of the grant impacted the following?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased jobs</td>
<td>81%</td>
</tr>
<tr>
<td>Increased turnover</td>
<td>74%</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>63%</td>
</tr>
<tr>
<td>Improved management</td>
<td>56%</td>
</tr>
<tr>
<td>Increased investment</td>
<td>48%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

Base: 62 responses

Participants were asked to identify one aspect of the Financial Assistance Scheme that had had the most effect on their business. The full list of verbatim responses are categorised below:

**Safeguarding/creating new jobs:**
- Creating and safeguarding jobs by helping with our growth;
- Breathing space to employ new staff;
- Been able to employ 2 new apprentices;
- Safeguarding jobs;
- Assisted us in moving to bigger and more prestigious location, and led to creation of new jobs;
- Being able to employ more people;
- It helped us safeguard existing jobs, and lay foundation for our long term future.

**Increased sales and general growth:**
- The small amount of financial aid that we have received has helped me to virtually double the size of the business over the last 8-10 months;
- Ability to grow and implement changes of products and services.
Enabling relocation to allow growth:
- It made the expansion easier to finance;
- Has allowed us to use profit to grow the business rather than pay for a move;
- Being able to move premises will increase productivity and enable us to apply for a Red Tractor Certification;
- Expansion;
- It helped us with the huge financial burden of moving our stock into the Solihull area;
- It has accelerated our move into new premises;
- Enabled us to locally manage contracts with a base in Birmingham which has improved our productivity and efficiency;
- It helped us expand into new offices and gave us the confidence to make the decision;
- The grant has provided us with funding for development of an existing building which created additional space to seat our staff and provide them with a much more conducive and pleasant place to work;
- Helped to fund cost of moving into & completely renovating our new business premises.

Impact on cash flow:
- Mainly the cash flow, we did not get a lot of notice to move out, and so had not really planned for it, at first we were struggling to find alternative premises and it was only at the last minute we found somewhere;
- Cash injection to assist project;
- Allowed diversification into new market.

Support for marketing and branding to increase sales:
- Marketing;
- We have vastly improved our brand;
- It has made the company look a more professional organisation.

Other:
- Being able to purchase new machines rather than second hand ones due to the financial assistance;

Case study businesses (see Annex 3 and Annex 4) reported that the Financial Assistance grant had accelerated their business growth plans. The assistance speeded up plans for relocation to new premises as well as the hiring of new staff. Some businesses reported that the Financial Assistance had helped them increase capacity to take on more work and attract new clients. Businesses that used the Financial Assistance grant to help fund marketing activities reported an increase in turnover and the creation of new jobs. The additional funding meant that the companies could pay for a larger marketing scheme generating bigger results and working with new clients. Two companies were also enrolled on great200leaders, which had increased the impacts they had already started to gain from the Financial Assistance Scheme.

5.1.6 Added Value

The Financial Assistance Scheme has enabled many businesses to achieve their growth plans at a quicker rate. Where businesses have moved premises, without the assistance, they would have had to move to smaller premises, or would have ‘shelved’ their plans to move, thus hindering the growth they had experienced.

In the absence of the grant, some businesses would not have sought funding from alternative sources. However, a few would have, or used their own cash reserves.
This would seem to confirm that the FAS supported businesses with existing growth plans. It also suggests that FAS is not competing with other finance providers, is supporting businesses to address a major barrier to growth (see Section 2.1.2), and that there is little deadweight with the programme.

5.1.7 Would you recommend the Financial Assistance Scheme to other business leaders?

Ninety-six per cent of the Financial Assistance Scheme beneficiaries (62) agreed that they would recommend the Financial Assistance Scheme to other business leaders. The complete list of reasons why is provided below:

Support for marketing and branding to increase sales:
- It’s a useful scheme for those businesses that are seeking to develop and grow. It encouraged us to invest in a new marketing strategy and has increased sales and staff numbers as a result;
- It helped improve our current premises, market new products and increase turnover and one other job;
- We wanted to diversify into new markets but it would have cost us a lot of money. The Financial Assistance Scheme felt like someone was supporting us and gave us confidence to go ahead;
- Our company would not have been able to fund a large project of this nature without assistance from the scheme. It has given our business the additional means to really overhaul the whole marketing strategy, rather than changing small things over time with little results.

Enabling relocation to allow growth:
- For us being a small company and being forced to move out of our premises, without the grant I think we would have struggled with the costs. It has been a tremendous help;
- Very useful in assisting with moving costs to larger and better business premises;
- It helped us to move premises. Without this additional funding we would not be able to complete the project;
- The scheme has helped us to move into the Solihull area which is much better for our business logistically being in a better position to receive goods and ship goods out. It also opens up our business to a wider staff pool for recruitment so of course we would recommend it to others;
- If you have a plan and a vision and are able to put this down then the grant is invaluable help to enable you to work towards this. It is an excellent aid to businesses.

Increased sales and general growth:
- It gives you the ability to expand;
- I would recommend it to any company that has ambitious growth plans;
- It has helped us to develop activity in areas we would not have otherwise done

Impact on cash flow:
- Absolutely, the scheme has enabled us to expand without the need to risk all of the cash reserves built up.

Safeguarding/creating new jobs:
- It has allowed us to expand an existing budget will result in employment sooner than we were originally planning;
- Having suffered with the downturn in the economy, receiving financial help to support a return to previous turnover or better still increased turnover, is a fantastic help, securing existing employees with the ultimate goal of employing new staff;
Helped the business move forward when outlook was still uncertain.

General comments regarding ease and usefulness of application process:
- Any assistance for SMEs, particularly those in manufacturing, is greatly received;
- I have found the BDP very easy to understand and it has an obvious positive impact on the business;
- The criteria goals must be made clearer at the outset;
- £15k is an amount of money worth having should your business be approaching undertaking any of the identified grant purposes. However I found the amount of work required to complete the application form and all the evidence probably outweighed the grant offered;
- It is encouraging to learn that there is support for SME’s from EU funding that is accessible. The application process makes you scrutinise your own business to complete the application which is very beneficial.

5.1.8 Do you have any other comments you wish to make?

Respondents were given the opportunity at the end of the survey to provide any additional comments regarding the Financial Assistance Scheme. All of these additional responses were positive and are listed below:
- I would just say it’s a great help especially for small businesses like ours we would have found it very difficult to have done what we have without the assistance;
- Hugely beneficial to the business;
- A very worthwhile financial support mechanism for SME’s, the scheme has helped us grow and develop as a business in a volatile market place. Knowing we had to grow and move to new premises as well as invest in our development, the scheme’s financial aid gave us the breathing space we needed to confidently move forward.

5.2 Great200leaders - business perspectives

5.2.1 Awareness of other schemes

Of the 44 great200leaders beneficiaries that responded to the survey, 41 per cent (18) were aware of the Financial Assistance Scheme and three quarters of these (15) had applied for and received a grant. Almost a third (12) of respondents had received similar business support in the past, from Growth Accelerator (4), Green Bridge Supply Chain Programme (2), ERDF (2), MAS (2), Strategic Demand High Growth (1), Business Development Fund (ESBC) (1), Regional Growth Fund (1), and from BDP previously (1). This again suggests that most businesses were new to publicly funded business support, although some businesses may not have been aware that past support was funded through public monies.

5.2.2 Application process

Winning Moves was the most active organisation referring people to the great200leaders – a total of 22 businesses cited this as their initial source. The second most common source of awareness was through the coaches from the programme (15), followed by the Birmingham Chamber of Commerce (4) and informal networks (4). Two respondents were also referred to the programme via MAS. Approximately half of the beneficiaries (19) received the bursary, which provided a further discount to the scheme on top of the initial discount.

In Year Two, the great200leaders operated rolling admissions, with beneficiaries joining the coaching sessions at different points. Consequently, beneficiaries in Year Two began the scheme in all months from November 2013 to November 2014, though the months of June (4) and July (7) were the most common start dates.
5.2.3 Aims and objectives

Beneficiaries were asked to select their reasons (from a predefined list) for applying to the great200leaders coaching and mentoring scheme. They were also asked to identify their main reason from their choices. The most common reason, selected by 80 per cent (35) of respondents, was *I personally needed external support in order to meet the growth needs of the company*. This was also the most selected main reason. The second most selected reasons (31) was *the company needed external support to achieve its growth potential*. The bespoke nature of the support was selected by just under a third (14) of respondents, but only selected by three as the main reason. Figure 5.3 shows the full list of responses.

**Figure 5.3** What were your reasons for applying for the coaching and mentoring support?

I personally needed external support in order to meet the growth needs of the company.

The company needed external support to achieve its growth potential.

The business support appealed to me because it was bespoke to the business needs.

Our business growth needed kick-starting and this support offered what we needed.

**Base: 44 responses**

The most important goal for businesses participating in the great200leaders (selected from a predefined list) was to improve management team or staff base, which was “very important” to more than half (26) of respondents and “important” to a further 31 per cent (14). Only one respondent considered it to be “not important”. The next most important goal was *achieve a forecasted growth in sales*, selected by a third (15) as “very important”, a further 52 per cent (15) as “important”. *Increase profitability* and *create new jobs* were also important business goals, whilst the least important was *raise debt/equity finance*, which was considered to be “not important” by the vast majority (36) of respondents and “very important” to no respondents. The full responses are provided in Table 5.2.
Table 5.2  How important were the following business goals in your decision to participate in the coaching and mentoring?

<table>
<thead>
<tr>
<th>Business Goal</th>
<th>Not important</th>
<th>Somewhat important</th>
<th>Important</th>
<th>Very important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen existing business plan.</td>
<td>14%</td>
<td>25%</td>
<td>32%</td>
<td>30%</td>
<td>100%</td>
</tr>
<tr>
<td>Develop better financial management.</td>
<td>41%</td>
<td>34%</td>
<td>18%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>Achieve forecasted growth in sales.</td>
<td>2%</td>
<td>11%</td>
<td>52%</td>
<td>34%</td>
<td>100%</td>
</tr>
<tr>
<td>Increase profitability.</td>
<td>5%</td>
<td>16%</td>
<td>45%</td>
<td>34%</td>
<td>100%</td>
</tr>
<tr>
<td>Improve management team or staff base.</td>
<td>2%</td>
<td>7%</td>
<td>32%</td>
<td>59%</td>
<td>100%</td>
</tr>
<tr>
<td>Improve customer service.</td>
<td>20%</td>
<td>32%</td>
<td>27%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Enter/diversify into new markets.</td>
<td>24%</td>
<td>40%</td>
<td>24%</td>
<td>12%</td>
<td>100%</td>
</tr>
<tr>
<td>Improve marketing strategy.</td>
<td>12%</td>
<td>23%</td>
<td>42%</td>
<td>23%</td>
<td>100%</td>
</tr>
<tr>
<td>Raise debt/equity finance.</td>
<td>84%</td>
<td>9%</td>
<td>7%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Improve research and development/product development.</td>
<td>48%</td>
<td>26%</td>
<td>24%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td>Increase resilience to current economic climate.</td>
<td>30%</td>
<td>34%</td>
<td>27%</td>
<td>9%</td>
<td>100%</td>
</tr>
<tr>
<td>Create new jobs.</td>
<td>12%</td>
<td>10%</td>
<td>57%</td>
<td>21%</td>
<td>100%</td>
</tr>
<tr>
<td>Safeguard current jobs.</td>
<td>20%</td>
<td>12%</td>
<td>44%</td>
<td>24%</td>
<td>100%</td>
</tr>
<tr>
<td>To expand or move from current premises.</td>
<td>65%</td>
<td>19%</td>
<td>7%</td>
<td>9%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Base: 44 responses

Case studies indicated that the majority of businesses applied for the great200leaders programme because they were looking for support to improve leadership skills and understanding of running a successful business, as well as develop strategies for business growth and direction. More specifically, a few participants wanted to address their lack of formal business training in order to improve their knowledge and skills in managing a growing business.

Two of the businesses who took part in the case study had received funding through the Financial Assistance Scheme.

5.2.4  Satisfaction

Overall, for all two years of the programme beneficiaries were satisfied with the great200leaders scheme. The mean level of satisfaction for all aspects of the scheme, 3.76, has remained broadly in line with the 3.75 mean in Year One. Full responses are provided in Table 5.3.
Elements of the great200leaders that respondents were most satisfied with (those with an above average mean level of satisfaction) were: One-to-one support provided by your coach, with a mean level of satisfaction of 4.51 and which all but one (40) of the beneficiaries were satisfied with; DISC profiling (4.38); Matching your business to a coach (4.28); and Speaker sessions (morning) (4.10).

Table 5.3  Overall, how satisfied were you with the following elements of the great200leaders?

<table>
<thead>
<tr>
<th>Element</th>
<th>1 not satisfied</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 very satisfied</th>
<th>Total</th>
<th>Mean level of satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing activities (e.g. LinkedIn, newspapers, other media)</td>
<td>2%</td>
<td>10%</td>
<td>44%</td>
<td>37%</td>
<td>7%</td>
<td>100%</td>
<td>3.37</td>
</tr>
<tr>
<td>Engagement or referral from your Local Authority</td>
<td>0%</td>
<td>21%</td>
<td>42%</td>
<td>30%</td>
<td>7%</td>
<td>100%</td>
<td>3.23</td>
</tr>
<tr>
<td>Taster session</td>
<td>7%</td>
<td>5%</td>
<td>35%</td>
<td>40%</td>
<td>14%</td>
<td>100%</td>
<td>3.49</td>
</tr>
<tr>
<td>Application and eligibility</td>
<td>2%</td>
<td>0%</td>
<td>16%</td>
<td>57%</td>
<td>25%</td>
<td>100%</td>
<td>4.02</td>
</tr>
<tr>
<td>DISC profiling</td>
<td>3%</td>
<td>0%</td>
<td>8%</td>
<td>36%</td>
<td>54%</td>
<td>100%</td>
<td>4.38</td>
</tr>
<tr>
<td>Benchmark Indexing</td>
<td>3%</td>
<td>11%</td>
<td>37%</td>
<td>31%</td>
<td>17%</td>
<td>100%</td>
<td>3.49</td>
</tr>
<tr>
<td>Matching your business to a coach</td>
<td>2%</td>
<td>0%</td>
<td>19%</td>
<td>26%</td>
<td>53%</td>
<td>100%</td>
<td>4.28</td>
</tr>
<tr>
<td>Speaker sessions (morning)</td>
<td>2%</td>
<td>2%</td>
<td>15%</td>
<td>44%</td>
<td>37%</td>
<td>100%</td>
<td>4.10</td>
</tr>
<tr>
<td>Action Learning Sets (afternoon peer groups)</td>
<td>5%</td>
<td>14%</td>
<td>33%</td>
<td>29%</td>
<td>19%</td>
<td>100%</td>
<td>3.43</td>
</tr>
<tr>
<td>One-to-one support provided by your coach</td>
<td>2%</td>
<td>0%</td>
<td>7%</td>
<td>24%</td>
<td>66%</td>
<td>100%</td>
<td>4.51</td>
</tr>
<tr>
<td>Networking opportunities</td>
<td>0%</td>
<td>12%</td>
<td>31%</td>
<td>43%</td>
<td>14%</td>
<td>100%</td>
<td>3.60</td>
</tr>
<tr>
<td>Materials provided</td>
<td>0%</td>
<td>10%</td>
<td>48%</td>
<td>36%</td>
<td>7%</td>
<td>100%</td>
<td>3.40</td>
</tr>
<tr>
<td>Project management by Winning Moves</td>
<td>5%</td>
<td>5%</td>
<td>29%</td>
<td>50%</td>
<td>12%</td>
<td>100%</td>
<td>3.60</td>
</tr>
<tr>
<td>All aspects of the great200leaders</td>
<td>3%</td>
<td>7%</td>
<td>28%</td>
<td>37%</td>
<td>25%</td>
<td>100%</td>
<td>3.76</td>
</tr>
</tbody>
</table>

Base: 44 responses

The components with the lowest levels of satisfaction were: Engagement or referral from your Local Authority (3.23); Marketing activities (3.37); Materials provided (3.40); and Action Learning Sets (afternoon peer groups) (3.43). The (relatively) low score for the materials provided is because of indifference rather than dissatisfaction – around half (20)45 of respondents were “neither satisfied nor dissatisfied”. The element of the great200leaders

45 Two respondents did not provide a response to this option.
that has the highest share of dissatisfied respondents is the Action Learning Sets (8) and Engagement or referral from your Local Authority (9). One respondent provided additional feedback on the reason for their dissatisfaction with the Action Learning Sets:

- Action Learning started off excellent but then attendance diminished from session to session and very few now attending so not as useful.

Suggestions for potential changes to the great200leaders were received from respondents included:

- Internally we needed to ‘sell’ the programme better. This has been a victim of our current success where order intake has been massively ahead of last year;
- Overall the scheme is very good, I think that there is room for some more growth board seminars as I don’t think that these have been utilised to their fullest extent;
- Sessions are too long, difficult to find the time to attend. Session isn't interactive enough;
- Shorten the afternoon learning sets;
- Objectives to be made clear from the start;
- DISC profiling presentation - I found this presentation a little too technical on a very dry subject;
- I would prefer to focus on generic business issues in the action learning sets, rather than focusing on the niche issues of a specific business. I feel participants would gain more from this structure.
- As we have taken an awful lot from the scheme, we really would have benefited from taking more time between sessions to enable us to invoke one action at a time within our business. Therefore it may have been beneficial to have longer between events;
- As a Director it would be great to run something similar for key management personnel in my business, even if it was an option to bring these staff to one or two of the seminars;
- I think I may change the action learning time. I preferred the morning speaker around tables with the facility of pads and pens to take good notes. Would maybe like some more interaction occasionally in these sessions. Would like also some interaction with the other action learning group;
- It would be nice to have contact details of each business and speaker. Also, perhaps a few younger members on the team;
- It took a while to see the benefits of DISC profiling, especially when armed with a healthy dose of scepticism. It might be worth trying to package this differently to explain or demonstrate the benefits of this hugely valuable tool up front.

Case study businesses were positive about the support they received from the great200leaders scheme (see Annex 3 and Annex 4). The majority of businesses spoke highly of the business assessment process and the development of business action plans. The one-to-one coaching element of the scheme was particularly valued by businesses. In addition, some businesses found the opportunity to network at events and the format of the Action Learning Sets very useful. However, there were mixed views about the contents of some presentations in terms of relevance to individual businesses.

A handful of businesses had not had the opportunity to participate in business support programmes previously, but had found the support extremely useful and were more open to the idea of undertaking a similar programme again. One business had used the coaching and mentoring scheme as a precursor to applying for the Goldman Sachs 10,000 businesses

46 Those selecting 1 or 2.
programme. This is because they felt the coaching and mentoring would enable them to lay the foundations which could be built upon using learning from Goldman Sachs.

5.2.5 Outcomes and impacts

Early outcomes as a result of the Financial Assistance Scheme were reported by 92 percent (60) of beneficiaries across all three cohorts.

Early outcomes as result of the great200leaders were reported by 95 percent (42) of beneficiaries, while two stated that it was too early to assess impacts at this stage. The most common early outcomes were improved management (35) and increased productivity (27). Half (15) of respondents had increased jobs as a result of the coaching and mentoring support. Full responses are provided in Figure 5.4.

Figure 5.4 Has the receipt of the grant impacted the following?

![Bar chart]

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved management</td>
<td>83%</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>64%</td>
</tr>
<tr>
<td>Increased turnover</td>
<td>57%</td>
</tr>
<tr>
<td>Increased jobs</td>
<td>50%</td>
</tr>
<tr>
<td>Increased investment</td>
<td>24%</td>
</tr>
</tbody>
</table>

Base: 42 responses. Note that the 2 beneficiaries that stated it was too early to determine impacts have been excluded from the base.

Participants were asked to identify one aspect of the great200leaders that had had the most effect on their business:

More effective management:
- Better management and staff cooperation;
- Facilitating changes across the team;
- Enabled long term staff, with a lack of experience outside the business, to understand that there is a whole world out there that can help us to progress;
- My understanding of leadership and what I need to do for the business;
- Forced me to think about telemarketing, which I now do and believe seems to be working;
- Setting clear objectives and vision
Open learning has helped identify areas whereby we can improve efficiency and management of staff;

"Vision" - What does good look like in my company! Clear aims;

Taking a top level view of our business model;

Refining the business strategy;

Time Management;

I've spent some time with the management team and I believe that this will help me to galvanise the team into action. Having time to look at the business from the outside helps to see the issues.

Changing the way we think;

Getting me to re-evaluate both my position and the potential of my business.

Support from one-to-one coaching:

One to one session, being able to discuss the issues directly related to what I do within the business;

Coaching;

Mentoring from coach has allowed me to focus on improving the company;

Having an external perspective from a business coach;

I'm looking forward to the coaching sessions;

It is still quite early in to the programme to quantify this, but having Gary Mather as a one-to-one mentor has been very helpful to discuss business plans and my leadership role to enable it to happen. In addition, the morning seminars have been useful to commit thinking time to the business plans, inspired by quality speakers.

Effectiveness of DISC tool:

DISC profiling and discussing with the team;

The DISC profiling provided a great platform for understanding and engaging with the entire management team, taking each individual personality style into account coaching during a restructure.

Networking:

Meeting likeminded people who have encountered similar problems in the past and found solutions.

Speaker sessions:

Listening to the speakers in the morning session and learning from their knowledge and experience;

Les Jones, Roger Philby and Grant Leboff talks.

Case study businesses indicated that as a result of the great200leaders scheme, they were able to:

Develop leadership skills, improve confidence and formulate clearer visions for the business;

Replicate learning points from Action Learning Sets – for example approaches to appraisal systems;

Create new jobs and expand job roles;

Provide participants with the opportunity, through guided support, to review specific aspects of their business model and their long term goals;
■ Develop and implement growth and marketing strategies; and,
■ Raise staff morale.

5.2.6 Added Value

Without the EDRF match funding, the majority of respondents stated that they would not have been able to participate in the great200leaders scheme – many said it would be hard to justify the cost. Nevertheless, a few businesses would have sought alternative business support had the funding not been available, particularly if the support was perceived to be a good investment for the business. This again suggests that levels of deadweight are low. In addition, one participant felt that the local authorities were able to provide the necessary due diligence in recruiting coaches and mentors that ensured the business support was reliable and trustworthy, representing a worthwhile investment. In the absence of this, the participant would have been put off seeking business support independently because they perceived it as too risky.

5.2.7 Would you recommend the great200leaders to other business leaders?

All but three of the beneficiaries (41) agreed that they would recommend the great200leaders to other business leaders. The complete list of reasons why is provided below:

**New perspective/better understanding of the business:**
■ Excellent program to get you thinking about the business from a different angle;
■ Ability to look at your business from a high level strategic position;
■ It will help others to better understand their business;
■ It has helped our business develop a direction;
■ Material delivered is very solid and gets you thinking about the strategy that underlines your entire business.

**Opportunity for self-development:**
■ It’s a good way to focus on developing yourself within the company by using experience advice;
■ Gives confidence to your leadership ability;
■ Enables applicant to step out of the 'noise', think strategically, and become a leader;
■ It is important for leaders of the future to take time out of the day to day busy schedule to see the big picture, the program plants small seeds and they then grow depending on what the business requires;
■ It has given the management team the impetus to really get going again after what has been a very difficult time.

**Learning from others (peers and coaches):**
■ We needed an outside Mentor from great200leaders to open the eyes of our Directors to experiences that they haven't had before. [Growth Coach] has handled the various parties superbly, ensuring that we move forward and that everyone is engaged;
■ great200leaders has provided a useful networking platform to discover solutions which crossover different business sectors. While some of the strategies that have been put forward are not necessarily relevant at the present stage of our company’s growth, we believe that there are areas where we have gained knowledge which will be useful in the future growth of the business;
■ I think it is difficult to answer these questions so early on in the process, but it looks like it will be beneficial to have heard inspirational speakers and also to learn from peers - hopefully some reciprocal business may happen too;
■ Through the seminars and coaching it gives you the confidence to get on and implement the actions you believe are right for your company. It helps you focus on the points that can really affect your business, both positive and negative, and bring about positive change;

■ The major benefit of the great200leaders program was the allocation of a coach from the industry to help you develop as a leader, the morning sessions offered tasters but sometimes were far to outlandish for us to apply to our businesses at that time;

■ It’s very useful to get an external perspective and having someone ‘saying it as it is’, which can be quite difficult to do with the internal management team;

■ It’s a very beneficial and cost effective scheme. All businesses need external views from time to time, and this programme provides that input in a managed non-intrusive way;

■ A good chance to pick up new skills and insight and network with other diverse businesses.

General recommendation:
■ Very useful;
■ Really helped me, and I’ve actively promoted to other businesses;
■ For the elements of the course involved in felt events were beneficial to all leaders;
■ Opens your mind up and gives you the opportunity to be inspired;
■ Great opportunity to get your head up from the day-to-day pressures and really plot where you want your business to go;
■ It was an informative and interesting programme.

Would not recommend:
■ After the initial experience, I quickly became disillusioned with the program as I believe it didn’t fit with my management style.

5.2.8 Do you have any other comments you wish to make?
Respondents were given the opportunity at the end of the survey to provide any additional comments regarding the great200leaders. Twelve respondents provided additional comments and responses were, on the whole, positive:
■ Great coaching, great mentoring. Tailored expertise with a sympathetic touch;
■ I think that great200leaders is invaluable to us as a business and will help us to move forward, expand and grow;
■ Thoroughly enjoyed it and very well organised;
■ I hope it continues to run;
■ Fantastic support and coach;
■ Thoroughly enjoyed the programme so far and looking forward to the remaining sessions;
■ It generally has been very beneficial - we are grateful for the support we have received;
■ We believe that this is an excellent programme;
■ More training of this type needs to be available for senior managers;
■ Keep up the good work.
■ It has been very good and we are very pleased we have participated in the programme;
■ Administration / management of the course is not great.
5.3  Non-participating business perspectives (FAS only)

Those who applied to the BDP but were unsuccessful were also surveyed. In total, 18 responses were received. Non-participating businesses were those who applied for the FAS but did not receive a grant. As there was no similar process for the great200leaders scheme a counterfactual group was not selected.

5.3.1  Reasons for application

Reasons for application were similar to participating businesses. The most frequently cited reason for wanting to apply to the Financial Assistance Scheme was to create new jobs, which was selected by all but one of the non-participating respondents. The second most common reason was marketing and branding, selected by half of respondents (9). The full list of goals for non-participating businesses is shown in Figure 5.5.

![Figure 5.5](image)

**Base: 18 responses**

5.3.2  Application process

The source of awareness of the Financial Assistance Scheme was similar to participating businesses. The most common way for non-participants to find out about the Financial Assistance Scheme was through the Birmingham Chamber of Commerce (8), followed by the relevant local authority (6). Central Advertising / marketing material were a source for just two respondents.

More than three quarters (14) of non-participants did not find the guidelines and eligibility criteria to be clear. Reasons given by non-participants for why they were unclear are provided below:
Unclear eligibility criteria for project costs:
■ There was too much red tape to go through in order to be successful with grants most organisations we contacted were not prepared to give quotes on their service with no guarantee of receiving the work and when they did quote for the works their prices were far too expensive their charges were way too much;
■ There was not enough information in the original pack to outline EXACTLY what the funding/grants could be used for;
■ We thought we could put through our planned marketing spend in its entirety, only to find (having spent a long time filling in forms) that quite a bit was excluded. As a result we had to abandon our expansion plans and have been unable to recruit into the company. Overall a very unhappy experience....;

Unclear eligibility criteria on business sector:
■ The guidelines were not clear enough...basically being a recruitment agency and running a supervised child contact centre were dismissed after spending considerable time on completion of grant application;
■ Details of ineligibility for practices such as ours were not clearly laid out;
■ We had to ask by email to see if our area of work was suitable for a grant;
■ This incentive is not for training organisations who are looking to train individuals to enable them to gain employment.

Unclear that BDP is for B2B only:
■ Because we went through the process only then to be told that because we sold to retail market we were not eligible;
■ We were told after going through the process we were not eligible because we sell to the general public. This we understand but 99% of our business is B2B so to lose out on the funding for this reason was disappointing.

Generally unclear
■ It was not clear what was and wasn't eligible;
■ It did not stipulate what the criteria was from the outset. Although this is common for these initiatives;
■ A BDP representative who I had arranged to meet to discuss the grant failed to turn up - very frustrating as a colleague and I drove a 400 mile round for the meeting. Nobody thought to tell me. I never heard from them again or anyone else in progressing the grant application so gave up!! VERY POOR.

5.3.3 Use of other financial assistance
Less than a fifth (3) of the non-participants were signposted to other forms of financial assistance, of which just one took up the support. As yet, the alternative schemes have not had any impacts on the business to date, but will "potentially provide office equipment, computer software, and web design services" – however, at this stage it is too early to say what impact there will be in order to compare with the BDP.

5.4 Summary of section
Financial Assistance Scheme:
■ Most of those receiving financial assistance were not enrolled on the great200leaders scheme, although nearly two-thirds were aware of it.
■ None of the businesses had heard about the programme through marketing materials and awareness of the scheme which also received the lowest in terms of satisfaction scores.
Overall satisfaction with the application process had remained broadly the same since the first year and was generally considered ‘satisfactory’.

The majority of businesses sought to create new jobs or safeguard existing jobs, as well as to enter or diversify into new markets as the main objective of their application.

The vast majority (92%) reported early outcomes as a result of the grant, including increased turnover, jobs and productivity.

Ninety-six per cent of respondents reported that they would recommend the programme to other businesses mostly as a result of the cash injection to achieve marketing and relocation goals.

great200leaders:

Less than half of respondents to the survey (41%) were aware of the Financial Assistance Scheme although the majority of the businesses that were, had applied for and received the grant.

Most businesses had heard about the scheme through their coach, although a few had heard about it through marketing promotions (typically radio).

Most businesses stated that the main reason for applying to the scheme was to receive personal support to meet the growth needs of the business. This was reflected in their business goals, the prevalent of which was to ‘improve management team’ or ‘staff base’.

Overall satisfaction with great200leaders was ‘satisfactory’ and broadly similar to Year One. Most satisfaction was with the one to one support provided by the coach, as well as DISC profiling.

The Action Learning Sets was one of the lowest in terms of satisfaction. Reasons cited were low attendance and the length of the sessions.

The vast majority (94%) reported early outcomes as a result of great200leaders, including improved management, productivity and job creation.

The vast majority would recommend the scheme to other businesses on the basis of gaining a new perspective on their business and learning from coaches and peers.

Non-participating businesses

Responses were only received from businesses which had not participated in the Financial Assistance Scheme – most of whom had found out about the scheme through one of the LEP partners (only two through marketing materials).

Most had applied to the scheme in order to create jobs or to develop their marketing and branding, as well as to expand existing premises.

The vast majority were unhappy with the application process because they found the eligibility criteria (on eligible costs and on business sector) to be unclear from the outset.

Most were not signposted to other forms of financial support.
6 Conclusions and recommendations

This section sets out the conclusions and recommendations based on all evidence from the three phases of the evaluation across the two year programme. Conclusions are presented according to the specifications in the Terms of Reference for the evaluation:

- Programme rationale and context;
- Delivery arrangements and outputs;
- Impact; and.
- Future of the programme.

6.1 The programme rationale and context

6.1.1 Conclusions

As far as the FAS is concerned, the BDP’s position fills a gap not currently being met by other public programmes. This is in the context of a reduced business support landscape over most of the life of the programme, for example, the demise of Business Links and AWM. Private finance has also been reduced through credit restrictions so businesses with the potential for growth may not have access to funding or resource in order to achieve these goals. Levels of deadweight appear to be low as most businesses, in the absence of the grant, would have used their own cash reserves rather than applying to public or commercial sources of finance thus impinging on cash flow.

The great200leaders scheme also meets a need within the marketplace and came at a good time for businesses in a reduced public sector support landscape. However, the distinction between it and other programmes - such as GrowthAccelerator and Goldman Sachs 10,000 small businesses - is less obvious to some businesses and partners.

Both elements of the BDP have helped businesses to address two key barriers to growth – capital and management skills.

The FAS has filled a gap in the portfolio of business support with ‘moderate’ amounts of capital. Some delivery partners had innovatively used their BDP funding to develop smaller BDP-type programmes for micro and other businesses for whom the FAS was too large.

The economic landscape is improving in the GBSLEP area in terms of the increase in GVA, GVA per head, and increases in numbers of SMEs. On the basis of the evidence collected to date, the BDP is contributing (albeit in a small part) to this growth which is likely to have sustained effects in the future.

The management of the programme, through the steering group, is working effectively with all partners wishing to see these relationships continue. Some initial challenges have been addressed effectively by the partnership which is committed to the goals of the programme and regularly attend steering group meetings and provide data when required.

The programme has operated very much as two distinct strands (as originally envisaged) with no real justification for operating as a combined programme. However, awareness of great200leaders from those who received the FAS, and vice versa, suggests that there is potentially much more potential cross over between the two strands than delivery partners thought.

Given the continued running of the programme in this way, and limited cross-referrals between the FAS and great200leaders, it could be argued that resources may have been wasted in the initial phases in attempting to develop and implement the programme as an integrated initiative. However, there were (and to some extent remained) significant communication problems leading to confusion over who was responsible for promoting which strands, especially great200leaders.
Marketing materials developed by Clarke Associates, whilst seemingly not generating many referrals, was highly praised by delivery partners and provided them with quality materials to send to, and work with businesses.

An important development of the programme was the use of social media which was an important spin-off from the programme as it built the capacity of BCC, Clarke Associates and the delivery partners to exploit this new media. This can be built upon for the successor BDP programme, and other local authority and GBSLEP business support.

Areas for development were: reducing the threshold for match funding required from the businesses for the FAS or reducing the minimum amount of grant that can be applied for. However, it is debatable as to whether a reduced minimum threshold for expansion projects should be considered – this will be largely based on the turnover of businesses that should be supported by the programme. This should also be considered in the context of the portfolio of business support available from BCC and developed by some partners.

The main concern, as far as the FAS is concerned, was the eligibility criteria. Across the life of the programme, the definition of eligible sectors was expanded to include all B2B businesses. The main criticism was the exclusion of B2C firms, even though the B2C component may be as little as 1% of the business.

6.1.2 Recommendations

Throughout the evaluation, recommendations have been made and programme managers have responded positively to them. The recommendations in this report take evidence across the programme as whole but focus on those relevant to the BDP’s successor programme currently being developed.

■ **Delivery partners to continue the support provided to firms completing the FAS application.** A considerable achievement of the FAS was the low (or even zero) number of failed applications in Year Two. This was due to the work delivery partners undertook in helping businesses complete the applications forms and identifying ineligible businesses and goals of funding, and improving the quality of applications. It also increases the relationship between firms and delivery partners. Quotes from businesses who failed the application process show that it is a waste of valuable time and resources for businesses and delivery partners.

■ **Build on the effective partnership working achieved through the FAS.** Project management and steering group meetings were highly valued. However, there were communication problems and confusion about roles and responsibilities with the great200leaders programme. The learning from both strands should be taken forward into the successor programme, but also applied to other cross-LEP initiatives.

■ **Use experience of the BDP to develop more realistic targets.** The BDP did not have a previous programme on which to base delivery partner targets. This has led to some overachieving and some underachieving because the rationale for developing targets was untried, and the need to reprofile the targets. The experience of BDP provides a more practical and tested rationale for delivery targets in the successor programme.

■ **Encourage further leadership and management development across LEP area.** As with skills more generally, there are a lack of leadership and management skills compared with the UK’s major competitors. Such skills are a major barrier to growth but it is difficult to get businesses to invest in development. Given the difficulties of achieving take-up for the great200leaders scheme, but the benefits of coaching and mentoring to business growth, it is important to explore the most effective ways in which such support can be developed.

■ **Ensure that there is a portfolio of provision to support a range of business sizes and sectors.** The FAS fitted in well with similar programmes because the range of financial support filled a gap below some larger schemes. Some delivery partners used
their BDP resources to develop smaller FAS-type support for smaller businesses thus filling a gap at the lower end of financial support. One main criticism of the FAS was the fact that B2C firms were excluded no matter how small the element of B2C was (due to ERDF eligibility criteria) and this should be addressed either by the successor programme or through other funding.

- **Explore the causal link between business support and growth.** The broader evidence suggests that growing businesses are adept at seeking out and accessing support. If this is the case then the impact of business support programmes needs to be revisited as publicly funded business support would seem to support growing businesses (a key LEP aim in itself) rather than create growth themselves.

### 6.2 Delivery arrangements and outputs

#### 6.2.1 Conclusions

Generally speaking, businesses were satisfied with the functioning and delivery of both schemes of the BDP and most would recommend the programme to other businesses.

It is a testament to the strong nature of the partnership and the promotional activities they have independently undertaken to allocate the whole programme budget for the FAS (in particular Birmingham Chamber of Commerce). BCC have continued to be considered an effective manager of the BDP despite various challenges and resource implications from audit requirements.

Marketing in general started late and has been a cause for some concern during the programme although according to partners, improvements have been made more recently which is indicative of a greater understanding of the programme, its target audience, the local dimension and the flexibility of the management and partnership. However, findings from the survey indicate a limited impact of marketing activities and could be considered as providing low value for money if strictly for the purposes of recruitment (although there may be more intangible benefits of awareness- and profile-raising of the activities of the delivery partners and BCC).

Academic research and delivery partners suggests that the ‘usual suspects’ are adept at accessing publicly funded business support, however, responses to the business survey suggest that deadweight of the BDP is low. This is both in terms of what businesses would have done without the BDP, and what other support they have received in the past. That take-up of the BDP was by businesses that had not been involved in other types of business support is a key success of the programme. This suggests that the direct approach by delivery partners – especially for the FAS - appears to have generated interest amongst business new to publicly funded business support.

Whilst BDP was two distinct strands, businesses appeared to be aware of the other strand much more than delivery partners thought. One third of great200leader businesses successfully accessed the FAS, but few FAS businesses were aware of great200leaders.

A limitation on the majority of programmes we have evaluated is the lack of progression and aftercare. The high level of business satisfaction with both strands of BDP suggests they would be very receptive to further support but there is little evidence that this has or will happen. BDP beneficiaries are growth businesses and would benefit from being made aware of or actively encouraged to take up further publicly funded support be it via delivery partners, the LEP or the Growth Hub.

The BDP has led to capacity building amongst the delivery partners, especially concerning experience of European Structural Funds (i.e. ERDF programmes) and social media. This should have impact in the future in enabling partners to become more involved in European funded programmes, and marketing to businesses more generally.
BCC has demonstrated flexibility and responded well to comments from businesses, delivery partners and the evaluators in developing the programme. These have included: changing the eligibility criteria (especially for the FAS); changes to the great200leaders scheme to boost recruitment, such as moving to a rolling programme of recruitment, and; the necessity of Action Learning Sets which drew criticism from great200leaders beneficiaries.

Delivery partners adapted more quickly to changes in eligibility criteria as the programme developed. Businesses’ main criticism of the application process was investing time in the application only to find that they or the application was ineligible. This criticism diminished as the FAS developed and businesses on the whole were satisfied with the application process (apart from businesses which did not receive funding). Various recommendations have been made by partners to adapt the criteria to allow a wider range of businesses to take part. These should be considered in the light of potential new funding rounds although it is acknowledged that ERDF funding is unlikely to support ‘business to consumer’ businesses in the future, or the retail sector.

Changes to the great200leaders scheme to boost recruitment, such as moving to a rolling programme of recruitment, has meant that one of the original intentions of developing ‘cohorts’ of businesses which support each other, was not achieved.

The Action Learning Sets (part of the great200leaders scheme) has high levels of drop out due to time commitments and so were changed. Beneficiaries were allowed a more flexible model where they can essentially pick the elements of the scheme that they wish to attend (often resulting in a focus on one-to-one coaching). While the flexibility for businesses to choose the package of support that they would like is commendable as an overall approach to business support, this was not the original intention of the scheme.

The overall effectiveness of the great200leaders scheme is considered by businesses to be positive – in particular the one to one coaching. While receiving personalised tailored coaching is an extremely effective business support mechanism, the ability of the businesses to choose to engage with only this element of the scheme (which most did) had resource implications for the provider. The cost-effectiveness of this intensive support should be weighed against the attractiveness of it to businesses, particularly as many of the businesses will have received effectively a 50% discount through the bursary (funded from Winning Moves out of their own resources).

6.2.2 Recommendations

- **Learn from the lessons of BDP to improve the marketing of future programmes.** Marketing of BDP appears to have been the most problematic aspect. From a delivery partner point of view there were communication problems and confusion over the marketing of great200leaders. From a business perspective, much of the marketing activity appears to have been ineffectual.

- **Understand the dynamics of business support.** As we discussed above, the causal link between business support and growth is unclear. Deadweight of the BDP appears to be low with many beneficiaries new to publicly funded business support. Given the delivery partners’ and GBSLEPs’ focus on growth businesses, the BDP can provide lessons on how to promote and deliver support.

- **Instigate more follow-up activities.** There should be more aftercare of businesses receiving support to provide them with targeted information, advice and guidance either from the delivery partners themselves or via the Growth Hub.

- **Monitor the take-up of coaching and mentoring.** The BDP successor programme (if it receives funding) will not include a coaching and mentoring strand. The rationale is that other schemes are available. Given the importance of management and leadership development to business growth, and lessons learned from great200leaders strand, take-up of other schemes (e.g. Growth Accelerator, Goldman Sachs 10,000 businesses
programme) should be monitored to see if a great200leaders type scheme is needed in future.

6.3 Impact

6.3.1 Conclusions

Relative to its size, the BDP has had a significant impact on jobs and GVA across the GBSLEP area. Levels of deadweight, leakage and displacement are low which means that there are high levels of additional jobs and GVA and these have tended to remain within the GBSLEP area.

Overall, BDP led to a net increase in employment of 688 jobs, £18.3m of GVA and over 1,200 jobs safeguarded.

Compared to other business support programmes the level of net impacts is high but the cost per job is relatively low. This means that the BDP was also an efficient programme costing only £4,151 per job created. These jobs are likely to be sustained over at least the next three years.

Case study interviews suggest that businesses on the whole have benefitted from increased turnover and business growth as a result of both the FAS and great200leaders schemes which has created internal (personal or leadership) as well as external (marketing or business expansion) successes.

6.3.2 Recommendations

The levels of impact are impressive. The business and delivery models of the BDP have clearly delivered a large level of jobs and GVA for a programme of its size. Qualitative research suggests that this is due to the partnership model; management by BCC and that the BDP meets important business needs in overcoming barriers to growth. These elements should be built on in any future successor programme.

6.4 Future of the programme

6.4.1 Conclusions

The GBSLEP and BCC are considering other programmes. The partnership has developed a clearer understanding of the ‘fit’ of the BDP within the portfolio of provision available through the Growth Hub, as well as the potential of a range of funding sources (European, UK and private)-available to continue a programme with a similar purpose.

Details of these potential new programmes are still in development but it is likely that BCC will build on the successes of the existing BDP programme through collaboration with the GBSLEP, as well as potentially other LEPs in the West Midlands, such as the Marches, Staffordshire and Stoke-on-Trent.

The BDP successor programme is likely to be a grants programme only and not contain a coaching and mentoring element. This is because other public and private schemes are available, and businesses will be able to use the grant to pay for management and leadership development if they wish to.

BDP has been flexible and has developed in the light of delivery partner and business experience, for example, in changing some eligibility criteria and greater flexibility in the great200leaders programme.

Much has been learned, especially by delivery partners, in promoting and supporting businesses in a BDP-type, delivering a European Structural Fund programme, and working with social media.
Marketing was a big concern throughout the programme. Direct approaches by delivery partners appear to be most effective, not just in engaging businesses but in getting a ‘foot in the door’ and as a first step in building relationships with businesses.

Eligibility criteria tended to draw a lot of criticism. Whilst ERDF regulations must be followed, other sources of funding should be explored to fill any gaps, especially those businesses with a low proportion of B2C sales.

6.4.2 Recommendations

The BDP was developed when the economic recovery was uncertain. It did, and continued to meet two major needs of businesses – access to finance, and leadership and management development. Deadweight of the programme appears to be low, in that it has attracted new recruits to publicly funded business support, and has supported businesses in creating jobs, turnover, productivity and improved management.

BDP therefore has been a highly successful programme and there is a great deal to build on, in terms of what has worked and what can be learned from both for the successor programme and other GBSLEP programmes more generally.
ANNEXES
Annex 1  Summary of work programme

Table A1.1 summarises the data capture approach in order to meet the range of evaluation objectives required in this evaluation of the BDP.

<table>
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<th>Specific Evaluation Objectives</th>
<th>MI review / desk research</th>
<th>PM and partner interviews</th>
<th>Coaches and mentor interviews</th>
<th>Business surveys</th>
<th>Business case studies</th>
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## Annex 2  List of delivery partner interviewees

### Table A1.2  List of delivery partner interviewees 2013-15

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<th>2015</th>
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<td>Mohammed Zahir (lead partner)</td>
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<td>Nigel Godfrey (lead partner)</td>
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<td>Sue Jones (lead partner)</td>
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<td>David Evans</td>
<td>Birmingham Chamber of Commerce</td>
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<tr>
<td>Mandy Canny (partner)</td>
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<td>Patricia Freshwater (coach)</td>
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<td>Martin Dobbs (coach)</td>
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<td>Debbie Harris (partner)</td>
<td>Cannock Chase DC</td>
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<td>Jagtar Singh</td>
<td>Cannock Chase DC</td>
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<tr>
<td>David Lowe (coach)</td>
<td>Catch 22 Solutions</td>
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<td>David Clarke</td>
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<td>Penny Thorp</td>
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<tr>
<td>Catriona Gibley (partner)</td>
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<td>✓</td>
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<td>Ray Portman</td>
<td>MAS</td>
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<td>Steve Singleton (partner)</td>
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<td>Clare Rudge</td>
<td>Solihull MBC</td>
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<td>Graham Alcock (coach)</td>
<td>White Knight Consultants</td>
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<td>Ashad Butt (coach)</td>
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<td>Karen Mercer-West</td>
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<td>Richard Crooks (coach)</td>
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Annex 3  Updates to existing case studies

For this report, 25 businesses were re-contacted with each of the participating businesses in cohort one and two offered the opportunity to become a case study following completion of the on-line survey.

A total of 15 businesses were originally involved as a case study in cohort one, and a further 10 case studies in cohort two.

For this Report, these businesses were re-contacted to take part in an update telephone interview (lasting approximately 30 minutes). Case studies were then updated with responses around any changes to their business, their experience of and participation in the programme, impacts, lessons and recommendations.

Each Case Study was written up in a standard template and returned to the company for review.

A total of 11 updated case studies have been completed with the others declining to take part.

Table A1.3 provides an overview of the Case Study group; individual Case Studies follow thereafter.

Table A1.3  Repeat Case Study Overview

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Support Received</th>
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<tbody>
<tr>
<td>1 AE Aerospace Ltd</td>
<td>great200leaders</td>
</tr>
<tr>
<td>2 Allenco Worldwide (Freight Management) Ltd</td>
<td>great200leaders</td>
</tr>
<tr>
<td>3 Argenta</td>
<td>great200leaders</td>
</tr>
<tr>
<td>4 Bluetel Solutions</td>
<td>Financial Assistance Scheme</td>
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<td>5 Central Finance</td>
<td>Financial Assistance Scheme</td>
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<td>6 EC Williams</td>
<td>Financial Assistance Scheme</td>
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<tr>
<td>7 Green Gorilla Apps</td>
<td>great200leaders</td>
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<tr>
<td>8 Mellow Marsh Software Ltd.</td>
<td>Financial Assistance Scheme</td>
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<tr>
<td>9 Nobisco</td>
<td>Financial Assistance Scheme</td>
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<tr>
<td>10 RMK Tooling Limited</td>
<td>Financial Assistance Scheme</td>
</tr>
<tr>
<td>11 Spectrum Telecommunications</td>
<td>Financial Assistance Scheme</td>
</tr>
</tbody>
</table>

Overall, businesses were still extremely positive about the support they had received from both great200leaders and the Financial Assistance Scheme.

A3.1  Financial Assistance Scheme Support – main impacts

All but one of the businesses reported both an increase in staff and turnover since the last interviews. For businesses that used the financial assistance scheme to move premises, the additional space gained has enabled them to take on more staff. Furthermore, the new space has also had a positive impact on the staff employed at the company, with businesses suggesting the building is a more pleasant space to work in. New space also has a positive impact on winning new work and enabling the business to have a smarter, more presentable and professional image.

Businesses that received the Financial Assistance Scheme support to aid with marketing their business have all been able to take on and work with additional clients. They have also been able to maintain a level of marketing, which they were unable to do so before.

With hindsight the businesses were unable to suggest any improvements to the programme.

A3.2  Great200leaders support – main impacts

Businesses who had received support from the coaching and mentoring strand of the programme remained positive about the impacts the programme had on them personally and on their business.
Furthermore, at least two of the businesses had remained in contact with their original great200leaders coach and were continuing to work on their action plan. This was either funded privately or by another funded scheme. One business had gained a place on another business support programme, as a direct result of the support they had received from great200leaders.

Positive impacts talked about during the update case study interviews included:

- Better team work as a result of the DISC profiling;
- Improved communication within the businesses; this was between directors, as well as between employees.
- Being able to take a step back from day to day work and take a view of the business from the outside.
- Being prompted to take further action on business related tasks as result of the seminars.

Businesses found it difficult to express suggestions for improvement to the programme because they had found their experience to be so positive. One business reflected that a continuation of support over a longer term to enable them to implement their action plan devised during great200leaders would be welcomed, a point also made in a number of the coach interviews undertaken.
A3.3 AE Aerospace Ltd – great200leaders

“Great 200 Leaders is an exceptional programme that has opened our eyes and allowed us to focus on the fundamental issues of our business and get them right for our future”.

Peter Bruch, Managing Director

Company Overview

AE Aerospace was established in 1996 and was recently purchased through a Management Buy Out (MBO) which completed in January 2014. Since then, the company has seen a 100% increase in enquiries, leading through to a 50% increase in sales and is now back into profit. In the next two years, the business plans to triple its turnover.

AE Aerospace is a sub-contract machined components manufacturer for the Aerospace sector. Their skill level is such that they provide solutions to the ‘Stranger & Alien’, spares, prototype and volume production markets.

Reasons for seeking business support

Lloyds Bank provided the financial backing for the MBO which started in November 2013 and completed in January 2014. Since then, the company has invested heavily in new CNC machinery, inspection equipment; computer aided machining software (CAM), alongside a number of improvements to the factory environment. In addition a new Quality system and Accounts software have also been implemented.

Peter Bruch, the new Managing Director, has sought business support from a variety of providers, including the Rolls Royce CDS, and became aware of the great200leaders scheme through the Manufacturing Advisory Service. Great 200 Leaders support was accessed to help the Directors manage and improve the ‘people side’ of the business, specifically in improving team work and understanding from the Directors through to the shop floor manufacturing cells.

At the time of their application, Peter could have also applied for the Goldman Sachs 10,000 Small Businesses Scheme, however they felt that the great200leaders was better able to meet their initial needs and provide them with a sound basis for the business to move forward and grow.

The Goldman Sachs Programme will enable AE Aerospace to build upon the improvements achieved from the great200leaders scheme and it is anticipated that this will be achieved in 2015.

The coaching has enabled the team of Directors to focus their attention on the organisational flow of the business, looking at the “who, what, why, how and when”. While this work is in progress with the great200leaders coach they have been able to look at all roles and staff workloads within the business. This is enabling the Directors to focus on what people are doing and how they can improve the processes within the company.

Views on the support received

Engagement with the scheme was initially via the Manufacturing Advisory Service, who put Peter in touch with the Business Development Programme staff. The company completed their application and subsequently a needs assessment was completed which included a discussion on the type of support Peter needed, his expectations and what he wanted to achieve. The application process highlighted two coaches which Peter could choose from.

The coach through great200leaders created an action plan which is reviewed regularly. Peter has found the coaching ‘excellent’ and has found it useful to understand his business in greater detail by focusing on the process flow of business in the company. Peter finds the
work he has to complete for the sessions is helpful, but isn’t too much that it is onerous or overly time consuming so he can still concentrate on the day to day running of the company.

The company have found the presentations/action learning sets and workshops “excellent” and have found that they have "opened their eyes" to issues faced by other local businesses. The process of the structured sessions is useful and Peter explained,

‘[the sessions] enables you to put issues out to a group of people that can help you – it helps to crystallise things in your mind to talk through, it’s extremely useful’.

The team have also found the DISC profiling particularly helpful, especially as a new team coming together after the MBO. The profiling has been ‘fundamental to see how we each tick and work’. Finally, the support has also enabled the management team to develop their values, which includes an up to date mission statement. This focus on staff is “undoubtedly helping us to enable high growth to happen”.

**Impact**

The business felt that great200leaders has really helped with building up the business since the MBO was completed in January.

Peter plans to apply for the Goldman Sachs 10,000 Small Businesses and feels that upon completing the great200leaders the business will be in a much better place due to the fundamental foundations laid within the company enabling them to work on the more strategic planning offered through the Goldman Sachs programme.

“The great200leaders has given us a really strong foundation to get the basics right – without the work done through great200leaders, the strategic work we will do with GS10K would have been pointless”.

The great200leaders through its various strands of support has enabled the management team to work more effectively as a team.

**Added Value**

In the absence of the great200leaders scheme it is likely that the company would have sought business support from somewhere else, although it is unlikely that the support would have met the needs as well as the great200leaders scheme has done and continues to do so. Given the number of options open to the company for business development, the low cost of the scheme helped in their decision to choose great200leaders.

**Update**

Following the first interview with Peter, he continues to be very positive about his experience of the great200leaders programme. The DISC profiling has helped the management team to understand each other, which has resulted in a better understanding between team members and the staff as a whole. It has also enabled them to effectively build their team and improve communications throughout the company.

In the following year, Peter was offered a place on the Goldman Sachs 10,000 Small Businesses course, although business demands meant he had to defer the offer, he is looking forward to the training. Upon reflection, Peter explained that the great200leaders programme had laid the important foundations to enable him to participate.

The coaching and mentoring has also enabled the company to explore the Knowledge Transfer Partnership and look at the existing business model in a number of areas. As a result of this, they are exploring and implementing improved capacity planning and servitisation through the provision of extra services for customers. The company are also exploring software to provide real time information to customers about, for example their order status. All of these advancements will eventually enable the business to compete with outside UK and overseas competition.
The business now employs 56 staff in two companies, an increase of 34 people since the original Management Buy Out. Furthermore, they are currently recruiting for an additional six to seven posts. The business has seen its turnover grow by 300% and returned to profit since commencing great200leaders.

Looking back, Peter stated; “I would recommend that people do it – go in with an open mind”.

Finally, given the high growth the business has experienced, although it has had its challenges, Peter has really valued the time he had with his mentor and coach to “use the time that has been available to sit down, understand what is important for our staff & business and plan”.
A3.4 Allenco Worldwide (Freight Management) Ltd – great200leaders

“Involvement in the programme is definitely time well spent because it has given us a new perspective and reinvigorated the business.”

Peter Murphy, Business Development Director

Company overview

Allenco Worldwide is a freight management business that provides companies with international freight services for the import and export of goods. Established in 1995 by Jennie and John Allen, the company started trading as a limited company in 2001.

At the time of application to the great200leaders programme, Allenco’s business had survived the recession unscathed but without any growth and the team were looking for help in developing the company. The company’s turnover was around £1 million and there were five full-time equivalent employees.

Reasons for seeking business support

Peter, Jennie and John, applied to the great200leaders programme for the greater benefit of the business. There was a:

“…recognition that the business needed to grow and have a proper strategy in place for growth. We also felt that the business was not realising its full potential.”

Views on the support received

The team were made aware of the great200leaders programme by a customer who felt the programme might be useful to Allenco. Allenco enrolled in both the great200leaders and the Growth Accelerator programme. An initial business needs assessment was carried out by their growth coach and they worked together to develop an action plan “…to double the size of the business over the next three years”. The action plan was effective and provided the necessary support to formulate a marketing strategy, from the one-to-one sessions with the coach. The strategy included the building of specific procedures into the business (which is ongoing) to deliver consistency, and to differentiate the business from other competitors in the market.

Peter, Jennie and John, described their engagement with the programme as “excellent” giving them a “different perspective within the business and bringing new insights on a personal level”. The most effective part of the programme was the coaching support through which the team were able to discuss how to move the business forward. This included developing a strategy to meet certain goals, such as increasing the number of new customers and contacts. The team found this process effective, but also challenging, because the business had developed certain habits that have taken time to change in order to move forward.

Despite some ambivalence towards the DISC assessment the team felt, as a whole, the programme was very beneficial to the business. Peter Murphy, business development director, described the programme as “brilliant”, and suggested that it could only be improved by running the support over a two to three year period, instead of 12 months, or even on a continuous basis. This is because:

“…it takes time for the changes to take effect; they can’t be achieved over night. The changes need to happen at both a business and personal level…once you have your [personal] outlook, then you can change the business.”

Impact

The great200leaders programme has helped Allenco develop a marketing strategy that will deliver growth to the business and has re-aligned job roles within the company. There is
now a concentration on business development. Moreover, in the last 12 months the business has grown by 20%. The team attribute 10% of this growth to an uplift in business from the company’s existing customer base having fully recovered from the recession. The other 10% is attributed, in part, to the benefits of the great200leaders programme and the marketing strategy which has helped the business attract new customers.

“We are one fifth of the way to where we want to be and the marketing strategy is not yet in full effect…this puts us on course to achieve our three year target.”

Added value

In the absence of the great200leaders, Allenco would not have actively sought alternative business support based on the cost and risks associated with hiring a coach. The team felt that Birmingham City Council, Solihull Council and the Local Enterprise Partnership had provided the necessary due diligence in recruiting coaches and mentors for the programme, meaning that the business support would be a reliable and trustworthy investment for the company. Allenco also felt that the programme should continue to be subsidised as this was a “great help” for encouraging participation from local businesses; without the subsidy, it is unlikely that the team would have taken part in the programme.

Update

Since the last case study Allenco have seen a 10% growth in their turnover and now employ 6 full time staff. They have successfully been implementing their new marketing strategy. This includes a new logo and emphasis on their detail focused approach.

‘There has been a real cultural shift’

The guidance they received from the great200leaders programme allowed management to take a step back and ‘stop working in the business and start working on the business’. This has allowed more strategic prioritization of tasks, increased communication and more effective networking. There has also been an increased focus on new clients which has been particularly important in maintaining growth.

The role that the great200leaders was vital to the businesses new approach and without it it’s likely that the business would have not progressed without this new approach inspired by the coaching programme. As a result of networking facilitated by the programme they have also gained new clients.

As a business they are aware that they will come across some challenges over the next 12 months but feel that they are better equipped to deal with these as a result of the programme.

Allenco suggested that it would be useful to have some follow up sessions with their advisor as some longer term support. This would be useful for the implementation of those plans developed during the great200leaders programme.

They have not been involved in any other business development schemes but would be keen to be involved in other similar initiatives.
A3.5 Argenta – great200leaders

“I have personally developed significantly in regard to leadership and people management and gained tools for that area which have subsequently had an impact on the business”.

Chris Woodhams, Operations Manager

Company Overview

The great200leaders scheme was undertaken by Chris, who six years ago started working for Argenta. Argenta has been in business for 12 years providing software solutions for test, measurement, control and automation in a wide variety of industries.

Reasons for seeking business support

Argenta started on the great200leaders in February 2014. Chris is in line to take over the management of the business within the next 12 months. He had very little experience in leadership from his previous career and the great200leaders was an opportunity to develop his leadership skills and benefit the business.

Prior to joining the great200leaders, the business completed the Growth Accelerator programme, which output a growth strategy to triple turnover and number of employees in three years. It was through the coach they had for their Growth Accelerator programme that Chris heard about great200leaders.

Views on the support received

Overall the engagement process was smooth and meeting his coach was straightforward. The coach had an initial conversation with Chris about his expectations and where they were as a business. This was then translated into an action plan which was reviewed on a monthly basis. During each monthly review the proposed actions were reviewed and new ones discussed for the next period. Chris found the action plan ‘very relevant and really good for keeping you motivated’.

Impact

From a personal development perspective the great200leaders coaching has had a ‘massive’ impact on Chris as he now approaches leadership differently. He has found the learning sessions exceeded his expectations and that they were ‘really interesting and inspiring’. The sessions have been useful in teaching him about other business issues and have enabled him to think about other important aspects of business such as marketing, innovation and product development. Prior to engagement with great200leaders the business put no resources into marketing and this is an area where they are now concentrating more time, effort and commitment.

The scheme has equipped Chris with confidence and awareness in leadership. This enables him to deal with issues within the team with confidence. An example where his skills have been used is during the business’s personal development reviews. Since engaging with great200leaders Chris has changed the way in which he approaches employee reviews by using tools suggested by his coach. Although it is difficult to quantify, Chris feels staff are more motivated.

The business also benefitted from DISC profiling, which has been useful for staff to see how they can communicate better with each other. It is also being used as part of the evaluation process for interview candidates.

Chris wasn’t expecting the scheme to have such a big impact on his confidence. The scheme has helped to increase his confidence by giving him the knowledge he needs as well as tools to apply his new knowledge in the right way.
Added Value

Without the great200leaders scheme, Chris would have gained the skills in relation to leadership through the transfer of knowledge from the existing director. It is highly unlikely they would have sought external support. Chris explained that his participation in the Growth Accelerator programme led to his engagement with the great200leaders scheme. He felt it was good to have the scheme subsidised although they would have done it without the subsidy.

Update

A year on from the coaching and mentoring Chris has continued to work with his great200leaders coach on a private basis (part funded using a growth voucher).

The business now employs 5 full time and 2 part time people. The two new members of staff have been recruited to both focus on the existing areas of the business as well as to focus on the expansion into new industries and to work with new clients.

With the benefit of hindsight, Chris felt overall the whole great200leaders programme worked well. Chris stated "the speakers were really good, they were inspiring, all of the information was really useful and I have used this to develop things in the business". On reflection, Chris also found the group sessions useful, although he was unable to attend as many of these.

Since starting the programme, Chris’s confidence has remained high in comparison to beginning of his engagement with great200leaders and is now in the process of taking over the role of Managing Director to enable his father to retire. Chris explained, the increase in confidence has made taking over from his father a lot less difficult.
A3.6 Bluetel Solutions - Financial Assistance Scheme

“Surprisingly easy; I was surprised at how straightforward it was and how helpful everybody involved with the process was.”

Jan Kolasinski, Owner

Company overview

Bluetel Solutions is a Birmingham based web development company formed in 2005 on the back of a collaboration between owners Rob Clews and Jan Kolasinski. They initially came together to work on a particular project, but soon started to get enquiries from other customers as word of their work spread. They formed Bluetel Solutions.

Since 2006 Bluetel Solutions has been growing at an average of 20% year on year. At the time of the application to the Financial Assistance Scheme, it employed eight people.

Reasons for seeking business support

The reason for applying for the Financial Assistance Scheme grant was to mitigate the impact on cash flow of a relocation of the Bluetel offices. The grant itself was not used to fund the move directly, as this had already been budgeted for. Instead, it was used to cover the potential cash flow shortage that may have arisen as a consequence of using cash reserves to finance the move. This enabled Bluetel Solutions to hire two new employees at the same time as the move, something that would not have been possible without the grant.

“Either we moved premises and put our expansion plans on hold, or hired new people but stayed where we were – and that was not really an option.”

A year on from receiving the support, Bluetel have employed a further two people.

Anecdotally, the move to a more central location has possibly helped with this recruitment as the travel to work options and accessibility of the office has improved.

Views on the support received

Jan was made aware of the Financial Assistance Scheme through a friend who had also used the grant to help their business move offices. He then contacted the Birmingham Chamber of Commerce who provided him with additional information and put him in contact with the GBSLEP business team. From here, the process was straightforward and the decision was made in the same week the application was submitted.

Bluetel Solutions applied for £10,469 and were awarded the full amount. The total cost of the move was £60,000 and this was funded entirely through the business.

Impact

The Financial Assistance Scheme grant prevented Jan from having to make a decision between hiring new staff and the essential relocation of Bluetel Solutions to new offices. This has enabled the company to bring forward plans for expansion by around six months and hire an additional two employees.

“The grant has accelerated our objectives in terms of turnover. I don’t have to worry so much about cash flow, so I can be more ambitious in my goals for expansion, hiring, growth, turnover etc. I’m ahead of projections, as I hired two new staff before the end of last year as soon as we were approved for the grant. This puts us in a better position to face the future. The goal is for turnover to reach £1m over the next two years.”

The move itself has resulted in increased turnover from winning a large contract with a new client. Jan believes that the more professional appearance of the new offices played a significant part in this. There has also been a noticeable, but immeasurable, impact on productivity as a consequence of the improved working environment. Since taking on new staff, Jan has been given space to look at how he can add to the business and is currently
exploring a new area to diversify into. While he had noticed this potential area to explore previously, a lack of time due to staffing pressures meant he was unable to pursue this.

**Added value**

In the absence of the Financial Assistance Scheme, Jan would not have sought funding from alternative sources. Instead he would have reverted to the original plan, which was to use cash reserves to fund the move and put hiring on hold for at least six months. Although, as staunch supporter of the free market, Jan is opposed to the principle of subsidised business support, he can see a need for it in the Birmingham and Solihull area and considers it to have a positive impact on job creation.

With the benefit of hindsight Jan felt the programme could be marketed more effectively though a number of local networks and the online presence of the programme could be improved to enable businesses interested in support to access the information they require quickly and easily.

New offices of Bluetel Solutions:
Update

The business has grown considerably since they moved premises, and the company have gone from employing 8 people when they moved, to currently employing 19 people. This is more than treble the figure that was initially envisaged upon application to the Financial Assistance Scheme.

The move to city centre offices has been a positive factor for staff, providing staff with various ‘perks’ including good local transport links for people living outside of the city centre as well as being a walkable distance for local staff. The offices are also within close proximity to local amenities and places them within the heart of what is happening in Birmingham in relation to technology.

The company have also almost reached their target for turnover, in less time than they were initially planning. In 18 months, their current turnover has almost doubled.

With hindsight, the Financial Assistance Scheme prompted them to make the move into bigger premises. Jan explained; “at the time [the funding] was a significant part of our costs to move, it helped. The funding provided a good proportion of the costs”. There were not any changes that could have been made to the application process, Jan explained “the whole process was quick and easy to follow, the people were helpful, and the Chamber of Commerce reviewed the application to ensure it went through smoothly”. Finally, for Bluetel Solutions the Financial Assistance Grant was the “cherry on top”, although they had been thinking about moving, knowing they would have additional support was the additional push they needed as it enabled them to feel they could make the move to the bigger premises, resulting in the chance to significantly increase the staff and turnover of their business.
A3.7  Central Finance – Financial Assistance Scheme

“It’s been a very good experience, the process is swift and straightforward. It encouraged us to invest in marketing the business and its certainly increased our sales”.

Company Overview

Central Finance have just gone into their fifth year of trading providing financial brokerage and consultancy for businesses. The company informs businesses about an array of funding available to them which includes Government backed loans, peer to peer lending and available grant funding. The project director heard about the Financial Assistance Grant through the Chamber of Commerce.

Reasons for seeking business support

The company were looking to increase their turnover to almost double this year and in order to do this they required a comprehensive marketing campaign. Alison, the company director had heard about the financial assistance scheme through her role as advisor and found the application process straightforward, especially given her experience in running grant schemes and writing grant applications for businesses in her current role, although she did feel that the Business Development Programme was unclear on what it can be used for. The decision process was straightforward and took two weeks.

Views on the support received

The business applied for and received £15,000 which they have used to pay towards an extensive marketing campaign including various strands of marketing such as a re-developed website, social media and twitter support. The additional funding from the Business Development Programme has resulted in them spending more themselves than they had initially allocated to marketing.

Impact

The funding enabled the business to fund a marketing company which has raised the profile of the business through an extensive marketing campaign. Since the marketing has started the company have doubled their customer links as well as their turnover. Prior to the marketing the company employed three people, this has since doubled to six.

The marketing has given the company a ‘stronger face and has explained in more depth the extent of what we can do’. The funding was particularly helpful as the company did not have any time to undertake the marketing themselves but they recognised they needed to do something to enable the business to grow.

Added Value

Without the financial assistance the company would have scaled back the marketing and used their own funds. Overall the marketing has cost in the region of £37,000 but it was likely that without the funding they would have spent a third of the overall cost. Alison felt the funding was really useful for the region and a good lever to stimulate businesses to spend money, either through borrowing or using their own reserves.

The application process was straightforward and not too time consuming and although she understood why grant programme require a lot of funding because of the costs of the administration process, she felt it could have been a little less bureaucratic.

Alison has recommended the programme to other businesses and she felt such a programme is important, especially for business owners that have the confidence to invest in their own companies.
Update

Since the grant turnover has doubled and net profit has tripled. Central Finance still has 6 full time employees but also works with three self-employed staff. This arrangement works well for both parties.

The company continues to invest in its marketing scheme and is still seeing the benefits of the initial grant. As a result of this drive the company has gained new customers and this has in turn meant that there is a greater stability for the business moving forward. They have recently purchased their office and are preparing for the increased regulation of the industry. These changes have been important in reinforcing the stability of the business as continues to grow.

The future of the business will focus on the both growth and continued systemisation of their processes.

They have worked with many other businesses who have been involved with the scheme and they see the processes involved as well organised.
A3.8  EC Williams – Financial Assistance Scheme

“The Financial Assistance Scheme is the difference between a successful project and an unsuccessful one”

Henrik Skouby, Managing Director, EC Williams

Company overview

Located in Birmingham’s Jewellery Quarter, E.C. Williams was established in 1921 by Mr Williams. E.C. Williams specialises in the electroplating of copper, nickel, silver, tin and zinc nickel alloy to name but a few. E.C. Williams are able to provide a wide range of services from pre-production samples to full volume production conforming to O.E.M, national and international standards.

Prior to applying for the Financial Assistance Scheme, E.C. Williams had a turnover of £1.55m and employed 22 members of staff.

Reasons for seeking business support

The key reason for seeking support through the Business Development Programme was to develop new marketing tools to attract new customers. One of EC Williams’s biggest clients was being relocated to mainland Europe. This meant that the business would lose a significant amount of income. Therefore, it was a logical step to apply for the Financial Assistance Scheme to support plans to attract new clients.

Views on the support received

Henrik Skouby, Managing Director at E.C. Williams, reported that the application form was a straightforward process. Henrik applied for £10,156 and received this amount. The total cost of the marketing project was £22,500.

The grant was used to work with an internet marketing company which created Google adverts on search engines to improve traffic on the E.C. Williams website. Another element was to work with a more traditional marketing firm, which purchased a list of contact details for engineering companies. They then sent a mail shot to these firms.

“The grant enabled me to take a risk, I didn’t want to spend £12,000 and not achieve anything. The grant helps to take some of that risk away”.

Impact

Within the first four months of implementing the new marketing approach, E.C. Williams has generated approximately £44,000 worth of new business. Henrik said that this is directly attributable to the Financial Assistance Scheme. This new business also means that they have been able to safeguard existing jobs. A year on from receiving the support, the marketing campaign enabled the company to almost replace the lost contract with new clients and they have been able to generate business from outside Birmingham and the West Midlands.

Furthermore, the participation in the Financial Assistance Scheme has strengthened E.C. Williams position in the market place. A year on, the director explained that they have continued to undertake the marketing and that the grant “kick-started something we wouldn’t have done before”.

Added value

Without the Financial Assistance Scheme, E.C. Williams would not have been able to develop the level of marketing materials that was possible with this grant.

There is a real need for programmes of this scope because it helps SMEs to grow. When comparing the Financial Assistance Scheme to other support, Henrik reflected that this was
far more proactive in generating business – as shown by the new contracts EC Williams have attracted to date. The business have also found the application process easy and their experience positive.

Overall, the Financial Assistance Scheme is a positive support system for SMEs as it helps to grow and safeguard jobs.

**Update:**

The company has a turnover of 1.55 million and currently has 22 staff.

Although the funding initially spent on a marketing campaign has finished, the company is still investing £1000 a month on carrying on with marketing. Since the first interview the marketing drive has generated £46,000 and 45 new customers and around £300,000 in turnover. They have almost replace the revenue from a large lost contract and this has been of great importance to the business. Henrik explained, 'we are now confident that there is light at the end of the tunnel'.

The continued investment wouldn’t been possible without the initial funding which proved that this was a good investment for the business. Without this funding things would have looked very different for EC Williams.

The business decided not to take part in great200leaders as they did not feel it was appropriate to the business.
A3.9 Green Gorilla Apps – great200leaders

“The programme has given me the clarity and belief to get what I want out of running my own business.”

Paul Rhodes, Managing Director

Company overview

Green Gorilla Apps began trading in 2012 and is a software development company whose core area of business involves building and developing bespoke software in the form of web and mobile applications. Forged from the ruins of a previous failed start-up, the company was able to make it out of the starting blocks based on the employees’ reputation for delivering high quality services and, particularly, the reputation of the Managing Director, Paul Rhodes, who has five years’ experience running software businesses.

At the time of the applying to the great200leaders scheme, Green Gorilla Apps operated on a project-based business model with a turnover of around £220,000 and 5 full-time equivalent staff.

Reasons for seeking business support

Paul applied for the great200leaders scheme, primarily to help address the cash flow issues within the company which he attributed to the company’s project-based business model.

“…rather than trying to increase our revenue over a short period of time, I wanted to try and change how our revenue is made up. So instead of it being 100% service-based and project work, I wanted to diversify our revenue sources and have more residual income. At the same time, I wanted to develop a product portfolio that would help achieve this and make up the same amount of cash but in a way that provided a steadier flow of cash.”

In addition, he had personal objectives that he wanted to achieve having run other businesses in the past without them realising their full potential.

“The thing I lack as a business owner is a solid plan; how to get from A to B. So I signed up specifically to come up with a strategic plan. I’ve always had a goal, but not the strategy to get there.”
Views on the support received

Paul was invited to enrol in the great200leaders scheme by Winning Moves. He was very pleased with and inspired by what he saw at the scheme’s open day. Paul and his coach meet regularly to discuss and develop an action plan for the business, having started the scheme five months ago.

Initially, Paul started off working on the vision and values of the business and has begun working on his business strategy over the last couple of months.

“The sessions plant questions and thoughts in my head about what I need to be thinking about and prompt me to think differently about the business. Pat was very supportive in this process and told me to let things settle in and I’d start to see positive changes. Having someone who can bring another perspective to the business is very useful and powerful to help develop a strategy to implement.”

In terms of effectiveness, he really enjoys the events as they provide an opportunity for Paul to network and learn of other people’s experiences. He has also got a lot of value out of the speakers and believes the Action Learning Sets have been very beneficial – “it’s the structure of the events and what you can take away and go off and do”.

However, Paul did feel that the scheme could be improved by having somebody who understood specific issues relating to his sector. Moreover, he felt there should be a level of accountability tied into the scheme that prevented people from missing events. This would be the best way to guarantee 100% attendance at events in order to maximise the value of the scheme.

Impact

Despite only being half way through the scheme, Paul has begun to see the impact of the coaching in a number of different ways. For example, he used the format of the Action Learning Sets, involving his own employees. This resulted in a change to the way the company works as the employees expressed a real interest in remote working which Paul then implemented.

“My employees feel they have some involvement and responsibility with this new initiative and we are saving a substantial amount of money by getting rid of the office.”

When assessing the values and vision of the business, Paul identified a new role for himself within the company which would involve a less hands-on approach and greater delegation of tasks, freeing up his time to focus on the direction of the business. Over the past two months, he has been able to delegate responsibilities to other employees, appointing a project manager to oversee the majority of day-to-day tasks.
Furthermore, when carrying out the initial business needs assessment, it was evident he needed to develop new products to sell into the market. Paul estimated that this would happen over a two year period; however, they built a product shortly after beginning the scheme that will be ready for the market in the near future.

Moving forward, Paul wants to focus on increasing the businesses profit and aims to have a full strategy developed early in 2015.

**Added value**

In the absence of the great200leaders it would be unlikely that the business would have sought support from elsewhere having spent thousands of pounds over the years on similar support and coaching.

“It just so happened that the timings and format worked for me…I have been involved in things like the GrowthAccelerator in the past and all they do is put a plaster over a specific issue…the great200leaders is about me designing my own strategy and feeling a lot more in control.”

Paul felt that by subsidising the scheme, it gave access to a wider range of businesses and gave the scheme a greater reach. In addition:

“In terms of the cost of delivering the scheme, if we achieve a tenth of what we plan to achieve next year, the tax alone will be worth every penny to the government.”

To improve the scheme, he thought that it would be beneficial to separate the speaker events from the action learning events. This is because spending a whole day out of the office can be a big challenge and is quite costly to businesses.

**Update**

There has not been a change in turnover for Green Gorilla Apps but they now have 8 members of staff including a business partner for Paul.

The main changes in the business have been around remote working and indeed soon they will not have an office. This decision can be attributed to the work of g200l as it opened up the company to new ways of working. The more flexible working environment has meant that there has been a cultural shift in the office. This in turn has impacted on communication between workers as well as productivity. Fewer overheads has also had an impact on bottom line profitability although this has yet to be realized because the company has been focusing on product development.

The company have plans for treble their revenue over the next 12 months and this is a result of investing in development. Again this can be attributed to g200l because it was as a result of the guidance from the programme that their business plan was formed.

Day to day Paul has been able to delegate work and spend more time focusing on the strategic direction of the business. He has also been in contact with other businesses on the scheme. Paul felt that it could be useful to have longer term support from the programme.
**A3.10 Mellow Marsh Software Ltd – Financial Assistance Scheme**

"Applying for the Financial Assistance Scheme was a straightforward, hassle free process and was an absolute lifeline for my business." – Lee Marsh, Managing Director

**Company overview**

Mellow Marsh Software (MMS) was established in May 2001 by Managing Director, Lee Marsh, when he was just 14 years old. The business began with Lee providing IT services to clients in his spare time from his bedroom and grew rapidly from there, with Lee hiring his first employee before he had finished school himself. At the age of 16, he left school to focus on the business full-time, developing IT software and systems for clients. MMS has since developed to offer a wide range of IT services. The core area of business in 2014 is IT consultancy.

At the time of the application to the Financial Assistance, MMS was in a period of growth and had been growing every year since its formation. The company, based in Cannock, had four full-time equivalent employees.

**Reasons for seeking business support**

The Financial Assistance grant was used by MMS to cover some of the costs of moving to new premises. The move was essential for MMS as a business to enable them to continue to grow and expand their operations. According to Lee, “I needed to hire more staff, but literally had nowhere to put them. It got to the point where I even had one member of staff working out of a converted storage room.” In addition, it was important for the company to have a more professional office space to meet potential clients, one that better reflected the level of professionalism in the service that they offer.

**Views on the support received**

Lee was made aware of the Financial Assistance by his relationship director at Santander, who suggested that the scheme may provide an additional source of funding for the move. He was happy with all aspects of the application process, particularly with the speed of the decision, which was crucial because of the timeline for the move. The whole process was completed in just less than a month. Support was received from Cannock Chase Council, who helped in the preparation of the application to ensure that all of the necessary information was included for it to be successful.

MMS applied for £15,000 and was awarded the full amount. The total cost of moving was approximately £350,000, so the grant itself only covered a fraction of the cost (less than 5%), but it was a welcome contribution:

> “The cost of moving premises is very high in the IT industry. I had completely drained all available finances, to the extent of maxing out both of my personal credit cards and using all of my personal savings and overdraft to pay for it. Without the grant we would not have been able to move. It sounds like an insignificant amount in terms of the total cost, but, all things considered, it was essential.”

**Impact**

The move to their new premises has resulted in increased turnover, employment, productivity and new customers for MMS:

- The number of employees has increased from four to seven. This could not have been achieved without the move, as there was no space for new staff in the previous offices.

- The more professional and modern appearance of the new offices has contributed to acquiring three new customers, all of which Lee is convinced “would not have been won without the new premises”.
Productivity has increased as a result of the new location; closer to motorway links, which has cut down travel time to clients. The new office also has more ‘in-house’ facilities. Additionally, the average time it takes employees to travel to work has been reduced.

Turnover for the current financial year is forecast to be 44% higher than turnover in the year prior to the Financial Assistance application.

**Added value**

In the absence of the Financial Assistance, MMS would have been unable to move premises. Lee had already exhausted all other funding options; including using his own personal savings and credit, as well as using the businesses credit facility and cash reserves. The only alternative option would have been an unsecured loan, but at £15,000 the repayments would have had a significant financial impact on the business, acting as a constraint on future growth prospects.

*New signage for offices of MMS:*

![New signage for offices of MMS](image)

**Update**

Since the last case study there has been a 30% increase in turnover and they are looking to recruit two more members of staff.

The new office has enabled a more presentable environment for clients and this has continued to be important in developing the business further.

In 6 months’ time they expect that they will be recruiting two roles and their current office space allows them to do this. Without the grant this would have not been possible.

Lee also suggested that the working environment was also important in terms of improving the happiness of those working at MMS.
A3.11 Nobisco Ltd – Financial Assistance Scheme

“We were pleasantly surprised with the whole process and reassured throughout. The final outcome was a huge benefit to the company.”

Andrew Morrison, Managing Director, Nobisco

Company overview

Established in 1985 by Glyn Morrison, Nobisco Limited began by offering bespoke products to engineering companies. As time progressed, Nobisco diversified its product and customer base. It now specialises in catering disposables, packaging, hygiene papers, safety, automotive and janitorial consumables, Nobisco’s clients include schools, hospitals, restaurants, bars, theme parks and local authorities across the West Midlands.

After purchasing its first building in 1994 and a continued period of growth, Nobisco had a total of eight premises prior to applying to the Financial Assistance Scheme. At the time of applying to the Financial Assistance Scheme, Nobisco’s turnover was £5 million.

Reasons for seeking business support

Nobisco first heard about the Financial Assistance through another firm that had applied for the grant. The firm told Andrew Morrison, Managing Director of Nobisco that funding was available for SMEs and gave him a telephone number to follow up.

The opportunity to apply for the Financial Assistance Scheme came at the right time for Nobisco. Andrew said a move was necessary to support their plans for growth. The company had plans to double their turnover and it became inefficient for an ambitious business to operate in eight different buildings. It was necessary to bring operations under one roof.

Views on the support received

Andrew contacted Birmingham City Council, where a member of the team explained the purpose of the Financial Assistance. He was given an application form to fill out. Andrew said this stage was a straightforward and not too demanding process. The application form was tailored to SMEs wanting to achieve growth.

After completing the application form, the Council checked it to ensure an accurate picture of the business was given before the form was submitted to the decision panel. Once the application form was submitted to the decision panel, Nobisco was informed by telephone not too long after.

Nobisco applied for £15,000, which they received.

Impact

The Financial Assistance Scheme enabled Nobisco to move to new premises in the heart of Birmingham on the Holford Industrial Estate. This has enabled the different operations across the eight buildings to be brought under one roof. The company has become more efficient as a result of this move. The grant also helped with internal modification to the building. The new offices have more facilities – including more meeting rooms and a board room. Nobisco is also encouraging companies to hold meetings at their premises. Since moving to the new premises, Andrew said the move has “re-energised the company. There has been a huge increase in efficiency and optimism”.

Andrew said the offices are more pleasant for suppliers and customers visiting their site. Compared to Nobisco’s previous site, the new premises have created a pleasant working environment – working conditions are good in the summer and winter months. Staff feel looked after, efficiency has increased and there is an overwhelming sense of optimism in the company, which has created a buzz across the organisation. There is more security in the new premises as drivers are able to store items in the private yard – something they were unable to do at the old site.
Since moving to the new site, Nobisco has won two new major contracts and they have been able to expand their importing capacity. Nobisco expects to double its turnover in the next five years. One of the ways this will be achieved will be through employing more staff in warehousing and deliveries. Nobisco also is considering taking on an apprentice. The company has employed 2.5 full time equivalents (an external representative, internal sales person, two drivers and a part–time administrator and have taken on 2 new delivery vans.

Recently, Nobisco became one of the first companies to register on Birmingham City Council’s charter for Business Social Responsibility. As part of this they will be using the new premises for training purposes, organising workshops for apprenticeships and work experience. This would not have been possible at the old site.

Over the next 12 months Nobisco will be working towards the environmental safety standard ISO18001, focusing on increasing sales – especially website sales, increase profitability and reaffirm the brand and marketing the brand.

**Added value**

The Financial Assistance Scheme has enabled Nobisco to accelerate their growth plans. Without the Financial Assistance, Andrew would not have known where to go for funding to support growth plans. He would like to see the scheme more widely advertised so that more companies could benefit. The Financial Assistance has allowed them to move premises so that all operations are under one roof. They are still located within Birmingham which has meant they have retained their staff base.

Andrew would recommend the Financial Assistance to other SMEs because of the benefits it brings to the business. In Nobisco’s case, the scheme has allowed the company to move closer to its business goals.

*New offices of Nobisco*

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**Update**

There has been substantial growth since the initial case study. Turnover has grown 10-15% and they have two new full time member of staff, have taken on an apprentice and one of their part-time members of staff is now full time. The profitability of the business is the best it has been in a decade and this is expected to improve over the next year. This has enabled further investment in the business and its infrastructure.
The positive impacts of the grant are still being felt. There is a ‘great buzz’ in the office and the ‘building and site are inspiring’. This has had a significant and enduring impact on the motivation of workers. This also makes recruitment easier as the working environment is more attractive. The new premises also impacted on both customers and suppliers. It not only provides a pleasant environment for meetings but also gives a sense of stability. Andrew felt that this both encouraged new customers and helped to maintain previous business.

The new premises have also impacted on working practice. Previously being spread across different sites made co-ordination more difficult. The new site has made loading easier and other processes have been streamlined. This has meant that maintaining their ISO standards has become easier. Andrew suggested that the grant gave them the confidence to push forward with their business plan. The organization was committed to growth and the funding played an important part of enabling this to happen. The future of the organization looks to build on its past successes and enjoy their new premises. In hindsight, Andrew stated; ‘it’s almost too good to be true’.
RMK Tooling Limited – Financial Assistance Scheme

“It was very useful – it would have been so difficult to move premises [without the funding] as it was a forced move”

Company Overview

RMK Tooling Limited is a tool making business making new press tools, repairing and refurbishing press tools, providing CNC wire eroding plus EDM Drilling enabling them to provide a prompt service to customers when an emergency arises as opposed to having to subcontract work. RMK Tooling Limited was started in 2011 by the company directors, Robert Evans and Martin Skerrett when they purchased the equipment from a company that they worked for which was closing down. Since Robert Evans and Martin Skerrett started the company they have built up a good customer base supplying tools and emergency after care services to businesses in the Birmingham area. Since starting the business three years ago the company been slowly growing. When the company started in 2011, the current owners continued to employ the existing highly skilled toolmakers and now employs 6 people. RMK Tooling plan to take on another two toolmakers to meet current customer requirements. Before applying to the Financial Assistance Scheme, RMK Tooling Ltd had a turnover of £283,132.

Reasons for seeking business support

The business units which RMK Tooling were occupying were being demolished and the site was going to be redeveloped so the company were forced to move to another area. The business had about five months to find a new premises and they had heard about the scheme from the business in the units next door, as they had also received a grant from the scheme.

RMK Tooling applied for £15,000 to cover the costs of the mandatory move and received the full amount they had applied for.

Views on the support received

Robert Evans, a company director felt that the process was all clear and that the application process was straightforward. The business did not have to wait too long to hear the outcome of their application, and overall from start to finish the business felt the time frame was acceptable.

Although RMK Tooling were aware of the Great200leaders element of the Business Support Programme, they felt it was not the right time to undertake additional coaching given they would be so busy moving premises.

Impact

The move to a new premises required a great deal of investment by the company and the financial assistance grant helped to pay towards:

- Refurbishment work in the building;
- Work to remove and replace the existing electrics;
- New heating;
- Moving costs for the large machinery.

Robert Evans from RMK Tooling explained in relation to having that grant that “it’s helped – the whole move would have been very difficult without the additional funding”.

The move has enabled RMK Tooling to occupy a larger space which gives them more room to grow and expand. Although the company are still settling into their new building, it is their long term plan to invest in new machinery and take on two new members of staff.
**Added Value**

The Financial Assistance Scheme meant that RMK Tooling didn’t need to find the funds to pay for the move to another premises. With this money saved in the longer term they are hoping to put this towards a CNC Machine, which means they could take on another two members of staff.

Without the grant, RMK Tooling would have had to look elsewhere for suitable premises and would have considered smaller properties with less space to expand. They would also have been required to fund the move themselves, which ultimately would have given them less to re-invest into the business.

This is the first time RMK Tooling have made use of such support, but given their positive experience, they would seek similar support again if they needed it. Robert Evans of RMK Tooling also felt there was need for similar support in the local area.

**Update**

There have been no changes in personal since the initial case study. They have been finding that business is quiet and this has meant that it has been difficult to grow.

There have not been any additional impacts of the move. Although they now have more room to expand they haven’t used this space because there isn’t the work to expand the business further. It was not clear why business has been quiet.

RMK had not been involved in great200leaders and felt that their focus now was moving the business forward.

Without the grant it was suggested that the business would be struggling and they felt it had been extremely useful to RMK. They needed to apply for the funding in a short time frame and found that the process was very smooth. There was nothing they felt could be improved about the process.
A3.13 Spectrum Telecoms – Financial Assistance Scheme

“The Financial Assistance Scheme has been of a positive benefit to Spectrum and the wider community”- Colin Childs, Technical Manager

Company overview

Founded in 1996, Spectrum Telecoms delivers business IT, telecom and network solutions along with complete connectivity suites to both private and public sector clients.

During their first fourteen years, the business experienced a period of gentle growth. After the appointment of Managing Director, Chris Money, in 2010, Spectrum Telecoms has enjoyed an annual growth of 20-30%.

Reasons for seeking business support

After reaching capacity at their current office, Spectrum Telecoms looked at relocating to larger premises in order to increase employees and to support continual company growth.

At the time of applying for the grant, the company employed 16 people with a turnover of £2.4 million.

Views on the support received

Spectrum Telecoms first became aware of the Financial Assistance through Barbara Kelly from Birmingham City Council. This came after an unsuccessful application with East Staffordshire.

The company already had a building in mind and had plans for refurbishment so the application was an easy and straightforward process for Spectrum’s Technical Manager, Colin Childs.

Impact

Spectrum Telecoms application for £15,000 was received and granted. This helped the company to move to new premises and pay for cosmetic work such as air conditioning, signage and an alarm system.

The move to larger premises allowed Spectrum Telecoms to employ three new members of staff. They are currently advertising for additional roles within the company and are also looking to bring an apprentice on board.

The company’s customer base has also seen growth since the relocation and now includes a large media organisation. Spectrum Telecoms focus is now to concentrate on next generation services to remain at the forefront of technology.

Added value

The office relocation was always in Spectrum Telecoms plans but due to the rate of company growth the Financial Assistance Scheme has enabled Spectrum to accelerate its plans by 6-12 months. In addition, turnover has increased to £2.65 million.

Colin has recommended the scheme to other businesses as he strongly believes that the Financial Assistance scheme will help other businesses grow and therefore improve the local economy.
Update

Spectrum has continued to increase its turnover to £2.95 million. They currently have 22 full time employees and have 5 positions that they are looking to fill.

‘It helped us accelerate the growth process, meet our objectives and plan for the future’

The major impact of the grant is that it allowed Spectrum to focus and clarify their business objectives. It allowed them to get into the granular detail needed to refine their plans and focus on quality and efficiency. This has enabled them to be more structured and measured about their work.

In turn this has empowered staff and management increasing individual’s productivity and performance. It also enabled them to develop the controls and tools to be able to expand further.

The office relocation has underpinned Spectrum Telecoms success and they felt that the guidance that they received as part of the grant played an important role in identifying areas of improvement and clarifying their business plan.

‘I certainly don’t believe that we would be as far forward as we are’ – Chris Money, Managing Director

Entering into the scheme later than some businesses; Spectrum felt it would have been useful to have a longer period of guidance. However, it didn’t take away their overall positive experience of the scheme.
Annex 4  New business case studies

Overall 19 businesses were approached to take part in a case study. A total of nine new business case studies have been completed.

Table A1.4 provides an overview of the Case Study group; individual Case Studies follow thereafter.

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Support Received</th>
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<tbody>
<tr>
<td>1 Anchor Computer Systems Ltd</td>
<td>great200leaders and Financial Assistance Scheme</td>
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<tr>
<td>2 Cheshires Laser Mail Ltd</td>
<td>Financial Assistance Scheme</td>
</tr>
<tr>
<td>3 Contact Group</td>
<td>great200leaders</td>
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<tr>
<td>4 Datatech UK Ltd</td>
<td>Financial Assistance Scheme</td>
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<tr>
<td>5 Electrotest Services Ltd</td>
<td>great200leaders</td>
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<tr>
<td>6 Laker</td>
<td>Financial Assistance Scheme</td>
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<tr>
<td>7 Maxim Computer Services Ltd</td>
<td>Financial Assistance Scheme</td>
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<tr>
<td>8 Raphael Design Ltd</td>
<td>great200leaders</td>
</tr>
<tr>
<td>9 Tailor Made Systems Ltd</td>
<td>Financial Assistance Scheme</td>
</tr>
<tr>
<td>10 Yes Agency</td>
<td>Financial Assistance Scheme</td>
</tr>
</tbody>
</table>

A4.1  Main findings from the case study businesses

Overall, ten businesses took part in interviews to create new case studies.

Six businesses had received support through the Financial Assistance Scheme and three businesses had received support through the great200leaders programme. One business had received support through both schemes.

All of the businesses that had received funding were well established, ranging from 30 years in business to six years in business. They came from a variety of sectors, although a fair proportion of the businesses were from the IT sector, providing various software solutions to other businesses.

All of the businesses that participated had found the application process easy and straightforward. The guidelines and eligibility criteria were clear and straightforward, with businesses not suggesting any areas that could have been improved.

Completion of the application form was straightforward, and in cases where a partner organisation had signposted the business to the business development programme, they provided additional help and support to apply for either the financial assistance scheme or the great200leaders programme.

Many of the businesses found the decision process to be fairly quick and heard about the decision regarding funding/acceptance onto the programme after around 10-14 days. One businesses did experience a significant delay in receiving the £15,000 from the financial assistance scheme which they had to make up the shortfall using personal forms of funding.

All of the individuals interviewed felt positively about their experience with the Business Development programme and as a result, would participate in similar provision again if they needed the support.

For businesses involved in the great200leaders support, the funding towards the programme was a significant factor in their decision to take part, however, having seen the benefits they have reaped from the support, some said they would be more willing to pay for similar support in the future.

Furthermore, one business felt that providing such support for free devalues the provision, and would ensure that some financial input from businesses would ensure they were 100% committed.

The businesses were all about to comment on tangible impacts, which included both an increase in staff and turnover. See below for more detail on impacts related to the Financial Assistance Scheme and great200leaders.
A4.1.1 Financial Assistance Scheme participants

The businesses that had received funding through the financial assistance scheme received funding towards a variety of reasons, including:

- Moving premises (Cheshires Laser Mail, Tailor Made Systems Ltd and Yes Agency);
- Refurbishment/building renovation costs; (Cheshires Laser Mail, Anchor Computer Systems Limited, Maxim Computer Services, Tailor Made Systems Ltd and Yes Agency); and
- Building a new premises (Datatech UK Limited),
- A marketing strategy/update of website (Laker).

Impacts of the financial assistance scheme includes an improvement in workflow, an increase in staff morale and productivity, improved working standards for staff, an improvement in the perception of clients through smarter, more professional looking offices. Businesses which have been able to move have also stated they are able to increase their staffing levels and diversify much more easily due to the increase in space. For many of the businesses, the Financial Assistance Scheme enabled them to improve elements of the building which they may not have otherwise done so, for example, Cheshires Laser Mail were able to invest in LED lighting, enabling them to work towards the environmental standard ISO14001, thus giving them more credibility in their area, while Anchor Computer Systems were able to have a number of partition walls installed enabling them to create a meeting room.

A4.1.2 Great200leaders

Businesses that applied to the great200leaders programme applied for a variety of reasons ranging from general overall support to support for a specific area, for example Anchor Computer Systems were interested in the scheme to provide them with another perspective on their business, whereas Raphael Design applied for help and assistance with marketing.

All of the participants felt the 1-1 coaching was very valuable, especially because in some cases, the coach/mentor meant that they were more focused on their action plans and tasks to work on because they knew they would have to report back to the coach in 4-6 weeks’ time.

Feedback from participants about the support received was extremely positive, although a small handful of businesses had felt that some of the action learning sets and workshops were not as useful because they were covering issues which were not relevant to them or their business. On the other hand, a handful of businesses had also found these sessions to be very useful and had implemented or made changes as a direct result of them, for example Veriserv had implemented a number of policies and procedures as a result of their engagement with the session on Fraud in Business and Contact Group had implemented changes to time management as a result of some of the learning sessions.
A4.2 Anchor Computer Systems Ltd – great200leaders and Financial Assistance Scheme

“Applying was very easy, it was fast and efficient in terms of when we got the money back – I would recommend it to anyone”

Bryan Mecrow, Anchor Computer Systems Ltd

Company Overview
Anchor Computer Systems have been trading since 1981. The company deal with businesses that provide credit to their customers by providing software to manage the whole credit procedure, including loan approvals, credit rating checks and interest calculations. As the company has grown they have provided the system to a wider range of companies including white goods suppliers, personal loan providers, smaller banks and car dealerships. The company have also diversified into hosting provision to provide it with an additional revenue stream.

Reasons for seeking business support
The company sought support from the Business Development Scheme via the Financial Assistance Grant in November 2014. They were looking to occupy another floor in their current premises which needed substantial refurbishment. Bryan explained “The building was a shell, and both floors needed redecorating”. He stumbled across the grant while searching online for sources of business funding. After the renovation was completed, the company applied for the great200leaders programme. They were interested in the programme because they viewed it as a “chance to diversify the way we think”. While the company were not aware of anything they particularly wanted to work on or whether there were any weaknesses that needed to be addressed, they were excited about the opportunity to look at the business through a different person’s perspective. Bryan explained “you don’t know you have a problem until someone else points it out. We tend to do things this way and that it how it is done. [great200leaders involved] talking to someone else to look at the business differently”.

Views on the support received
Once Bryan had heard about the Financial Assistance Grant, he approached the local council, who explained how they could apply. Bryan found the application process straightforward and they received the funding quickly.

The funding from the Business Development Programme paid for the redecoration of an additional floor for Anchor Computer Systems to occupy. The funding enabled both floors to be redecorated, carpeted, the installation of air conditioning, improvements to the electrics in the building, and building work to create a new meeting room. As part of the expansion into the second floor the company also purchased new office furniture including desks and chairs. The company received a grant for £15,000 which paid for almost one third of the renovation costs. The remaining two thirds was paid for using business funds.

Anchor Computer Systems started the great200leaders programme later in the project period, and as a result were unable to use all the allocated resources for coaching and mentoring. However, using the remaining un-allocated funding from the great200leaders programme they accessed additional training for all staff which had been identified as a priority for the business. The training included time management and Telephone Handling Skills and Communication. Overall, both the coaching and mentoring and additional training for all of the staff was gratefully received.
Impact

The BDP has coincided with the company moving to expand into the provision of their services to suppliers of payday loans, which was a gap in the market they had identified.

The grant enabled the company to re-decorate the premises to a higher standard than they would have otherwise been able to afford. Bryan stated “it makes us look more professional when bringing customers on site, and it is a nice environment for staff”. The redecoration has brought the standards of the accommodation in line with the company’s head office in Wales, meaning that footfall to the Birmingham office has now increased. Bryan explained “before we would go to customers, or send them to Wales, but as we are more central they come here. Before [the office] didn’t look impressive”.

The great200leaders programme has impacted on the way the business ‘thinks’. Bryan explained “we all work together so have the same mind-set. Taking part has enabled [the participant] to mix with new people, introduce us to new ideas and give us exposure”.

In total, since the Financial Assistance Grant was awarded 9 extra people have been recruited, taking the total number of people employed in the company to 44. Without the significant refurbishment of the second floor, these people could not have been employed at the Birmingham office. Although the company had planned to occupy the additional space, the grant enabled them to change the layout of the floor space, resulting in increased capacity. Bryan also explained, “we have a better working environment and we have maximised the space”.

Over the next year, the business is expected to almost double its turnover. The company have been able to secure new customers in new markets. This is partly due to working with a significant loan provider in the UK, which was secured during the great200leaders programme. This new customer represents a new market for Anchor Computer Systems, both in terms of its size and national coverage. Bryan believes that the coaching and mentoring was a factor in winning this significant contract. Furthermore the business have recently bought new software which has given the company access to a new customer base.

The staff that received the training on time management and telephone handling skills and communication found the training exceptionally useful. Bryan explained, “it has changed the way staff look at things, and we wouldn’t have done the training otherwise, it was really good”. The training took place at a good time in the development of the business, as Bryan reflected that as they are now working with bigger national companies, it is important to ensure that calls and communication are handled effectively and professionally. The training also has a positive impact on staff morale, as staff feel more ‘valued’, as well as feeling like the company are willing to invest in their skills.

Added Value

This is the first time Anchor Computer Systems has accessed business support for the Birmingham office. Without the funding from the Financial Assistance Grant, the company would have cut back on the works undertaken, for example, they would not have had air conditioning installed. Bryan explained, “without the £15,000 we would have cut some corners, the extra £15,000 meant our offices are state of the art as opposed to really good”.

It is very unlikely that without the additional funding from the great200leaders programme that the company would have provided training to their staff, however, Bryan explained “we will definitely look at doing more, it has opened our eyes and we want to keep up with regular training – I have seen the value of it now”.

A4.3 Cheshires Laser Mail Ltd – Financial Assistance Scheme

“The whole thing has given a whole new lease of life to the company at a time that it was most needed”

Sheila Cookson – MD

Company Overview

Cheshires Laser Mail Ltd is a mailing house providing a complete mailing package to clients including Liverpool Victoria, Local Authority Council Tax departments, bank and building societies, housing associations and debt collection agencies. The services they provide includes machine folding, machine envelope insertion, laser printing, direct mailing and postal services.

Sheila Cookson and her partner purchased the business in 2009 through a management buyout, when the current owners, based in Stockport announced that they were closing the company. At this point, the new owners bought the mailing side of the business, the associated equipment and took on three staff already working at the company. The business remained in the same location, until they were given notice to leave their building and had to find a new premises.

Reasons for seeking business

In 2013 the company were given notice to move to move out their existing premises. At this point, the company were in survival mode and were keen to secure the existing jobs at the company. The company became aware of the financial assistance scheme through a search on the internet, as well an email received from Worcester City Council. Shelia approached Worcester City Council who encouraged her to contact Birmingham City Council.

The company had found a new premises which required a number of adaptations to be made to ensure it was suitable for the machinery they own and use. They needed some financial assistance to make this happen.

Views on the support received

Sheila was very positive about the support they had received. Overall, she felt the guidelines for the programme were very clear and explained;

“I was really impressed with the help we had, if I had any questions could go and ask. It was fairly clear what they needed, and [Birmingham City Council] worked with us well to understand our business and help us get the information in”.

Sheila also found the eligibility clear and the application process straightforward and not too onerous, especially with the additional support from the Council. Although there was not a delay in hearing about the decision, there was a long delay in receiving the funding, which had to be covered by the directors own personal finance.

Overall, Cheshires Laser Mail received £15,000 towards the total costs of £80,000. This total cost included the specialist removal of the machinery and renovation costs of the new building. Due to the specialist nature of the printers the premises needed to meet specific standards, for example the room needs to be kept at a specific temperature to ensure the paper feeds correctly through the printers. The costs included new partitioning, a new suspended ceiling, LED lighting, air conditioning, floor treatment and shelving and racking for stock. Sheila stated “without it, we wouldn’t have achieved what we have”.

Impact

The funding has enabled Cheshires Laser Mail to invest in better equipment, such as LED lighting, which although cost around 40% more, they are now reaping the benefits from
electrical cost savings. They have also been able to achieve environmental accreditation including ISO14001 and are in the process of purchasing a baler to enable them to sell their recycling waste. This would not have been possible in the previous premises because of a lack of space.

Since moving to their new premises, the company have taken on a new member of staff, taking the overall number of people employed to 12. Shelia reflected that they have noticed an improvement in the workflow and that staff morale has increased. Furthermore, the move to a different premises has enabled them to move to an area where their company is more noticeable. Since moving, Cheshires Laser Mail are working with an additional two clients, partly due to the smarter appearance of their new premises, Sheila explained “it’s the feeling of the new premises”.

Looking to the future, Cheshire Laser Mail have already seen an increase in their turnover, and are working on consolidating and diversifying to other areas of the market to widen what they do, this includes investing in an inkjet printer and automated poly wrapping, all of which are possible due to the increase in space they have.

**Added Value**

This is the first time that Cheshires Laser Mail have sought any kind of business support, and due to their positive experience, they would seek similar support again. Furthermore, they would recommended the programme to other businesses. Sheila explained “it’s done an awful lot for our company, the process was reasonably painless, the assistance was there and all I needed to do was pick up the phone if I needed assistance. It was a fairly painless process”. Without the funding, it would have been likely that the company would have downsized as they could not have afforded to take on the property they have now with the refurbishment that was required. With hindsight, Sheila felt that the programme could have been publicised more.
A4.4 Contact Group - great200leaders

‘Thought provoking, useful and has elements that I will certainly put into practice’

Stephen Clarke, Managing Director

Company Overview

The company started in 2000 and has been steadily growing in the past 15 years and now employ 38 fulltime workers. It developed from a product idea that helped schools improve their attendance rate – the technology automatically alerts parents when their child is absent from school. The company grew by expanding and adding a variety of different products that helped increase their current client base to over 2,000 UK schools. They are also increasing the number of schools internationally.

Contact Group also count local authorities among their clients and have an increasing range of services they offer to them, although they generally they deal directly with the schools. Contact Group is experiencing growth in the local authority market stemming from an increase in services supplied to local authorities.

In addition to the increase in data and information services supplied to local authorities, the business is also experiencing growth in the sale of their existing product range to schools and the second involves the resale of other companies’ products.

Reasons for seeking business support

The Contact Group were made aware of the programme through Winning Moves. They were looking at the potential development of a new product and they needed financial assistance with the marketing of the product. The development reached an impasse due to the cost of marketing – the grant enabled them to overcome the barrier to entry and get the product to market.

Prior to the product development, the company went through a process of identifying areas of potential improvement. This process helped identify the main constrains and thus provided a business case for business support.

Views on the support received

Contact Group’s business needs were assessed by one of the programme administrators. Stephen felt that the assessment did lead to the development of an action plan that was both effective and relevant. He believed that as the assessment was suitably tailored to their business the subsequent actions were appropriate.

The Action Plan has been subjected to informal reviews, but the on the whole the action plan stayed the same.

The aspects of the Great200leaders programme that Stephen felt were most effective were listening to the presentations given at the seminars (networking events) and the 1:1 coaching. The 1:1 coaching, in particular, providing independent advice was the most helpful because of its tailored nature.

With regard to the Action Learning Sets and Specialist business development support workshops, Stephen had already experienced these as part of separate programme – he felt that it was interesting and hear about facing businesses in other sectors. Stephen did concede that his feelings about these parts of the Great200leaders programme may have been influenced because he had already taken part in them.

Stephen felt that the programme engagement was good, both the level of direct contact and available information for the great200leaders. The programme also issued quite a lot of reminders for events that were happening and the particular dates.
Stephen found it hard to think of any improvements as he felt it was very well put together with lots of variety, which kept it interesting. Stephen did offer one point of potential improvement:

‘there should be the opportunity for a continuation of the programme at a later stage with different business topics rather than just one annual course’

**Impact**

The Great200leaders sessions that focused on time management were particularly helpful to the business – Stephen felt that their ability to plan and make more efficient use of time as a business was the most significant benefit resulting from their participation with BDP. The management skills they gained are applied to a daily time planning exercise where they can prioritise urgent tasks and assign those with the relevant skills.

Time management wasn’t something that they had previously identified as a problem. However, following the programme it was something that Stephen felt there was potential room for improvement.

The impact of the programme has not been immediately felt as it is still ‘early days’ – Stephen felt that he had been more productive through improved planning strategies, but couldn’t offer any concrete evidence with regard to increased turnover or number of jobs. Despite this, Stephen believed that the improved time management and (potential) subsequent effects can be completely attributed to the programme. The time management was doubly useful as it was not only Stephen who was able to do this session but also one of his other colleagues were able to benefit. Stephen was able to bring these skills back to the business, as well as being able to suggest the course when training issues were raised. As training courses always run the risk of being useless and a waste company resources, having had a good personal experience will improve company discussions when planning employee training.

Stephen said that he is planning to review the session notes he made, when there is more time in the school holidays [they are less busy during this period]. ‘in my mind the course isn’t finished, I can always go back and look to see if there are other things I could put into practice’.

Stephen felt that going forward, the changes that the company has put into practice as a result of the programme will positively influence both revenue and profitability.

‘Without the grant, most likely, we would have continued with their old time management practices’

**Added Value**

In the absence of the training coaching and mentoring, the company would most likely have carried on business as usual and not sought support from other providers.

They would seek similar support in the future. This is because despite each session covering different topics, the wealth of course content available to businesses could potentially overwhelm and end up being less useful – a similar, but nuanced course, would help them gain a more comprehensive view.

The Great200leaders programme was structured similarly to other business support Stephen has previously participated in. Past support, similar to Great200leaders, had 1:1 coaching, seminars in the morning and a round table discussions in the afternoon. The business support was run by Birmingham City Council so Stephen expected it to be comparable.

Stephen had a better experience with the Great200leaders compared to previous support, however this is more to do with his 1:1 coach being better this time around.
Stephen not only felt that his participation represented time well spent from both a business and personal perspective, but also that a programme of this scope should be locally and continuously available.

Stephen believed that the programme should remain fully subsidised:

‘Ultimately, it helps the local economy as well as individual businesses by increasing business expertise and skills, creating a trickledown effect that improves the local labour market pool.’

If he had to pay the full amount, Stephen would have had second thoughts about going on the course. Despite it being very useful in terms of course content, the subsidised element was the main deciding factor when choosing to take part in the course.

Stephen would recommend it to others because of the way the programme combines 1:1 coaching that focuses on specific issues with the seminars that give an opportunity to hear from businesses in other sectors.

Stephen Clarke:
A4.5 Datatech UK Ltd – Financial Assistance Scheme

“I could summarise the scheme in a word: excellent”

Paul, Accounts Manager

Company Overview

The business was initially founded 9 years ago as a telecoms company by former telecoms engineer Marc Banyard. However the founder’s main interest was computers, so over a period of time he split the company into two lines of business, one being telecoms and the other being computer maintenance and sales. He then partnered with somebody to take over the telecoms so that he could focus on developing the IT side of the business.

However in recent years Marc reassumed sole directorship of the company, which has spurred the company development toward data hosting (holding websites for clients) and co-location (hold machines for other companies).

Reasons for seeking business support

They needed to build a new data centre. There was no formal process whereby they identified business weaknesses, the old data centre was full and they needed to boost their capacity. They did plan in the sense that they had been aware for some time — about 12 to 18 months — that the old data centre would reach capacity so they informally discussed replacing it so that it ‘wasn’t left to the last minute’.

The current strategy involves updating equipment so that they can be more competitive in the long-run. The more efficient data centre will eventually give the company room for expansion.

‘The company spent a six figure sum last year on the new data centre, so the focus for this year is more about keeping on track and trying to make a profit, even if it is only a small one’

Views on the support received

Paul used the broker Central Finance to complete the Finical Assistance Scheme application. However, despite the limited involvement they had with the application, Paul felt that the information they were presented with was easy to understand.

Paul felt that once Central Finance had gathered all the relevant information off them, a decision was taken very quickly.

‘in terms of the process and the speed of it, it was very impressive’

Datatech applied for £15,000 and received the full amount. However, the data centre cost them approximately £200,000, leaving an investment shortfall of £185,000. In addition to the funding received from Birmingham, they secured finance from the government backed EFG (Enterprise Finance Guarantee) scheme.

Impact

The new data centre not only has superior storage but is also far more energy efficient and is graded as a tier 4 centre (the highest grade). This will allow them to host more websites, more clients and it will help their efforts to grow the business. In addition, it will also help them grow through increased productivity derived from having better and more efficient equipment as well as being able to take on apprentices to help with the work load. The grant allowed the company to take on two apprentices as opposed to just one. However, this is would also have been the case if they hadn’t received the other Government support.
**Added value**

Without the Financial Assistance Scheme Datatech would have had to apply for a bank loan, which would have pushed the affordability of the data centre even further toward the company’s limits.

They would seek similar support again as their experience was resoundingly positive. However, Paul was not aware of any other sources for grants or even how often or how much you could get in any given period.

Paul felt that there is a continuing need for a Financial Assistance scheme, or similar in the local area. In particular, for smaller companies (and recent start-ups) in competitive industries where the main barrier to entry is expensive equipment - it is a better route compared to getting a bank loan – they are more expensive and have a higher risk attached to them.

Paul thought the programme was organised well I didn’t feel there were any he changes would you make to the programme:

> ‘I’d say there’s no need to change the scheme as it all seemed to go really smoothly from our end’

However, Paul attributed the ‘smoothness’ from application to grant receipt to the broker who completed the application, which Paul said he would do again if a similar opportunity came up. The combination of the brokers’ experience applying for funds and a lack of time on part of the business makes it ‘much easier to outsource the form-filling’.

Paul had a very positive experience and has already recommended grant to 3 other businesses. However, Paul suggested that the support wasn’t that well publicised and firstly asked the businesses whether they knew the support was available and none of the 3 did. He thought that its availability could be disseminated a better.


**A4.6 Veriserv, formerly Electrotest Services Ltd – great200leaders**

“My experience to date is that the great200leaders programme is very effective and one that has been enjoyed by all the staff involved in it. It has helped us to revitalise our business after a difficult period of time”

Martyn Jupp, Director

**Company Overview**

Veriserv formerly Electrotest Services Ltd was established in 1991, providing electrical appliance testing (now known as PAT/Portable Appliance Testing). The company have diversified and grown to provide all forms of inspections electrical and mechanical inspections including fire equipment, security panels and CCTV safety testing. The company have recently gone through a rebranding exercise, and have changed their name to Veriserv to better reflect the more holistic service they offer.

**Reasons for seeking business support.**

Martyn is currently the vice president at Chase Chamber and heard about great200leaders through a colleague there. He explained, “I liked the sound of it, I went to one of the presentations and signed up to [the programme], it was good”. At the time of application, Veriserv were going through a period of consolidation and stabilising after the recession. Martyn was keen to revitalise the company and the staff. They were already considering a name change and looking at rebranding the company to reflect the diversity in its service offer, he explained “it was about getting everyone excited again”. Because of the recession, staff and directors were feeling like they were working hard, but unable to get anywhere.

At the time of application, Martyn wanted the business to grow organically. From a personal perspective he wanted to revitalise the business and be able to express to potential customers effectively that they are the best in their field. One of the main challenges the company faces with its growth is problems with recruitment and difficulties in finding staff with the right skills and attitude their business expects.

**Views on the support received**

Martyn found the engagement process easy and straightforward. His business needs were assessed at the start of the process, which were subsequently translated into an action plan. The action plan included rebranding, engagement with staff, increasing productivity of staff and implementing a performance reward system. This action plan was reviewed on a regular basis.

One of the main challenges the business wanted to address was their current name. With support they found and utilised a company to develop the rebranding of the business. Martyn explained “rebranding is a big thing, we were too descriptive in our old name” and felt that potentially new business customers were put off. The rebranding company established the name Veriserv, based on the Latin origin of **veri** meaning ‘truth’.

Martyn has found all of the elements of the great200leaders to be effective, especially as they complement each other. Upon reflection, he felt individually each activity wouldn’t work so well. Between three and four members of the management team at Veriserv attended the seminars which were useful as it provided staff with the chance to get out of the office, to get away from the business and take an overview of their company as opposed to ‘being stuck in it’. This ‘helicopter view’ was greatly appreciated.

Through the mentoring and coaching, the company have looked at their presentation and have considered their ‘kerb appeal’ focusing on for example what the building looks like, the uniform of staff and the fleet of vehicles. Martyn explained, “We have looked at the whole
experience, for customers, staff and suppliers – we want people to work for us and we want to be top of the game”.

**Impacts**

Although the performance reward system is still being implemented, the company have noticed an improvement in both productivity and the quality of the work staff are undertaking.

Martyn found the seminars to be useful and as a direct result of one seminar has introduced a number of policies and procedures. While he knew they needed to be done, the seminar acted as a prompt to produce and implement them. While some of the seminars didn’t teach him anything new, they served as a useful refresher for his existing knowledge and understanding of business practice, and acted as a prompt to complete some actions.

As a result of the revitalisation, the company have re-painted their offices internally and have new uniforms selected with consultation and input from the staff. This has boosted staff morale, as they have somewhere nice to work, feel valued and feel positive in their new uniforms.

Martyn explained, prior to great200leaders “our weakness was enthusiasm, and that’s what it has brought back – we had been in the doldrums for five years and we needed to be lifted up”. Overall, participation in the programme has impacted on both the turnover and profitability of the business.

**Added Value**

Veriserv have accessed business support in the past and used mentors, but Martyn felt that the great200leaders programme came along at the right time for where they were as a business, and as a result it was valued and helpful.

Without the support from the mentor, it is likely that the company would have thought about making the changes but would not have focused on implementing them. The added value of the programme comes from being able to take the time out to make changes to the business, as opposed to deliberating and procrastinating over what to do. Martyn explained “it forces you, if you have someone coming back in a month to see what you have done, it makes you get on with it”.

It is unlikely that the company would have paid for the programme of support, but the additional grant enabled them to participate. Having experienced the support from the business development programme, Martyn explained he would be more inclined to pay for similar support in the future and that the provision of totally free support could in some ways undermine the true value of the offer.

Veriserv new office signage and rebranding of their vans:
A4.7  Laker – Financial Assistance Scheme

‘It was a dream’

MD James Lakey

**Company Overview**

Laker has been trading since 1970 and provides building management services across Central England and Wales. Following the successful acquisition of Proteam Asset Management in January 2014, Laker is now also offering these services across London and the South East.

Currently they have around 100 employees and their turnover is just shy of 10 million.

**Reasons for seeking business support**

Laker applied to the financial assistance scheme because they wanted to break into a new area of the market by looking at the services they could offer around the green deal and eco funding. They had been planning to do this for some time but knew doing so would involve a new marketing strategy.

They heard about the financial assistance grant from Central Finance, who are a finance company who had previously been through the scheme themselves. It was a well-timed opportunity for them to enter into this new market as so it was an easy decision to take the opportunity to apply for funding.

They applied for around £13,000 which was half the money that they needed to redesign their website and undertake their marketing strategy. This also involved forming a new office. They received this full amount.

**Views on the support received**

Laker reported that the application process was simple and easy to navigate and that they were very happy with the support that they received. James Lakey stated ‘The scheme is vital to allow smaller businesses to be able to compete’.

**Impact**

The funding allowed Laker to redesign their website and enter into a new area of the market. As a result they employed two more operative supervisors and despite the fact that uptake of their new service offer was slower than anticipated they gained many new customers.

They are now generating profit in this area which previously that had not worked in.

Marketing themselves is not something that they had done in other areas of their business and as such it has been a new experience for them to generate customers in this way. This may be one of the reasons why take up has not been as high as anticipated but it means that the impact of the grant may well continue as they settle into this new way of working.

**Added Value**

Laker had been planning to move into eco-funding and services surrounding the green deal before they were aware of the financial assistance scheme. This means they would have made this move without the extra funding.

However, the scheme allowed them to invest more into this venture than they would have done without it. This may have had an impact of the success of their work in this area and allowed them to increase their visibility in the market.
A4.8 Maxim Computer Services Ltd – Financial Assistance Scheme

‘We have advanced the business. We now are in a much better position than we were 18 months ago…it will help us move into more modern technology in the future’

Eddie Grice - MD

Company overview

Maxim is one of the UK’s most dynamic suppliers and support providers of Warehouse Management Software (WMS,) printing and state of the art barcoding technology from the world’s leading manufacturers.

Maxim has been trading for 26 years and started primarily as a service organisation, however they now work in service, sales and write their own WMS and Production Control software. Since their involvement in the programme, Maxim have seen a 10% increase in their turnover. They now have 13 staff and 2 apprentices.

Reasons for seeking business support

Maxim wanted to expand their business and as such needed to a new website and to invest in infrastructure of the business. They wanted to develop their own software, a warehouse management system and expand their mobile computing capabilities.

The aim of the funding was to improve their building so that it suited their function better. For example they have put in heating and made other changes to the setup of their previous office/ workshop space. They also spent some of the funding on their new website.

Maxim heard about the programme through word of mouth.

Views on the support received

Maxim felt that the application process was straight forward and that the guidance that they received had been extremely helpful to them.

It was very easy for them to decide to apply for the £27,000 and they received 43% of this amount. This enabled them to be able to invest in the business themselves.

Impact

‘It really helped us turn a corner…the workflow through the business is quicker and easier. It’s just a nice place to work”

The heating that they installed has increased the working standards of their employees. Productivity has also increased because the work environment is now better suited to their needs.

The funding also had some baring on their ability to take on their two apprentices full time.

The new website has also given them a ‘better window into the market’ as it combined and upgraded two old websites that they were using.

Added value

Without the funding from the scheme Maxim would have had to consider other ways to raise the money they needed to invest in the business. However the changes made using the funding were vital to advance the business.

The funding enabled them to invest in their business in a shorter time period and more easily and this in turn safeguarded jobs.
A4.9  Raphael Design Ltd – great200leaders

‘It’s a good programme, but it should remain fully subsidised’

Pete Lubrano, Managing Director

Company Overview

Pete started working for himself at home 22 years ago and has been slowly developing Raphael Design ever since, in terms of increasing their client base and service offer. Approximately three years into business operations (19 years ago) Pete started employing people to help out.

The business is currently going through a period of growth which it is looking to continue. Their main goal is to increase turnover to ca. £750,000 over the next 3 years. This will involve expanding their current operations and potentially employing more people.

Reasons for seeking business support

Pete went to a Tamworth City Council ‘business exhibition’ and one of the organisers from the Great200leaders programme was there – the event provided all the information they needed to get started and make an application. Initially, the programme was fairly self-explanatory and needed little formal engagement to understand as they were already aware of a lot of the marketing aspect of the programme. Pete felt that the application process was well designed and that they had good access to relevant information.

Pete’s decision to take part in the scheme was not the result of formal process identifying the business’ weaknesses as they’ve always been quite apparent: ‘we are time-poor, having too few employees trying to do too much work leaves little time for things like marketing.’

Pete took part in the Great200leaders programme to help the business overcome the barriers they’ve faced trying to expand the business. One of the goals of the business was not just to continue working hard, but also ‘smartly’ though better organisation and time management. So their participation in the programme was part of efforts to find ‘smart solutions’ to help them expand.

Views on the support received

Raphael Design’s initial business needs were assessed by Karen from Raw Marketing. Karen’s assessment was subsequently translated into an action plan, which Pete felt was well considered in the context of their business, the subsequent actions were appropriate.

The action plan has been continually developed and reviewed since the programme. As part of the plan the business employed a graduate placement from Coventry University for 7 months to help with marketing – this didn’t prove to be very successful as the graduate’s skills were not well aligned to the needs of the business. However, as the action plan made it clear that they needed somebody to help with the marketing, they have now decided to take on an apprentice.

The main benefit of great200leaders programme was this realisation that they wouldn’t be able to do the marketing effectively in-house without bringing somebody in or outsourcing it to someone else. The 1:1 coaching and mentoring was also very useful and so too was the Action Learning Sets, which kept them on track and made sure they made the most of the programme. Pete found the speakers at the network events very interesting and felt they provided insight into common problems faced by businesses.

Pete felt that the Great200leaders programme was very good. However, he wasn’t sure how useful listening to other businesses from different sectors was as their problems were generally unrelated, making it hard to draw out any lessons to take home. Even in instances where they faced similar issues, Pete couldn’t see the point of discussing these issue when they were already abundantly clear to the business.
Impact

Raphael Design gained a lot of management skills from the programme that focused on dealing with people – it helped them understand as a business that different personalities need a different approaches when it comes to motivating them. The company now thinks strategically about the best approach for individuals that is conducive to creating a good working environment and allows people to do their best work.

As they were already aware of a lot of the marketing aspect of the programme it didn’t really give them any more skills/knowledge in this respect, what it did do however, is reaffirm their belief that they didn’t have the manpower to market their products. This then gave them impetus to employ somebody to do that for them.

There have been no immediate impacts with regards to turnover or productivity. Pete expects that in the future there will be some indirect impact as the programme ‘opened their eyes’ to the fact that to expand the business they need to use an external source to help with marketing.

“It is unlikely the business would intensified its efforts to maximise profits or seek external marketing assistance without the support”.

The programme has helped them see that they ‘should be chasing profit and not just turnover’. The business has now identified various areas where they make more profit and are making a concerted effort to develop these lines of business further. Previously, they would focus on securing high turnover with less regard for profit margins.

Added value

In the absence of the training, coaching and mentoring, Raphael Design would have carried on business-as-usual in the same way they have for the last 22 years. They have used external business support in the past but felt that they charged them a lot of money to give them information they already had. What they didn’t realise when they were having the consultations is that they didn’t have the man power to take any meaningful steps.

Pete said that they would seek similar support in the future. Pete felt that the great200leaders programme was superior to previous support as it was over a longer period and the variety of speakers meant that you were getting a nuanced understanding of business and strategy as opposed to the opinion of just one consultant.

Pete felt that there was definitely a need for a programme like this in his area, however, if it wasn’t fully or mostly subsided they would not have participated in the programme.

‘It has to be subsidised because if they had the money then they would have employed somebody to do it’

Even when comparing Great200leaders to the business consultants they’ve paid for in the past, they would not choose to pay as they don’t have the cash flow – this is even in spite of having much more positive experience. Hypothetically speaking, Pete felt that paying for the programme would represent value for money, but the realities of being a small business with significant time and cash constrains they would not have been able to participate.
A4.10  Tailor Made Systems Ltd – Financial Assistance Scheme

‘I see a lot of grant money wasted but this one gets value for money’

Robert Shapton, Managing Director

Company Overview
Tailor Made Systems was first established in 1983. The airfield lighting business evolved from a company (Tailor made Systems) that was involved in testing street lighting the founder of which was spotted on a programme called Tomorrow’s World by people from the Civil Aviation Authority. They contacted Vernon Taylor (founder) as they thought he could solve their problem of rapidly testing the photometric performance of runway lights by adapting Tailor made Systems mobile Street Light monitoring technology. This is especially critical to airports as the runways, often a 2-3 mile long stretch, are in constant use and have thousands of lights that pilots need for navigating. Shortly after the Civil Aviation Authority’s initial contact, a research project was commissioned at Warwick Science Park out of which the MALMS (Mobile Airfield Light Monitoring System) technology and the business developed from.

The business was operating at a fairly low level, however Robert believes there is a huge unrealised potential for the business and he wants to ‘take their product to the world’. All major UK Airports now use MALMS the potential lies mainly in global markets as the product could benefit every airport around the world. Thus, the key business strategy is increasing their global exports. Robert reflected, ‘The business is currently going through growth due to expansion in global air traffic and the requirement to maximise runway availability.’

Reasons for seeking business support
The company had moved to new premises and needed the grant to build a mezzanine floor. In order for the company to grow the company needs the right facilities – the new floor has allowed them to build two new laboratories and a room for our ‘pick & place’ machine. The company was upgrading their entire premises as part of a planned expenditure, the grant just made it more affordable. The planned expenditure was mainly financed by the company’s working capital.

Views on the support received
Birmingham Chambers of Commerce suggested the programme as something the business would be eligible for and put them in touch with the organisers.

‘The people running the programme were incredibly helpful and proactive’.

Robert explained, ‘the guidelines were okay, but the people who help you were able to make the application process very easy’.

The Birmingham Chambers of Commerce had already informed them of their eligibility, but once they had made contact with the programme organisers this was determined very quickly. The decision process was also very quick: ‘they were almost pushing me to drive things through, which was great’

Impact
Tailor Made Systems applied for £15,000 which was received, though this did cover the entire cost of upgrading their premises. However, as the new mezzanine floor (and improved affordability thereof) contributes to the company’s ability to up-scale, Robert felt that the grant contributed to the business (i.e. in terms of both improved productivity and profitability) by facilitating their ability to meet market demand. They currently don’t have a great deal of competition so the principal constraints are securing the right facilities to build things and the resources to get products to market. They been able to employ 3 new people since April 2015. Robert felt that these positive impacts would have happened
eventually, but not as quickly. Without the grant they would not have been able to employ 3 new people in such quick succession.

The grant will help accelerate their burgeoning growth and help ensure that they are capitalising on all the opportunities before competition saturates the market. As there is currently limited competition in the area the grant has allowed them to jump a few steps which will accelerate their ability to increase top-line revenue and bottom-line profitability. Robert reflected, ‘Without sufficient working capital there’s always the chance that the market will get away from you’.

Added value

In the absence of the grant scheme Tailor Made Systems would have attempted to finance the floor using their own cash flow as opposed to finding a bank loan, which can be quite time consuming in terms of putting together an application. Robert had never been involved with other schemes before, but based on their experience of the programme, they would seek similar support again. This was largely to do with how straightforward the application process was in terms of the support they received and the positive impacts of the grant itself.

Robert had not engaged other schemes prior to this, as the business does not have the time fill out – often – complicated and onerous applications; however, the financial assistance offered in this programme was so efficient with a clear eligibility criteria, the business was able to get involved.

Inter Airport:
Dubai:
A4.11 Yes Agency – Financial Assistance Scheme

“The Business Development Programme provided crucial funding at a key point in our development. The support during the application process was very helpful, the timescales to reach a decision were relatively short and I would thoroughly recommend it.”

David Patrick – Company Director.

Company overview

Yes Agency was established in 2001 as a Midlands based marketing agency. When the business was first established it focused on business-to-business marketing with clients in construction and manufacturing. Since then it has diverged into specialist community marketing, working with clients from both the public and private sector, covering a mixture of specialisms including education and training, employment, and enterprise.

Reasons for seeking business support

In 2014 the business became aware that its current landlords were planning to sell the business park that its offices were located on to redevelop it for residential housing. The business had also outgrown its existing premises and needed to move to a larger one to meet future plans.

The company set about looking for new premises and spoke to Birmingham City Council – The council signposted David to the Business Development Programme.

Yes Agency found suitable premises nearby but it required extensive renovation, and therefore had significant cost implications for the businesses. The agency therefore applied for the Financial Assistance Scheme to help with costs towards renovating new premises in Uttoxeter.

The new property was previously a church, so needed considerable alterations to ensure it was suitable for use as office space. Once the planning permission for change of use was granted, the Financial Assistance Grant provided match funding to pay towards new windows and doors, plumbing works, electrical work and the fit of suitable data cables.

Views on the support received

David was positive about his whole engagement with the Business Development Programme. Throughout the process David received support from East Staffordshire Borough Council, which included assisting with the draft application, checking the application met the requirement for the programme and continuous guidance throughout the process.

Overall, David found the guidelines “rigorous and detailed but clear and straightforward”. David also found the eligibility criteria were clear, and coupled with extra support from the council he was able to ensure the application for funding included only relevant expenses. David explained: “I discussed with someone from the borough council what was covered and what was not covered, so at the start I was aware of the criteria and what I could claim for – this was tremendously useful.”

Overall, the decision-making process from David’s point of view was “well managed”.

Impact

In the short term the Financial Assistance Grant alleviated the financial burden on the business associated with the move and the required work. David stated: “Without the grant it would have been very challenging financially to be able to move.”

Since moving into the newly renovated premises the business has taken on an additional member of staff, taking the total number of employees to nine. The move has enabled the
business to increase the capacity to grow and take on new staff, therefore developing as a community marketing agency.

David also reflected that the design and layout of their new office is conducive to effective team working, and as a result there has been an increase in productivity. He explained: “We have a more pleasant bespoke office environment that perfectly suits us.”

Furthermore, to undertake the renovation work required, local tradespeople were used, including project management support from a Uttoxeter based trader and builders based in Stoke-on-Trent. Employees have also been able to remain employed in the same area.

Now the business has been in its new premises for six months, it has seen a growth in turnover. Yes Agency has also been able to secure two new substantial clients in the West Midlands region. David explained the kick start in new business activity was due to a number of contributing factors, including the security of the tenure, a good working environment to encourage team working, and the employment of a new team member.

Added value

David reflected: “I think it accelerated growth as we received the grant at the right time for us.” Without the funding from the Business Development Programme, the move to new premises would have been delayed. Furthermore, David felt in the absence of the funding they would have to have been a lot more cautious and would have possibly moved into less appropriate or less suitable premises.

The business also received funding from a similar programme, and would seek similar support again given this positive experience with the Business Development Programme.

New offices of Yes Agency: