

*November 2021*

# **Impact Evaluation of the Collaborative Networks Programme**

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**Final Report**



Version 3

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## **Final Report**

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# 1 Introduction

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## 1.1 Introduction

Be the Business has appointed Technopolis to carry out an **impact evaluation of their Collaborative Networks Programme**, building on the work undertaken for the process evaluation of the initiative in 2019/20. The core aim of the project is to assess the extent to which the programme has delivered against its aim and objectives. To achieve this, there are a number of broad study objectives:

- To conduct a programme-wide impact evaluation which includes:
  - An identification of programme impacts and cost benefit analysis
  - Exploration of delivery mechanisms
  - Recommendations for future improvements in the content of programme design and delivery approach
- To analyse the differences in the delivery models that the programme has used in terms of:
  - The differing models used in the three hospitality regions
  - Contrasting the sector focus of the hospitality interventions with the focus of the form of ownership of the North West family Business pilot

## 1.2 Evaluation scope

As part of this study, Technopolis developed an evaluation plan, which in turn established the following research questions for the impact evaluation:

*Table 1 Impact evaluation research questions*

Research questions	Key issues of Request for Proposal this will address
Is the programme reaching its target audience?	<ul style="list-style-type: none"><li>• Implementation and inclusion</li><li>• Coverage</li><li>• Recruitment</li></ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"><li>• Programme effectiveness</li><li>• Mechanisms</li><li>• Campaign effectiveness</li></ul>
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"><li>• Programme outcomes</li></ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"><li>• Programme outcomes</li></ul>
Does the programme represent value for money?	<ul style="list-style-type: none"><li>• Cost-benefit analysis</li></ul>

The impact evaluation examines programme activities undertaken in Cornwall, Buckinghamshire, Heart of the South West (HotSW) and the North West (excluding Yorkshire). Activity levels in Newcastle and Gateshead and Yorkshire were too low to be able to generate any meaningful impact evidence. Both areas, however, were covered as part of process evaluation completed in April 2021.

## 1.3 Summary of the Collaborative Networks Programme

In 2018, Be the Business (BtB) launched the Collaborative Networks Programme, more commonly known as the Networks Programme, with the aim of encouraging business leaders

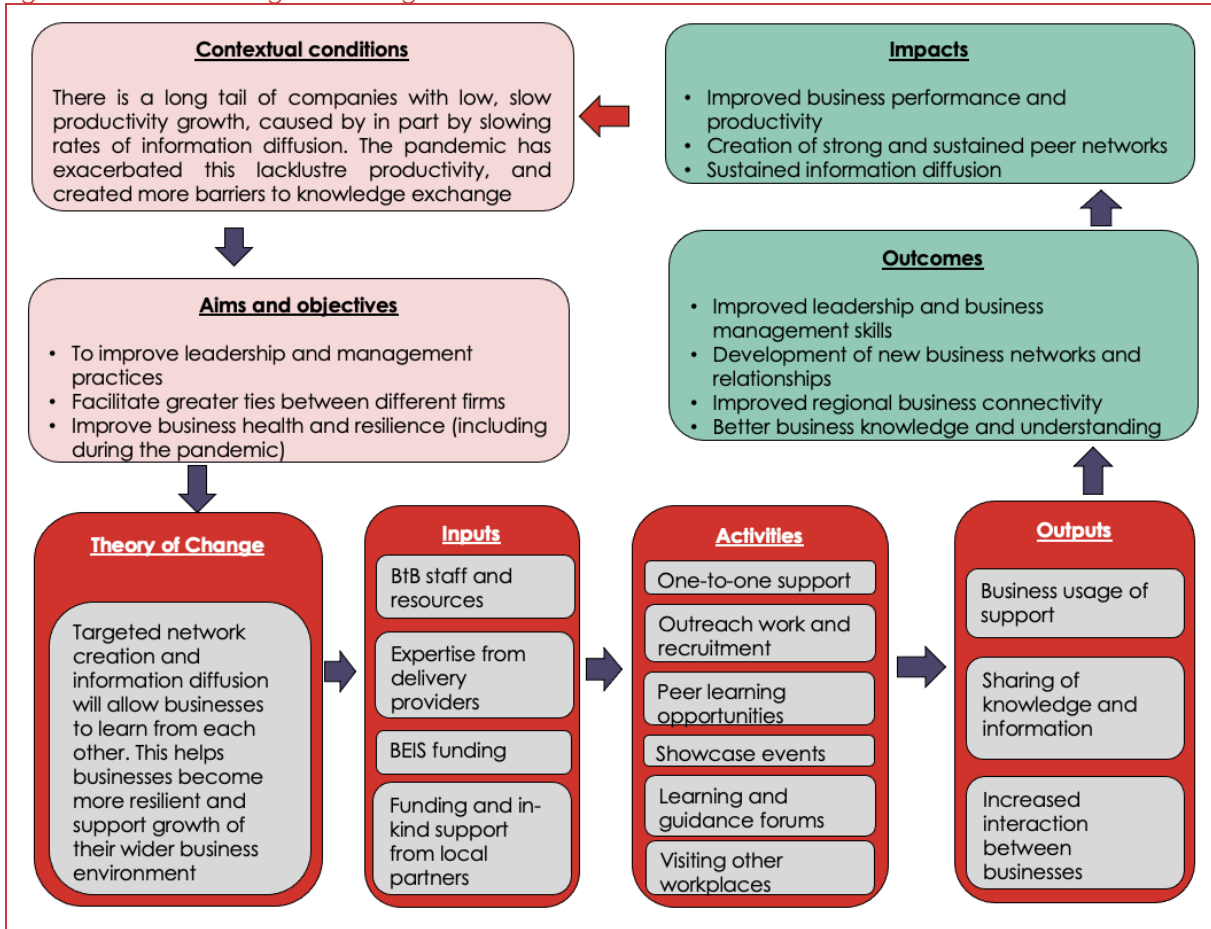
to work together to (i) help improve information and knowledge flow between firms in order to stimulate learning among SME leaders and (ii) to create sustainable business networks to enable on-going connections and learning. The ultimate aim being business growth resulting from learning and improved skills. The programme to date has consisted of two pilots covering a number of geographical areas:

- **The Hospitality Pilot** is centred on building geographically focused communities of hospitality business leaders that want to develop and improve their businesses. The pilot provides support and advice to local businesses through: masterclasses; moderated peer action learning groups, and a newsletter. With the onset of the COVID-19 pandemic, the pilot also ran business surgeries. BtB has implemented the Hospitality Pilot in three areas:
  - **Cornwall:** launched in early 2018, this pilot established a network of Cornish hospitality businesses and trialled the broad hospitality pilot approach outlined above. Early iterations of the Cornwall pilot also included a Hospitality Hacks and Awards Campaign although these have not been part of the pilot since September 2019, with the focus moving to the peer action learning groups, and in-person masterclasses instead. Since spring 2020, business surgeries were added and the masterclasses moved online with the masterclasses delivered simultaneously to the Buckinghamshire and HotSW beneficiaries as well as Cornwall.
  - **Buckinghamshire (Bucks):** launched in 2020 as the second pilot area, Bucks adopted a delivery approach very similar to that used by Cornwall from September 2019, focusing on moderated peer groups, masterclasses and business surgeries.
  - **Heart of the South West (HotSW):** delivered in the HotSW LEP area encompassing Devon, Somerset, Plymouth, and Torbay, the pilot had a soft launch in the late spring of 2020 with more intensive work taking place from the autumn of 2020. It consisted of online masterclasses (delivered also to Cornwall and Bucks participants) as well as peer groups and business surgeries.
  - **Newcastle and Gateshead:** in January and February 2021, BtB delivered three tourism and hospitality masterclasses as part of the NewcastleGateshead Initiative's (NGI) Citylife business support programme.
- **The North West Family Business Programme (NWFb):** this provides family firms in the North West with new ways to collaborate, learn and share ideas. It does this through activities including business placements, open business days, peer learning opportunities and Advisory Boards. The pilot is sector agnostic and was extended into Yorkshire in 2020.

Figure 1 summarises the programme theory. The Networks Programmes uses a variety of targeted activities designed to enable information and knowledge diffusion and network creation among businesses within geographical regions. This support aims to encourage knowledge sharing which will provide business leaders with new skills, ideas and methods to improve individual business performance and/or business resilience during the pandemic. This in turn will translate into improved productivity and local economic performance, as well as sustained connectivity and between businesses to support on-going learning and growth.



Figure 1 Networks Programme Logic Model



Source: Technopolis

#### 1.4 Purpose of this report

The primary purpose of this report is to answer the research questions set out in Table 1, namely to better understand whether the programme has met its core objectives around fostering a culture of knowledge diffusion on leadership and management best practice, and improving business performance and productivity. The report will also examine which programme elements have been most effective, and whether the programme also offers value for money.

The April 2021 process evaluation already provided a detailed assessment of the research question “Is the programme reaching its target audience.” This report therefore focuses on the other research questions, making this report much more impact focused. Nevertheless, in light of further evidence collected during the evaluation, we also provide updates to the earlier process evaluation.

In addition, this report also looks to provide insights and best practice on the most effective ways to best support SME businesses that are either family run or are in the hospitality and tourism sector. It also looks to set out the appropriateness of using a Networks Programme intervention model going forward.

#### 1.5 Evaluation methods

The study approach is centred on conducting short individual evaluations of the four pilots in: Cornwall, Bucks, HotSW, and NWFB. These have then been synthesised to provide overarching

conclusions on the hospitality pilot in its totality and for the entire Networks Programme. Each pilot evaluation provides commentary on the specific methodologies used but broadly speaking, the study has drawn on the following sources:

- **Stakeholder interviews:** for the April 2021 process evaluation, we carried out detailed interviews with BtB programme staff, the delivery partners and managing agents in each pilot area, and key strategic local stakeholders. We have drawn on this evidence for this impact evaluation, supplementing it with a focus group of hospitality stakeholders from organisations such as Visit Cornwall, Visit England, and UK Hospitality to help provide further evidence the most effective ways to support the sector's SMEs
- **Beneficiary surveys:** we ran tailored survey campaigns for beneficiaries in all pilot areas using a combination of online and telephone approaches. In each area, the study team approached every participant deemed to be an 'intensive user' of the Networks Programme.
- **Follow-up beneficiary interviews:** in each pilot area, we conducted a series of interviews with beneficiaries with a self-selected sample based on those who volunteered via the survey to participate in follow-up research. The interviews form the basis of **case vignettes** for each pilot area.

## 1.6 Effects of the COVID-19 pandemic on the evaluation

The evaluation took place during the pandemic as did a significant portion of programme delivery. While, the programme itself shifted focus to supporting business through COVID-19, the pandemic also had implications for the evaluation itself, most notably:

- Reduced ability to collect data from businesses directly, either due to the fact that business leaders were focused on dealing with the pandemic or that relevant staff were unavailable due to furlough<sup>1</sup>
- Reduced ability to conduct robust econometric analysis due to the unique economic context – in particular the government furlough scheme, intended to protect employment, confounding attempts to analyse effects in terms of employment, revenue and firm survival
- Reduced ability to undertake economic analysis, estimating the programme's GVA impact and value for money, due to business inactivity, in the hospitality sector in particular

In terms of data collection, the response rate to surveys in some pilot areas was lower than might typically be expected in non-pandemic times and securing beneficiary interviews was also challenging. Furthermore, the interview timescale coincided with the opening up of the hospitality sector in July and August 2021, when businesses were, understandably, focused on getting their businesses up and running for the remainder of the 2021 summer season. With the uncertainties surrounding the timing and duration of each lockdown this unfortunate coincidence could not have been predicted at the evaluation planning stage.

We trialled an econometric counterfactual analysis based on firm survival rather than business growth (in terms of revenue and employment). We did this for two reasons. Firstly, insufficient time has passed since the pilot intervention for firms to have enacted improvements and experienced growth (even in non-pandemic times) and for that growth to be identifiable in annually published business performance databases such as the Interdepartmental Business Register (IDBR). In contrast, business failure is captured by Companies House on an on-going basis and published relatively quickly, making it a more appropriate data choice for this

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<sup>1</sup> i.e. staff not working due to use of COVID-19: Coronavirus Job Retention Scheme (furlough)

evaluation. Secondly, due to the pandemic, business survival, rather than business growth, became a focus of the programme.

We conducted an econometric analysis of business survival among Networks programme beneficiaries. However, the data showed that the typical firm failure rate was, much lower than in non-pandemic times – most likely due to the making effects of the furlough scheme. With the scheme extended through the summer of 2021, this made an analysis of firm survival somewhat meaningless. Therefore, we have conducted counterfactual analysis based on self-reporting via beneficiary survey, and qualitative analysis based on interviews.

We also trialled economic analysis, developing a bespoke economic model to estimate the gross value added (GVA) impact for each pilot, and for the programme as a whole, based on primary and secondary data. However, using secondary data for pre-pandemic regional and sector GVA (the only data available) meant that the model outputs could not truly reflect the effects of the programme. Our evaluation has therefore focused on providing a more qualitative view of the programme's impact. The absence of economic analysis also prevented us from conducting a value for money assessment as planned. The value for money assessment was also complicated by the lack of evaluation evidence to date, of comparable programmes operating during the pandemic.

## 1.7 Report structure

- Chapter 2 summarises the methodology used in each pilot level study
- Chapters 3, 4, and 5 provide our evaluations of the Cornwall, Bucks and HotSW pilots respectively
- Chapter 6 brings the three preceding chapters together, and gives a summary of the hospitality pilot's performance and potential ways of supporting the sector going forward
- Chapter 7 gives our evaluation of the NWFB pilot
- Chapter 8 brings together the findings from the other chapters and sets out findings for the whole Networks programme
- Chapter 9 gives our Summary and conclusions.

# **2 Methodology overview**

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## 2.1 Methodology

The report has followed the methodology set out in the initial Evaluation Plan although as set out in the previous chapter, we were unable to proceed with the econometric analysis, economic analysis, and value for money assessment as planned.

In our assessments of each pilot area, we have drawn on three main information sources:

- **Findings from the March 2021 process evaluation:** this in turn drew on interview feedback from BtB stakeholders, and those delivering programme activities in each of the pilot areas. The process evaluation is available through the Be the Business website
- **A beneficiary survey:** this sought views from 'intensive user' participating businesses. We deemed 'intensive users' to be hospitality pilot participants that used any of the masterclasses (online or in person), action learning groups (online or in person) or the business surgeries; and NWFB pilot participants that used any of the advisory boards, peer learning groups, and business placements. The beneficiary surveys asked 'intensive users' about their reasons for participating in the programme, what effect the programme had on them as individuals and on the way their businesses operate, how likely (if at all) programme involvement was likely to improve their future business performance, and wider feedback on the programme. Table 2 shows the response rates to each survey.

*Table 2 Response rates to beneficiary surveys in each pilot area*

Pilot area	Responses received	Survey population	Response rate
Cornwall	32	203	16%
Bucks	32	75	43%
HotSW	29	71	41%
NWFB	39	143	27%
Total	132	492	27%

- **Follow-up beneficiary interviews:** we conducted a small number follow-up interviews with survey respondents who volunteered to participate in follow-up research. Qualitative in nature, these interviews focused on the business and beneficiary journey – where they and their business were before joining the programme, where they are now, and the effect that the CN programme had on them. These interviews have formed the basis of the **case studies** included throughout this report. We secured the following number of interviews:
  - Cornwall – 4
  - Bucks – 3
  - HotSW – 4
  - NWFB - 7 (including a focus group of five individuals)

# 3 Cornwall Pilot

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### 3.1 Introduction

Cornwall was the first area to experience the BtB Networks Programme. Through existing contacts, BtB was provided with an opportunity to work with the Cornwall hospitality sector and pilot their Networks Programme approach. In early 2018, BtB launched the Cornwall Hospitality Leaders Network (later renamed the Collaborative Networks Programme for Hospitality). Its aim was to establish a brand-new network of hospitality businesses across Cornwall, with a view to giving participants the time and tools to meet, share experiences, and learn from each other.

Prior to September 2019, BtB ran a diverse range of interventions in Cornwall summarised in Table 3.

*Table 3 Summary of Cornwall pilot activities prior to September 2019*

Activity	Further details
Masterclasses	<ul style="list-style-type: none"> <li>• Topic-focused working sessions which combined networking opportunities with a talk from an industry expert</li> <li>• Sessions lasted 2-3 hours and involved short networking time, a talk from a notable hospitality expert from outside Cornwall, and group work aiming to apply learnings and to stimulate peer-to-peer collaboration.</li> </ul>
Hospitality Hacks roadshow	<ul style="list-style-type: none"> <li>• A bus-based roadshow that visited Padstow, Newquay, St Ives and Falmouth</li> <li>• It provided opportunities for local hospitality businesses to share and showcase their 'hacks' (e.g. tips or novel solutions designed to raise productivity) in advance of the peak tourist season</li> <li>• Beneficiaries were also able to enter their hacks to the <i>Hospitality Hacks Cornwall Awards</i>, providing a further opportunity to showcase their work</li> </ul>
Online activity	<ul style="list-style-type: none"> <li>• BtB initially trialled a closed Facebook group</li> <li>• The pilot also had a monthly newsletter</li> </ul>
Launch event	<ul style="list-style-type: none"> <li>• This included sector specific speakers, local influencers, and a chance to interact with BtB staff</li> <li>• It also gave tasters of the different learning opportunities, and a chance for businesses to provide feedback to BtB on what they wanted in a programme</li> </ul>
Cornwall Tourism Award	<ul style="list-style-type: none"> <li>• BtB sponsored the Business Leaders of the Year Award at the Cornwall Tourism Award and paid for some individuals to have a table at the event.</li> </ul>

Source: Technopolis

Following the recruitment of new project management staff in the autumn of 2019, BtB decided to streamline their Cornwall offer, concentrating on two elements:

- Revised masterclasses: the new model involved half-day sessions comprising a keynote presentation, scenario-based group work, networking lunches and case study sessions based on roundtable discussions. Each masterclass centred on a topic selected by BtB. The BtB project manager and a hospitality sector consultant ran and facilitated each masterclass, recruiting keynote presenters and roundtable facilitators.
- Action learning groups: these were in-person group peer mentoring sessions, led by a facilitator. The groups would discuss topics selected by the group members. Participants signed up to take part in the action learning groups, with BtB allocating each person to a group based on the profile of their business and to ensure that group members complemented each other. While BtB oversaw recruitment, it appointed external delivery partners to manage and facilitate each session, the ultimate aim being for each action

learning group to become self-sustaining and able to conduct meaningful future meetings without an external facilitator. While BtB planned to run two action learning group, only one was created and it remains active.

With the onset of the COVID-19 pandemic, the Cornwall pilot moved to a different approach and modified it offer – as summarised in Table 4.

*Table 4 Summary of Cornwall pilot activities after March 2020*

<b>Activity</b>	<b>Description</b>	<b>Amount of interest</b>
Online masterclasses	45-minute online sessions offering practical but light touch advice covering eight different themes per session: <ul style="list-style-type: none"> <li>• The Eight Pillars of Leadership</li> <li>• Embedding Resilience</li> <li>• The Customer Journey</li> <li>• Knowing Your Revenue Streams</li> <li>• My Business. My People. My Responsibility</li> <li>• Understanding Personality Types</li> <li>• Market Mapping and Competitive Collaboration</li> </ul>	Pilot area accounted for 156 masterclass registrations as well as 67 attendances, a conversion rate of 43%
Online Action Learning Groups	BtB converted the initial action learning group into an online peer group, meeting on a weekly basis rather than monthly as before the pandemic. This allowed the group to be more reactive to the ever-evolving conditions under COVID-19, rather than focusing on longer term issues.	Over time the number of groups and members has fluctuated. There were three original groups each with 4-6 members, followed by an additional 2 groups which were later merged into a single group.
Business surgeries	The surgeries were 30-minute one-to-one phone or video calls between the beneficiary and the external hospitality consultant involved in masterclass delivery. The programme delivered surgeries to 18 different businesses in Cornwall, between March and December 2020.	18 Cornwall businesses participated in the business surgeries element

Source: Technopolis

Given the time required to participate in each activity, we have considered those who used any of the masterclasses (online or in person), action learning groups (online or in person) or the business surgeries to have been 'intensive users' of the Cornwall pilot. Based on the monitoring data provided, we understand that the Cornwall pilot had 203 intensive users from 139 different businesses (i.e. some businesses provided more than one user). The pilot supported another 342 businesses in a more light-touch manner, though newsletters, the Hospitality Hacks roadshow, the Cornwall Tourism Awards and a Visit Cornwall summit. In total the Cornwall pilot supported a total of 481 businesses.

In the remainder of this section, we provide evidence that addresses each of the evaluation questions for the Cornwall pilot.

### 3.2 Is the programme reaching its target audience?

The Cornwall pilot has successfully reached its target audience – hospitality and tourism SMEs in Cornwall. BtB's relationship with Visit Cornwall, the local Destination Management Organisation (DMO), has enabled it to attract and successfully recruit the target audience. The prior process evaluation found that Visit Cornwall was the source of many referrals to the programme and BtB stakeholders have since confirmed the centrality of the relationship with the DMO in ensuring that the programme was marketed to the intended audience. Visit



Cornwall's activities were supplemented by BtB's own direct marketing strategies via their website and social media.

As presented in the programme logic model, the pilot's primary objectives are to improve internal business practices, improve business networks, and improve business performance and resilience (including during the pandemic). With those goals in mind, the pilot would be reaching its target audience if it also secured participants interested in accomplishing the same outcomes. Beneficiary survey responses provide evidence of the Cornwall pilot having achieved this. As shown in Table 5, more than half of the survey respondents (56%) were looking to learn how to run their businesses more efficiently, thereby improving business performance. Some 40% were looking to expand their business networks locally, potentially seeking new partnerships. A slightly lower number of survey respondents (38%) were interested in participating to help business cope with the effects of the pandemic either by pivoting the business or making it more resilient in the face of COVID-19. The greater interest in business performance compared to dealing with the effects of the pandemic may be due to the Cornwall pilot having begun before the pandemic when it was yet to be the driving force behind decisions to join the programme.

The alignment of the respondents with the programme objectives suggests some success in reaching the businesses and individuals of interest to the pilot.

*Table 5 Responses to "What were your reasons for using Be the Business support?"*

	No	% of total
To understand how to run my business more efficiently	18	56%
To make new contacts	13	41%
To improve my business' longer-term prospects	12	38%
To improve my business leadership and management skills	8	25%
To make my business more resilient during the pandemic	6	19%
To understand how I can pivot my business during the pandemic	6	19%
Identifying how to make money out of season	3	9%
Other	8	25%

Source: Cornwall beneficiary survey (n=32). Respondents able to select one than more option

### 3.3 Which elements of the programme are most effective?

Evidence from the Cornwall beneficiary survey indicates that by and large, respondents found the different programme activities as useful and effective as each other. In separate questions, respondents were asked to indicate which programmes they had participated in, which in some instances was more than one, and to rate how far they had been able to achieve the goals they had in mind from involvement in the pilot. Examining both questions together, we can infer how effective the respondent group found the different programme elements. Table 6 shows that the participants broadly felt that the different activities equally supported them in achieving their goals. However, the responses for the awards programme and the hospitality hacks were too low (one response each) to draw robust conclusions both for these activities individually or to make a comparative assessment of the perceived effectiveness of the different activity types.

Table 6 Survey evidence of activities used and ability to achieve programme goals

Comparison of “On a scale of 0-10 (where 0 is not at all, and 10 is completely), how far would you say that you were able to achieve the goals you had from participating in the Be the Business events?” and “Please can you confirm which of the following forms of support you used?”	Mean score (out of ten)	No. of respondents	Lowest score	Highest score
One-to-one business surgeries	6.5	6	2	10
Online masterclasses	6.4	5	3	8
Peer group/action learning sets	5.9	13	2	10
In-person masterclasses	5.3	12	0	10

Source: survey of Cornwall beneficiaries (n=32)

Respondents provided additional feedback in the survey indicating that Cornwall participants particularly valued the peer-learning and broader networking opportunities provided. When asked what elements they would keep if the programme was being redesigned from scratch, four respondents singled out the networking elements as both a key incentive to join the pilot and a longer-term benefit to themselves and their businesses. A further three respondents indicated that the peer learning opportunities were highly valuable to them, not only to learn from each other, but also as a space to share negative experiences amongst peers.

Survey respondents were also given a chance to provide feedback on areas that had not lived up to their expectations. Twenty-three individuals provided a response to the question “If you were re-designing the Be the Business support from scratch, what one aspect would you remove”. Of those, more than a third (35% of those answering, 25% of all respondents) indicated that they would not remove any elements from the programme. The most common complaint amongst the respondents was not actually related to the programme itself, but to the other participants. Four respondents (17% of those answering) indicated that many of their peers did not turn up, or were unwilling to contribute during events, reducing their ability to gain something from the programme. The other recommendations were very specific to the individual concerned and could not realistically be applied to the wider programme.

### 3.4 Has the programme helped improve information and knowledge diffusion?

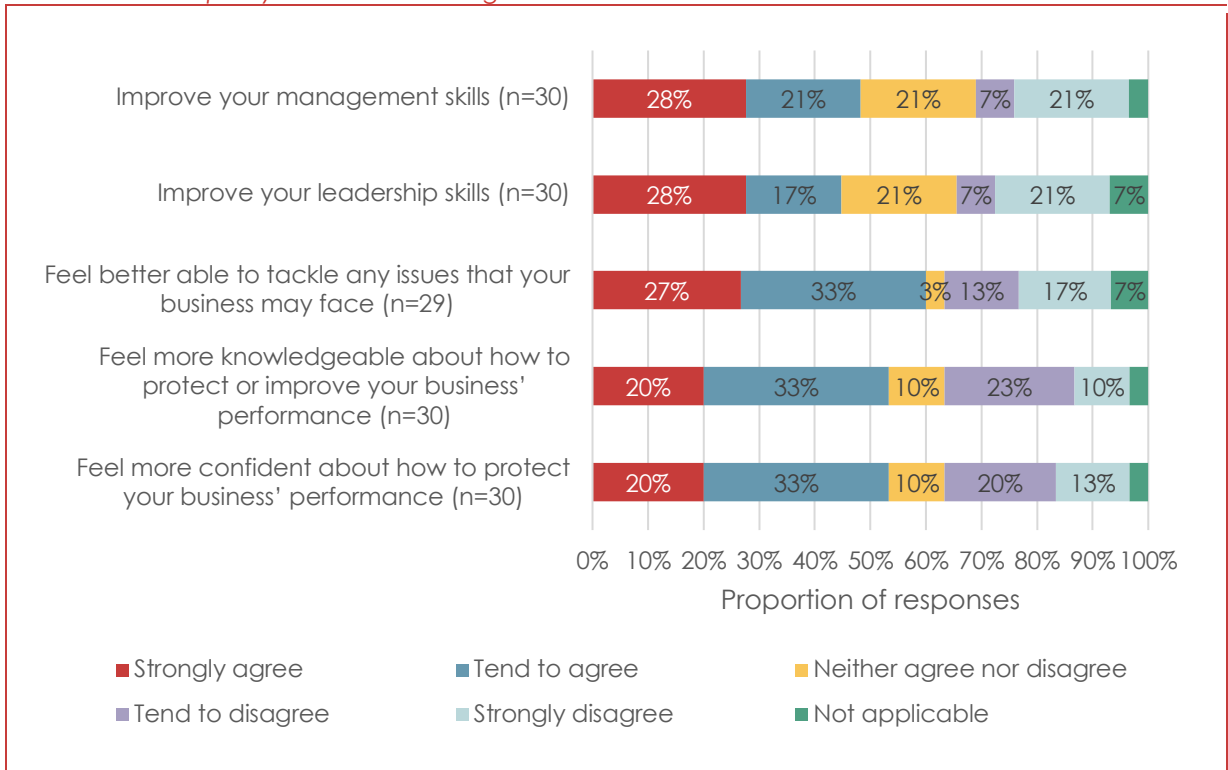
A central element of the programme is to improve information and knowledge diffusion between individuals – between participants themselves as well as from the experts to participants - in order to improve their management and leadership skills and increase confidence in taking actions to improve their businesses.

Respondents from the Cornwall participant survey were asked to what extent participation had helped their knowledge and capabilities improve across a number of specific areas. As shown in Figure 2, nearly half of participants indicated improvements in their leadership and management skills. Respectively, 49% (14) and 45% (13) either strongly agreed or tended to agree with the notion that participation helped to improve their management and leadership skills. Both of these areas saw the highest number of 'strongly agree' responses (8, 28%) to the question concerned.

Survey respondents also indicated a belief that the programme had helped improve their understanding of how to manage their business. As Figure 2 shows, of the respondents, more than half (60%, 18 individuals) strongly agreed or tended to agree that programme participation had helped them to better tackle any issues their business may face. Similar proportions of respondents (53%) also said that programme participation had helped them feel

more knowledgeable about how to protect or improve their business and have the confidence to do so.

Figure 2 Responses to “To what extent do you agree or disagree that usage of Be the Business support has helped you do the following?”



Source: Cornwall participant survey

Interviewees from Cornwall indicated that participation, particularly the peer learning, had supported them to develop new elements of their businesses. The ability to bounce ideas off other participants provided an opportunity to test novel ideas amongst their peers before devoting time and resources to implement them, thereby avoiding potential pitfalls and saving costs by not introducing unsuitable or inappropriate ideas. Other individuals indicated that being able to share experiences allowed them to refine their own business practices, leading to improved efficiencies and business models. The peer learning element has also increased the confidence of some interviewees, leading them to be more committed to their businesses despite the difficult circumstances. The case vignette below illustrates some of the ways that participants have been able to use knowledge gained through the programme.

### **Participant A – a campsite based in Padstow**

#### **Background to beneficiary**

The beneficiary is a partner at campsite based in Padstow, Cornwall. The business is family run and been in existence since 1987 and sees itself as a mature business. The site offers 100 pitches spread across five fields and aims to provide a traditional and nostalgic campsite with modern facilities.

#### **Reasons for participating in the programme**

The business is looking to grow and increase its revenue. It is not necessarily looking to enter new markets, rather the emphasis is about becoming as good as they can at what they do. By operating more effectively, the participant believed their staff would be happier and in turn, provide a better service to their customers. Prior to participating in the programme, the beneficiary was also keen to learn about management, best practice and was particularly keen to understand strategies and approaches used by others.

Within this context, the beneficiary chose to participate in the programme to find out ways to improve the business's longer-term prospects. They also wanted to better understand the elements of productivity and how businesses like theirs could improve it. Another attractive feature of the programme was the opportunity to interact with other businesses in the hospitality sector, such as easyJet, through programme events.

#### **The programme services used**

The participant regularly attended the action learning sets, which they used as an opportunity to informally discuss ongoing business challenges, different approaches to business management, and potential solutions to issues that they and other attendees faced. The participant also attended some of the programme's in-person masterclasses which helped provide additional perspectives on running a successful business.

#### **New knowledge acquired and actions taken**

The beneficiary noted that programme participation has helped them learn about business management best practice. They highlighted that the action learning set discussions helped them identify relevant key performance indicators (KPIs) for their business. As a result, the participant now uses the amount of waste generated as a KPI. Monitoring this has not only helped improve the business's bottom line, but is also useful information to share with customers to demonstrate their green credentials. More broadly, the programme also enabled the beneficiary to gain more general knowledge about how to manage a business, something which will inform future decision making.

#### **Benefits and impacts achieved**

While the participant said that they had not learnt anything from the programme that had led to any fundamental changes to the business, they did say that they now had greater awareness of how to lead their business more tactically. They also felt that through programme participation, they now felt more part of a collaborative local business community and felt able to re-contact other action learning set members if they wanted to discuss business issues in the future.

### **3.5 Is the programme helping improve business performance and productivity?**

As documented in the programme logic model, improved knowledge and improved management and leadership skills are expected to translate into improvements in business performance and productivity. Survey respondents were asked whether, following use of the Networks programme, they had made any changes to a series of business processes that are known to contribute to improved business performance and productivity. As shown in Figure 3, across all areas, many respondents planned to undertake, or had already undertaken, changes to their business. In all categories, more than 41% of respondents had already made changes to their businesses since participation in the BtB programme. Of the choices available, respondents were most likely to have made major changes to existing products or services (as highlighted by 48%).

The case vignette below further exemplifies how some operational and management changes are linked to programme participation.

## Participant B – a museum in Cornwall

### Background to beneficiary

The beneficiary is a Director at a Cornwall-based museum and has been with the organisation for several years. The museum is managed by a local heritage trust, a registered charity. Although the museum receives funding from public grants, there is a desire to ensure that the museum thinks and acts more like a business than a charity. In particular, the organisation would like to generate sufficient income to ensure that it is able to retain free entry for visitors.

### Reasons for participating in the programme

As well as wanting to learn how to run the museum in a more business-like manner, there were also personal motivations for engaging with the programme. The museum represented the first time that the beneficiary had held a director level role within an organisation and they were seeking support to help them decide what kind of leader they wanted to be. They also wanted to gain some first-hand perspectives on the technical knowledge and skills needed to lead an organisation. More broadly, the beneficiary also saw the programme as an opportunity to improve their confidence.

### The programme services used

The participant attended some of the in-person and online masterclasses, even involving their colleagues in some of the sessions. The participant also regularly attended the action learning sets, using them as opportunity to learn about what businesses do to survive and to learn from individuals in other sectors on the approaches to manage the effects of the pandemic.

### New knowledge acquired and actions taken

The participant gained a lot of new knowledge through the programme. Members of the action learning sets in particular have come from geographically dispersed and sectorally diverse backgrounds. Engaging with such a wide range of businesses was valuable, enabling the participant to identify time saving strategies used in a wide variety of different contexts.

The participant highlighted that programme participation has led to some tangible changes to their organisation. Examples included:

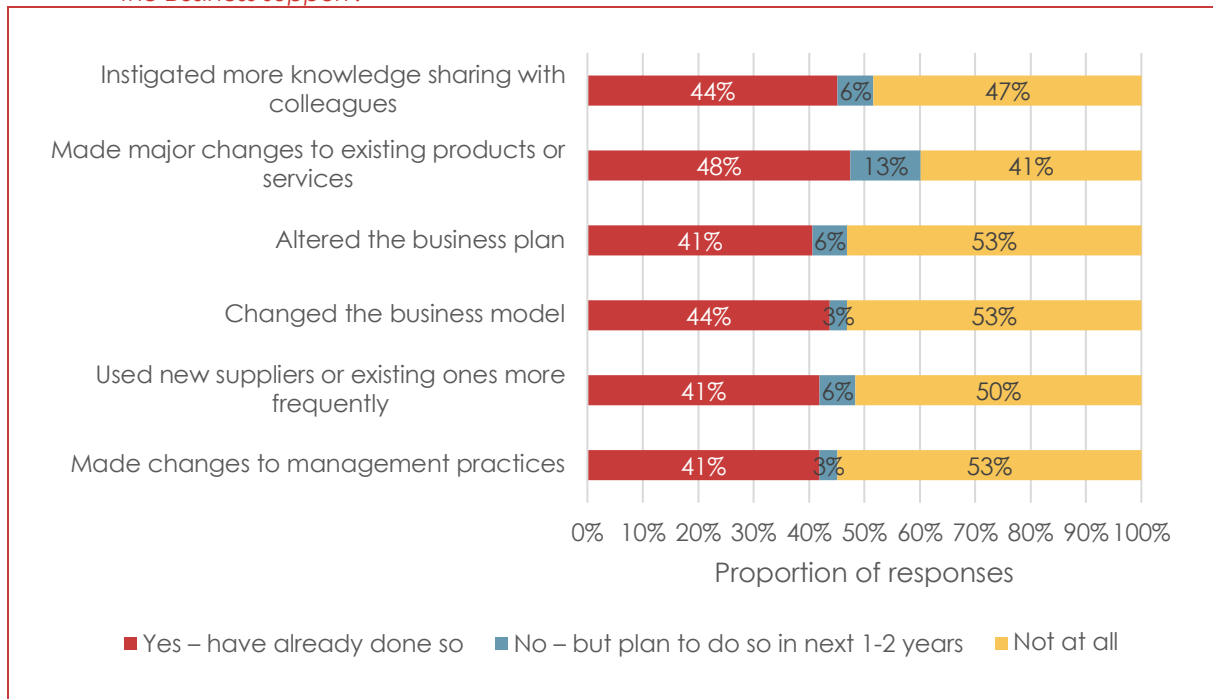
- Making changes to the business model - encouraging the participant to think more carefully about the customer journey, the website, and how to package goods in the shop
- Thinking more carefully about customer needs - recognising that a good experience is central to safeguarding the museum's future
- Altering HR policies following advice gained from others - the organisation as a whole is now more confident in managing HR risks

### Benefits and impacts achieved

The participant spoke of how the organisation would be very different had it not been for programme participation. It has helped the museum change how it thinks about itself, being much more customer focused now and having clearer commercial goals. On a personal level, the beneficiary noted that they now feel much more confident in leading the organisation. They have also maintained contact with fellow action learning set members, helping the participant feel part of a close-knit community, while participation in the in-person masterclasses also helped create a sense of identity and belonging to the sector and geographical area.

Nevertheless, as Figure 3 also shows, while many have made changes to their business (or intend to) following the programme, many also have not. For all the business changes listed, approximately half of the respondents have made no changes since their programme involvement. Furthermore, of those that have not made changes to their business to improve performance and productivity, very few plan to do so over the next 1-2 years either. Of the 32 respondents, 6 (19%) stated that they had not made any changes nor planned to make any across all six of the options shown in Figure 3. The majority therefore had decided upon making some kind of change to their business following their usage of BtB support.

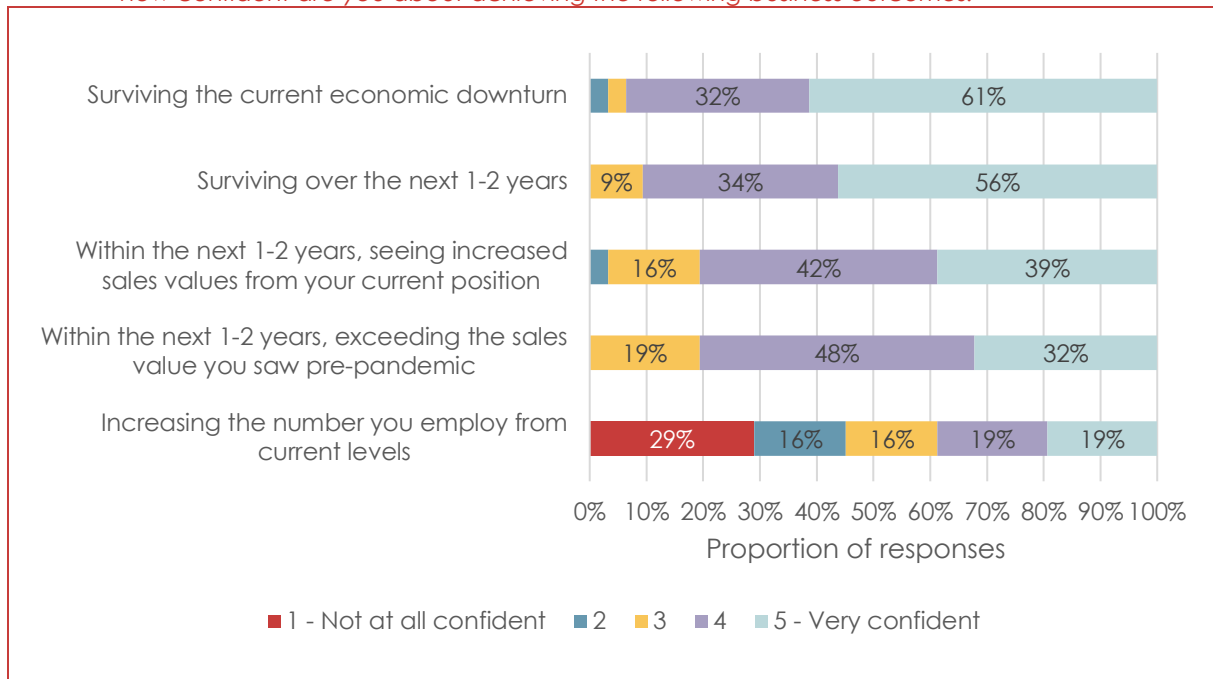
Figure 3 Responses to “Has your business made any of the following changes since your usage of Be the Business support?”



Source: Cornwall participant survey (n=32)

Respondents were also asked to provide feedback on their confidence in accomplishing certain business outcomes. As shown in Figure 4, among the Cornwall survey respondents there appears to be a very high level of confidence (a score of 5) that businesses will survive both the current economic downturn (61%) and survive the next 1-2 years (56%). When including respondents who responded with a score of 4 or 5 in these categories, those values jump to 93% and 90% respectively. Confidence in increasing sales during the short term was high, although somewhat less than for business survival. Respondents had a very high or high confidence that sales would increase from current business positions (81%) as well as from pre-pandemic levels (80%). Although confidence remains high in these areas, there is reduced confidence that these outcomes will be achieved alongside increases in employment. Only 38% of respondents had a very high or high confidence (scores of 4 or 5) that they were in a position to increase their employees from current levels. This was the only option where some respondents reported having no confidence at all (29%).

Figure 4 Survey responses to “On a scale of 1-5 (where 1 is not at all confident and 5 is very confident), how confident are you about achieving the following business outcomes:”



Source: Cornwall participant survey (n=32)

Despite respondents having confidence in improved business outcomes (employment aside), it does not appear that they attribute it to their programme involvement. As shown in Table 7 nearly 40% of the respondents reported that all of the business outcomes could have been achieved without BtB support, and a further 25% that most outcomes could have been achieved without the support, indicating reasonably high levels of deadweight.

Table 7 Responses to “To what extent would you say that these expected business outcomes are linked to your use of Be the Business support?”

	Responses	% of total
All of these outcomes could have been achieved without Be the Business support	12	38%
Most of these outcomes could have been achieved without Be the Business support	8	25%
Only a small proportion of these outcomes could have been achieved without Be the Business support	5	16%
A notable proportion of these outcomes could have been achieved without Be the Business support	4	13%
These outcomes could not have been achieved without Be the Business support	2	6%
Not applicable – not expecting to see improved business outcomes	1	3%
Total	31	100%

Source: Cornwall participant survey

In summary, the link between programme participation and expected improved business performance and productivity is rather limited. A small number of participants have indicated that participation has directly led to improvements in business performance and the likelihood

of surviving, but this is not the experience across the pilot. However, some participants have linked their participation to improved knowledge on how to run their business, which may lead to longer-term improvements in business performance and productivity.

### 3.6 Conclusions

Table 8 summarises the key findings from our study of the Cornwall pilot.

*Table 8 Conclusions for Cornwall pilot*

Evaluation question	Summary
Is the programme reaching its target audience?	<ul style="list-style-type: none"> <li>• Yes – the pilot has successfully reached its target audience of hospitality and tourism SMEs in Cornwall. It accomplished this by working with Visit Cornwall to identify relevant businesses within the target sector and geography, and with personal and business goals that mirror those of the programme.</li> </ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"> <li>• Participants seem to have highly valued each of the four core programme activities equally.</li> </ul>
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"> <li>• Yes – the pilot has clearly helped instigate new information and knowledge diffusion.</li> <li>• The pilot has been most effective in improving leaders' knowledge and confidence on how to run their business on a practical day-to-day basis (e.g. knowing how to tackle any issues the business might face, and how to improve business performance)</li> <li>• Where knowledge diffusion seems to have a little less effective has been improving the understanding of personal management skills (e.g. around leadership best practice).</li> <li>• The knowledge gained has largely translated into improved confidence about how to protect their business.</li> </ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"> <li>• Since participating in the programme, around half of participants have made the types of changes that are expected to lead to improved business performance and productivity (e.g. refined business models, improved online interfaces, improved internal practices)</li> <li>• A reasonably high proportion of participating business leaders are confident of surviving the pandemic-induced economic downturn and exceeding pre-pandemic sales levels in the coming 1-2 years</li> <li>• However, only a few participants indicated that these business outcomes are directly attributable to Be the Business support</li> </ul>

Source: Technopolis



# **4 Buckinghamshire Pilot**

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## 4.1 Introduction

In early 2020, BtB brought their hospitality pilot model to Buckinghamshire (Bucks hereafter). This move came about through some initial informal conversations between BtB and the Buckinghamshire DMO, Visit Buckinghamshire. Visit Buckinghamshire were aware of BtB's work in Cornwall and wanted to explore whether the hospitality pilot model would work there too. The DMO had been trying to encourage business collaborations in the area for a number of years and there had also been interest in undertaking activities similar to those that BtB had implemented in Cornwall, but they had previously struggled to secure funding for it. Positive discussions, however, led to BtB extending their offer into Bucks. Initially, delivery took place early in 2020 through in person masterclasses and action learning groups. With the onset of the pandemic, the action learning groups moved online, and Bucks businesses received the same online masterclass and business surgery offer available to the other hospitality pilot areas.

*Table 9 The pilot offer in Bucks*

Activity	Description	Amount of interest
Masterclasses	Two in person masterclasses held in January and February 2020 (of three planned) with sessions related to: <ul style="list-style-type: none"> <li>• Leadership and strategy</li> <li>• Business planning</li> </ul> These were followed by online masterclasses offering practical but light touch advice on eight different themes per session	Pilot area accounted for 78 online masterclass registrations as well as 43 attendances, a conversion rate of 55%
Action Learning Groups	Peer group mentoring sessions, led by a facilitator. Launched in person in March 2020, the groups were forced to move to online sessions following the cancellation of their second in person meeting.	Bucks had two action learning groups, all meeting monthly, with neither active since their last meeting in October 2020
Business surgeries	30-minute one-to-one phone or video calls between the beneficiary and the external hospitality consultant delivering the masterclasses. The first surgeries took place in May 2020.	12 Bucks businesses used the surgeries, with 6 (50%) requesting follow-up meetings

A total of 76 individuals used the services described in Table 9, a group we have classified as 'intensive users.' These users came from 64 different businesses (i.e. the pilot in some cases supported several people from the same business) with another 43 Bucks businesses having signed up to BtB's hospitality and tourism newsletter – meaning that the programme has supported a total of 107 different businesses.

## 4.2 Is the programme reaching its target audience?

The Bucks region has been successful in reaching its target audience of SME businesses in the hospitality and tourism sectors. This was driven by the high level of engagement that BtB had with Visit Buckinghamshire, the area's Destination Management Organisation (DMO). Efforts to work with Visit Buckinghamshire ensured the pilot contacted the right businesses for the intervention, while not duplicating existing marketing and outreach work with hospitality businesses. According to pilot stakeholders, Visit Buckinghamshire's name and brand recognition help attract far more participants than BtB would have been able to achieve on their own in the same timescales.

As part of the participant survey, participants were asked to identify the reasons they chose to use BtB support. Respondents were able to select more than one response from those provided,

as well as providing a written response. The most common answer, representing 66% of the total respondents, was that businesses wanted to learn how to improve the efficiency of their operations (see Table 10). This response attracted more than twice the number of responses to the next most commonly cited option, networking to make contacts. Other commonly cited reasons for joining the programme included improving the longer-term prospects of the business (19% of participants), and identifying how to make money out of season (16%). A large proportion (31%) provided other rationale for participating in the programme. Their reasons varied, though the most common cited their relation to Visit Bucks and those that were attracted by the specificity of the offer to tourism and hospitality businesses.

Interestingly, both options related to the pandemic management, improving resiliency and pivoting one's business were not regularly cited reasons for joining the programme (13% and 9% of respondents respectively). Given that this pilot started just before the pandemic hit in earnest, it may be that many respondents (and potentially Bucks participants in general) did not consider the pandemic a pertinent issue when deciding whether to participate in the programme.

*Table 10 Responses to "What were your reasons for using Be the Business support?"*

	No	% of total
Identifying how to make money out of season	5	16%
To understand how to run my business more efficiently	21	66%
To make new contacts	10	31%
To understand how I can pivot my business during the pandemic	3	9%
To make my business more resilient during the pandemic	4	13%
To improve my business leadership and management skills	1	3%
To improve my business' longer term prospects	6	19%
Other	10	31%

Source: Bucks beneficiary survey (n=32). Respondents able to select one than more option

The Bucks pilot was successful in attracting businesses whose goals were aligned to those of the programme. The pilot looked to foster the development of networks and contacts where individuals shared knowledge to improve productivity. The majority of survey respondents were looking to improve efficiencies (including cutting costs) and find new business contacts to expand their operations in the local communities in which they operate. Only a relatively small proportion of respondents (13%) said they had joined the programme to improve more short-term resilience during the pandemic. To that end, even with the pandemic, the programme has still been able to reach its target audience of those looking to achieve prolonged productivity and efficiency gains.

### 4.3 Which elements of the programme are most effective?

Survey evidence suggests that Bucks businesses had large variances in their experience of the BtB hospitality support. In multiple questions, respondents were asked to indicate what elements of the programme they participated in (with some respondents participating in multiple activities), and to assess how far they had been able to achieve their goals because of their participation. As seen in Table 11, broadly speaking, the type of activity used did not

really make a major difference in the ability to achieve their goals of programme participation. While users of the business surgeries and in-person masterclasses were marginally more likely to say that they had met their programme goals, the small sample sizes involved means that the findings should be treated with caution.

*Table 11 Success of the programme in supporting participant goals*

Comparison of “On a scale of 0-10 (where 0 is not at all, and 10 is completely), how far would you say that you were able to achieve the goals you had from participating in the Be the Business events?” and “Please can you confirm which of the following forms of support you used”	Mean score (out of ten)	Median score (out of ten)	No. of respondents	Lowest score	Highest score
In person Masterclasses	5.6	6.5	15	0	10
Online masterclasses	5.1	5.5	10	0	9
Action learning sets	4.7	5.0	7	0	8
Business surgeries	6.0	8.0	5	0	9

Source: survey of Bucks beneficiaries (n=32)

Survey respondents were also asked what “If you were re-designing the Be the Business support from scratch, what one aspect would you remove”. Of those, 12 (70% of those answering, 38% of overall respondents) indicated that they would not change remove any elements of the programme. Similarly, when asked what element they would change or add, answers varied, but the largest group (39% of those answering, 22% of the total) indicated that there was nothing to add or change to the offering. Of those that provided specific answers, the most common response centred on providing more one-to-one business support meetings for participants.

Overall, the responses were positive about the Bucks pilot, even if participation did not always translate into impacts. The targeted nature of the programme on the hospitality sector was seen as a real draw to the participants, and something they had not seen before. The targeted nature of the programme also meant that the networking opportunities were seen as extremely valuable, as there was a higher chance that collaborations could occur in the future even if they did not materialise immediately.

When asked what the programme could do differently, a few themes emerged. Overall, the majority of survey respondents saw benefits from the programme personally, but the timing severely limited the impact. Respondents indicated that the move to online events was less stimulating and engaging than the in-person opportunities at the start of the programme. The business surgeries were seen as very helpful with the only critique (amongst those willing to provide some) being that longer and/or more sessions would have been better.

#### 4.4 Has the programme helped improve information and knowledge diffusion?

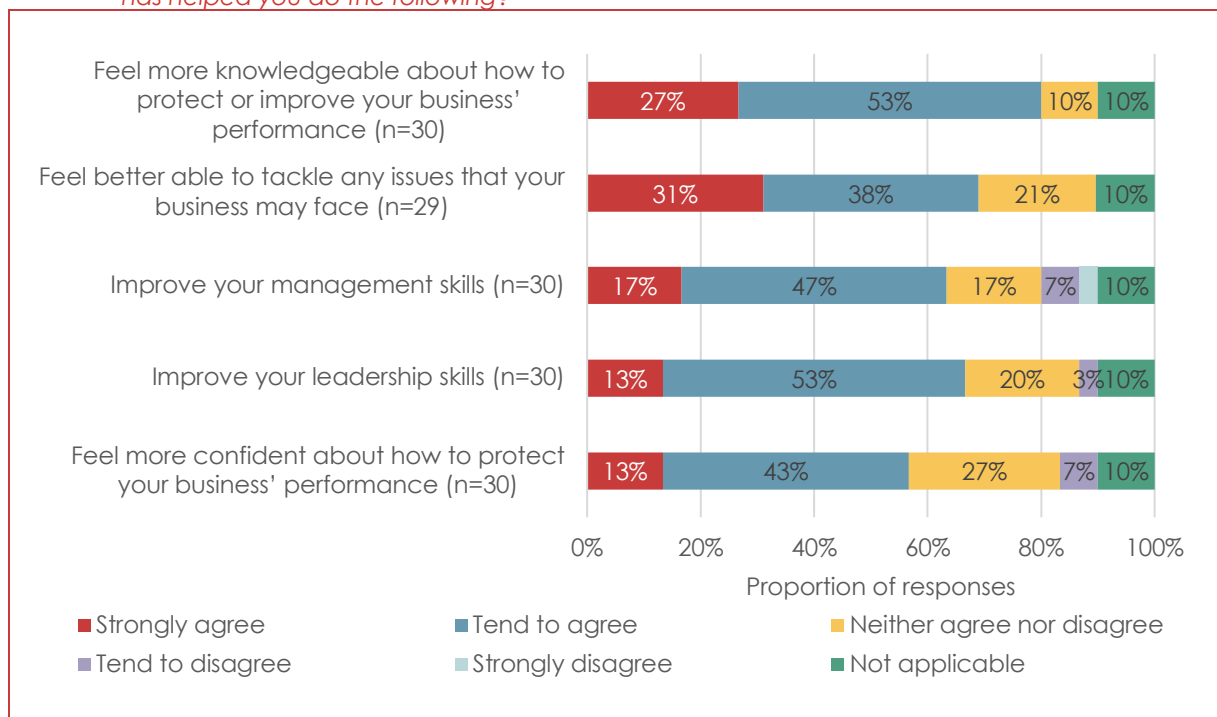
A key objective of the programme, as indicated within the logic model, is to improve information and knowledge diffusion between participants, businesses and experts. This should translate into businesses and participants that are well positioned to grow and take advantage of new opportunities.

Overall, the survey respondents had a positive view in this regard of their experience in the Bucks pilot. As shown in Figure 5, many respondents indicated that the programme had helped improve their knowledge. Respectively 80% and 68% of respondents either strongly agreed or

tended to agree with the notion that the programme had improved their knowledge about how to protect or improve their business performance, and improved their knowledge surrounding how to tackle issues the business may face.

A majority of respondents also experienced improvements in their own management and leadership skills as a result of their participation. As shown in Figure 5, two thirds strongly agreed or tended to agree with the notion that their leadership skills and management skills had advanced (66% and 64%). Despite the improvements in knowledge and capabilities, there were not commensurate improvements in the confidence that survey respondents had in protecting their business. Only 56% of Bucks respondents strongly agreed or tended to agree that programme participation had helped improve their confidence in this area, much lower than the proportions noting improvements in management and leadership skills.

Figure 5 Responses to "To what extent do you agree or disagree that usage of Be the Business support has helped you do the following?"



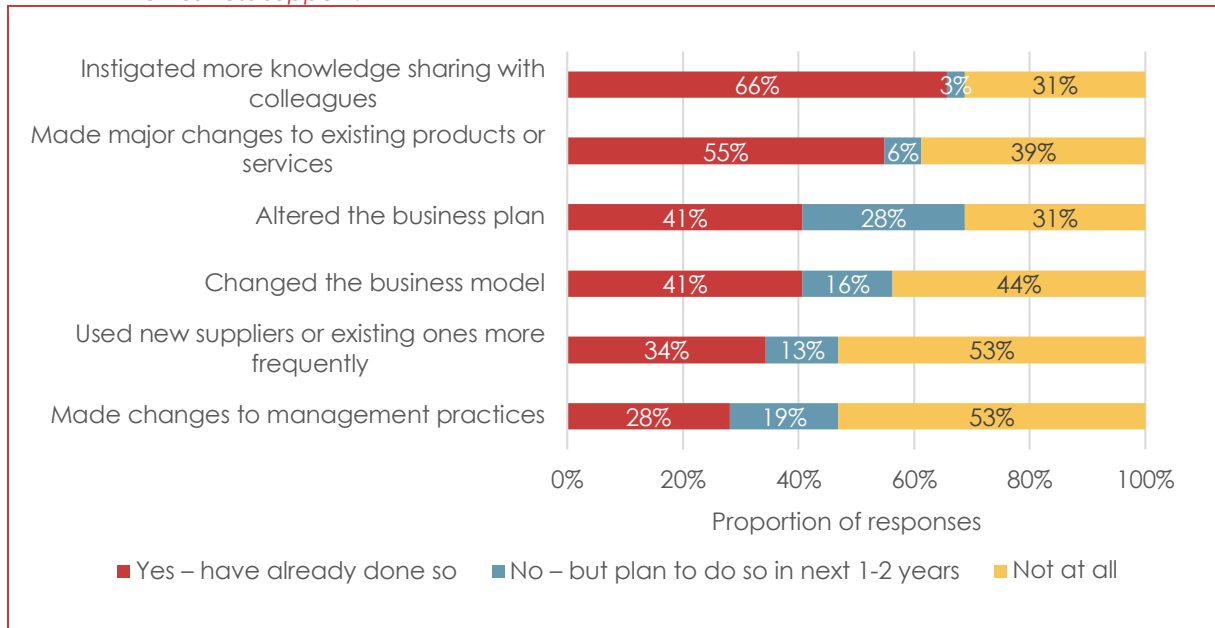
Source: Technopolis survey data

#### 4.5 Is the programme helping improve business performance and productivity?

Based on the data above, BtB programme participants in the Bucks region have broadly experienced improvements in knowledge, both for their businesses and personally. This new knowledge, as illustrated in the programme logic model, should transfer into improvements in business performance and productivity. Results from the Bucks survey indicates that this has been a hurdle for many participants, with mixed success. Bucks survey respondents were asked if they had made a series of changes to their businesses, commonly associated with improved productivity and business performance, following their participation in the Networks programme. As illustrated in Figure 6, overall there was a fairly even split between those that have and will implement changes, and those that have no plans to do so. Of the 33 respondents, 5 (15%) stated that they had not made any changes nor planned to make any across all six of the options shown in Figure 6. The majority therefore had decided upon making some kind of change to their business following their usage of BtB support. Respondents were

most likely to have instigated knowledge sharing with colleagues (66%) and make major changes to existing products or services (55%). Interestingly, these changes have not always been reflected in alterations to the business plan overall, with less than half (41%) doing so thus far, with nearly a third (28%) planning to do so in the future (69% overall). Despite many respondents indicating above (Figure 5) that they had learned new management skills, only a small proportion indicated that had translated into new management practices with only 28% stating they have already made changes in this area – the lowest of all the options offered.

Figure 6 Responses to “Has your business made any of the following changes since your usage of Be the Business support?”



Technopolis survey data, n=31

While some participants may not have implemented changes to date, Figure 6 does show a willingness amongst notable proportions of respondents to make changes in the next 1-2 years, particularly for altering business plans and making changes to management practices. The example below shows how programme participation has influenced longer term business strategies for some participants.

## Participant C – Bucks Food Business

### Background to beneficiary

After a long career in corporate event planning and hospitality the founder of the business decided in 2017 to establish a business providing specialty ethnic food. The business scaled to offer ready meals, private catering, mobile catering, and even a small deli offering. Developing the business around local producers and suppliers, the business has seen consistent growth in the lead up to COVID-19.

### Reasons for participating in the programme

Although creating the business was both exciting and challenging, the founder did miss certain elements of their previous roles, particularly networking and sharing of ideas with others. When offered the opportunity to participate in the Hospitality Pilot by Bucks Business First, they jumped at the opportunity as it provided many of the interactive aspects that they missed. The networking aspect could also serve as a platform to build new relationships that could support future business development.

They also saw the programme as an opportunity to learn from their peers. They were in the process of trying to scale the business and felt that they could learn from the experiences of others, particularly in trying to better market the business locally.

### The programme services used

The business participated in the one-to-one business surgeries and the action learning sets. The peer action learning sets were invaluable as a local support community, both before and during COVID-19. The group has remained in touch through digital platforms since the formal group activities ended. Since they were all in the hospitality sector, they have supported each other with referrals and recommendations when necessary.

### New knowledge acquired and actions taken

The programme reinforced many ideas that she had learned during previous work experience. A few of these were integrated into the business offering in order to improve sales – and were particularly helpful in deciding on potential add-ons to their regular meal offering. This improved the value per sale, especially helpful at a time when the firm was seeing less business and having to reduce its headcount.

The programme also provided much deeper knowledge about the local hospitality community than they had prior to the programme. Having not grown up in the region, the programme provided new connections within the local community with some leading to new working relationships. The programme also highlighted the need to better coordinate local marketing campaigns, a change that has driven more consistent sales over time.

### Benefits and impacts achieved

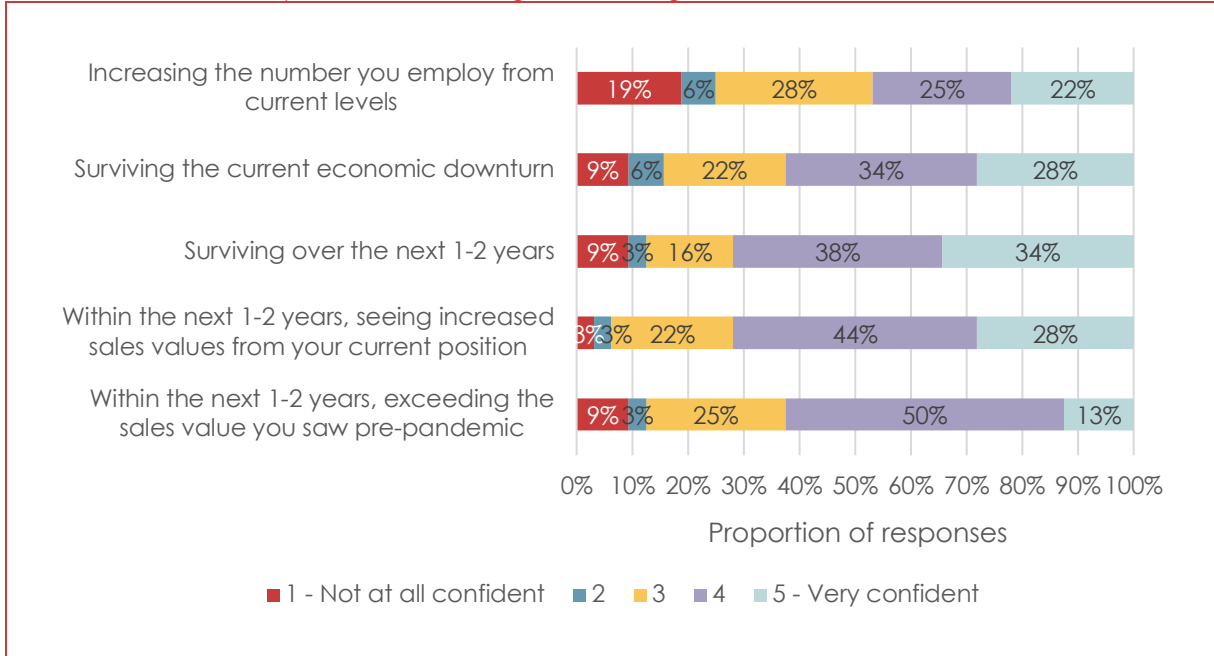
The programme would ultimately have been very different had it not been for COVID-19, nevertheless participation has positioned the business to rebound well with the easing of lockdown restrictions. The relationships and knowledge gained during the programme will continue to be an integral part of the business going forward as it begins to grow once more.

Survey respondents were also asked to comment on their confidence in achieving future business outcomes. Despite the current headwinds facing the hospitality sector, participants indicated that they remain confident in their short to medium term success. As shown in Figure 7, a strong majority of survey respondents felt that they will survive over the next 1-2 years, with 72% indicating above average to very high confidence in this outcome (scores of 4 to 5). The same proportion (72%) had an above average to very high confidence that their sales values would increase from their current positions. A majority (63%) also indicated an above average to very high confidence that they would exceed their pre-pandemic sales value in 1-2 years, albeit at 13%, it was also the option that received the lowest number of scores of 5.

Despite these beliefs, the one area in which the respondents felt was least likely to improve dramatically was in employment. Below half (47%) of the respondents indicated they had an above average to very high confidence that their employment levels would increase during this same period. This suggests, that while they believe that they will survive the current

downturn, and will increase their sales, they will be more likely to do so without increasing the size of their workforce.

Figure 7 Responses to “On a scale of 1-5 (where 1 is not at all confident and 5 is very confident), how confident are you about achieving the following business outcomes”



Source: Technopolis Survey data, n=32

The example below illustrates how knowledge gained through participation has in some cases, been at least a contributory factor to improved business performance.



### Participant D – Bucks Brewery

#### Background to beneficiary

The business began purely as a brewing operation that sold beer directly to consumers and to other local establishments. Over time the business had expanded to offer a more complete experience to the consumer, becoming a full-service destination for food and beer and beer related experiences. A key element of this has been ensuring that the business is supporting sustainable and ecologically-friendly practices, encouraging its customers to reuse and refill their products.

#### Reasons for participating in the programme

The business engaged with the Hospitality Pilot during 2020 – becoming aware of the programme through the Buckinghamshire Business Support Network. The business was looking to grow and was considering offering additional services beyond beer production. The programme presented a clear opportunity to network with other local businesses and to travel to unique venues in the region that could serve as both inspiration but also potential future partners.

#### The programme services used

The business engaged with the in-person and online masterclasses. The most valuable aspect was learning how to improve their offer as a destination for consumers, beyond just selling beer directly to consumers. The masterclasses offered them several examples of other businesses undertaking similar transformations locally. The ability to hear about the experiences of other local businesses encouraged the business to think beyond their core business and consider how they could become a complete destination for locals and tourists.

#### New knowledge acquired and actions taken

The brewery has been expanding its offering since participating in the programme, building on changes it had already introduced prior to programme participation. Informed in part by their programme experiences, the business has made further expansions to its offer and is now developing both a tap room, food service, and are considering adding an art gallery in the future as well.

#### Benefits and impacts achieved

The development of additional revenue streams and the creation of a more destination focused business has paid dividends since participating in the programme. The brewery is on a much better footing now than they would have been without these plans. Although the lockdowns did hit business, it gave them time to create the tap room allowing them to come back with a better offering than they had previously.

When asked the extent to which these results were achievable without BtB support, the survey results indicated high levels of deadweight, as per Table 12 A large majority (85%) indicated that, at a minimum, a notable proportion of outcomes could have been achieved without BtB support. Indeed, 25% of respondents, indicated that that all outcomes were achievable in other ways without the programme. Of the respondents only one respondent (3%) indicated that the results would not have been possible without the support of BtB.

*Table 12 Responses to "To what extent would you say that these expected business outcomes are linked to your use of Be the Business support?"*

	Responses	% of total
All of these outcomes could have been achieved without Be the Business support	8	25%
Most of these outcomes could have been achieved without Be the Business support	12	38%
A notable proportion of these outcomes could have been achieved without Be the Business support	7	22%
Only a small proportion of these outcomes could have been achieved without Be the Business support	1	3%

	Responses	% of total
These outcomes could not have been achieved without Be the Business support	1	3%
Not applicable – not expecting to see improved business outcomes	3	9%
Total	32	100%

Source: Bucks participant survey

In summary, the connection between programme participation and business outcomes appears to be relatively weak, although participation has facilitated some improvements in business practices. There is a clearer link between programme participation and improved knowledge which has the potential to generate future longer term business performance improvements for some participants. However, there is little evidence of longer more widespread business performance improvements in the Bucks region.

## 4.6 Conclusions

Table 13 summarises the key findings from our study of the Bucks pilot.

Table 13 Conclusions for Bucks pilot

Evaluation question	Summary
Is the programme reaching its target audience?	<ul style="list-style-type: none"> <li>• Yes – the pilot has successfully reached its target audience of hospitality and tourism SMEs in the Bucks area and found business leaders that wanted to improve business performance – a core programme objective.</li> </ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"> <li>• In general, the participants seem to have valued each of the three core programme activities equally. The business surgeries were particularly well-received, with participants speaking very highly about benefits of these.</li> <li>• Participants said they would welcome some more tailored and sector specific advice.</li> </ul>
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"> <li>• Yes – it is clear that the pilot has had a positive effect in enabling information and knowledge dissemination</li> <li>• Participants (who were surveyed and interviewed) have tended to suggest that knowledge and information diffusion has been most effective in terms of sharing practical ideas on how to manage a business</li> <li>• The programme has been slightly less effective at improving personal skills (e.g. leadership and management capabilities) compared to business orientated improvements.</li> </ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"> <li>• The programme has encouraged a number of participants to adopt new business practices (e.g. new streams of income, developing the location as a destination) which have the potential to improve longer term business performance and productivity.</li> <li>• Nevertheless, the link between programme participation and improved business productivity and performance does seem to be rather weak, with relatively few participants suggesting that any improved business outcomes are attributable to Be the Business support.</li> </ul>

Source: Technopolis

# 5 HotSW pilot

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## 5.1 Introduction

The Heart of the South West (HotSW) was the third area to be part of Be the Business' hospitality pilot. The extension of the pilot into this LEP area came about following a direct approach from BtB to LEP personnel in February 2020. BtB was keen to pilot the hospitality programme approach on a larger geographical level (a LEP) while the LEP itself was also keen to provide hospitality support across the region. While BtB delivered much of the programme content, unlike some of the other pilot areas, it was not the lead agent for the programme in HotSW. The Torbay Development Authority (TDA) took on the role of pilot lead, working on behalf of HotSW LEP, and co-ordinating programme delivery and recruitment of businesses.

BtB agreed with TDA to launch the programme in May 2020. However, with the hospitality sector only just opening up following the first national lockdown, they decided instead for a soft launch with some business surgeries, and an action learning group in July 2020. A full pilot launch occurred in October 2020, using the same activities used in the other pilot areas:

*Table 14 The pilot offer in HotSW*

Activity	Description	Amount of interest
Online masterclasses	45 minute online sessions offering practical but light touch advice on eight different themes per session: <ul style="list-style-type: none"> <li>• The Eight Pillars of Leadership</li> <li>• Embedding Resilience</li> <li>• The Customer Journey</li> <li>• Knowing Your Revenue Streams</li> <li>• My Business. My People. My Responsibility</li> <li>• Understanding Personality Types</li> <li>• Market Mapping and Competitive Collaboration</li> </ul>	Pilot area accounted for 189 masterclass registrations as well as 86 attendances, a conversion rate of 46%
Action Learning Groups	Peer group mentoring sessions, led by a facilitator from Oxford Innovation. Although initiated as part of the soft launch in July 2020, groups did not meet for the first time until November 2020 following the programme's launch.	HotSW had three action learning groups, all meeting fortnightly, and all remaining active as of March 2021.
Business surgeries	30-minute one-to-one phone or video calls between the beneficiary and the external hospitality consultant delivering the masterclasses.  The first surgeries took place in July 2020 as part of the pilot soft launch, and continued until December 2020	31 HotSW businesses used the surgeries, with two requesting follow-up meetings

Based on analysis of monitoring data provided, the pilot supported 136 businesses. Of these 71, used at least one of the three activities listed in Table 14 and were therefore deemed to be 'intensive users' of the pilot services. Another 65 only received a newsletter and we therefore considered them to be less active users of the pilot.

In the remainder of this chapter, we provide evidence that answers each of the evaluation questions for the HotSW pilot.

## 5.2 Is the programme reaching its target audience?

The HotSW pilot has been successful in reaching its target audience of hospitality and tourism businesses based in the LEP area. Based on programme monitoring data, all the organisations that the pilot has supported have been from the sector, albeit a small handful of participants have come from third sector organisations (e.g. museums, wildlife trusts) rather than from the

business community. This ability to reach the target audience stems in large part from the involvement of Destination Management Organisations (DMOs), albeit that as highlighted below, working with the DMOs did present some problems.

The programme delivery agent, TDA, looked to work closely with the (DMOs) to recruit participants. DMOs are responsible for working with local stakeholders to ensure that there is a co-ordinated approach to marketing and managing an area's visitor economy. In this regard, the TDA believed the DMOs would be particularly helpful with recruitment given that they have close links with relevant businesses, and had greater traction than other business organisations like the Chambers of Commerce and the Growth Hub in the sector locally.

However, working with the DMOs in the HotSW area was not always a smooth process. The process evaluation found that HotSW faced some recruitment problems, driven in large part to difficulties in securing the full engagement from the area's DMOs in the programme. The DMOs are resource limited and consequently, could not commit to the regular publicity campaigns and mailouts that the TDA had expected. Furthermore, signposting business support is not the primary focus on the DMOs – their main goal is marketing an area as a destination. Furthermore, the pandemic had shifted the DMOs' focus towards maximising visitor numbers and regional promotional activity during a limited tourist season, rather than recruiting people for a business support programmes. These issues may have hampered the pilot's ability to attract more participants.

The pilot's target audience was based not only around each participant's sector of operation, but also around their mindset and ambitions. As demonstrated in the programme logic model, the pilot's primary objectives are to improve leadership and management practices, facilitate links between different firms, and improve business health and resilience (including during the pandemic). To that end, the pilot's target audience were SME leaders who were also interested in achieving these outcomes. As shown in Table 15, notable proportions of the HotSW respondent group had joined the programme to pursue these goals. Over half (55%) saw the programme as a way of coping with the effects of the pandemic, either by pivoting their business activities or by becoming more resilient. Notable proportions were also looking to change their behaviour by either running their businesses more efficiently and/or networking more (34% and 31% respectively). While a large number of respondents (14, 48%) gave 'other' reasons for joining the programme, these included four who wanted to gather advice from others on how to navigate the economic effects of the pandemic. This emphasises the pilot's success in reaching an audience whose goals are aligned to that of the programme.

*Table 15 Responses to “What were your reasons for using Be the Business support?”*

	<b>No</b>	<b>% of total</b>
Identifying how to make money out of season	1	3%
To understand how to run my business more efficiently	10	34%
To make new contacts	9	31%
To understand how I can pivot my business during the pandemic	6	21%
To make my business more resilient during the pandemic	10	34%
To improve my business leadership and management skills	3	10%
To improve my business' longer term prospects	6	21%
Other	14	48%

Source: HotSW beneficiary survey (n=29). Respondents able to select one than more option

### 5.3 Which elements of the programme are most effective?

Survey evidence tends to suggest that respondents found the different programme elements as useful and effective as each other. In separate questions, respondents were asked which programme activities they participated in (which in some cases was more than one), and to rate how far they had been able to achieve the goals they had in mind from pilot involvement. Examining both questions together, we can infer how effective the respondent group found the different programme elements. As shown in Table 16, the type of activity used appears to have made little difference to how effective respondents found the programme, albeit that HotSW respondents who used the online masterclasses were marginally more likely to have found the programme effective.

*Table 16 Survey evidence of activities used and ability to achieve programme goals*

Comparison of “On a scale of 0-10 (where 0 is not at all, and 10 is completely), how far would you say that you were able to achieve the goals you had from participating in the Be the Business events?” and “Please can you confirm which of the following forms of support you used?”	Mean score (out of ten)	Median score (out of ten)	No. of respondents	Lowest score	Highest score
Online masterclasses	6.8	7.0	9	3	8
Action learning sets	6.3	7.5	8	1	10
Business surgeries	6.1	7.5	15	0	10

Source: survey of HotSW beneficiaries (n=29)

Further survey evidence, seems to suggest that the HotSW participants have really valued the support provided through the action learning groups. Participants were asked what one aspect of the programme they would keep if redesigning it from scratch. To this, three explicitly stated they would keep the action learning group while another five spoke of really valuing the opportunity to interact with others in the sector, something which the programme offered most via the action learning groups.

Survey respondents were also given an opportunity to provide feedback on areas of the programme to improve. Eleven individuals provided a response to the question “If you were re-designing the Be the Business support from scratch, what one aspect would you remove”. Of these, seven (64% of those answering, 24% of all respondents) said they would not remove anything. In addition, 17 respondents (59% of the total) said that there were elements of the programme offer that they would change or add. While there were few common responses between them, there were recurring themes around having some more tailored support or content that dealt with the specific needs of their business, and spending more time in the programme (e.g. having a longer session with the expert advisor hosting surgeries, sustaining action learning groups over a longer time period).

More generally, interviewees did not seem willing to pay for any of the programme components that they used. In large part, this was because interviewees did not feel that the programme was something that they definitely needed, and also found it difficult to work out precisely how their business would tangibly benefit from their participation.

### 5.4 Has the programme helped improve information and knowledge diffusion?

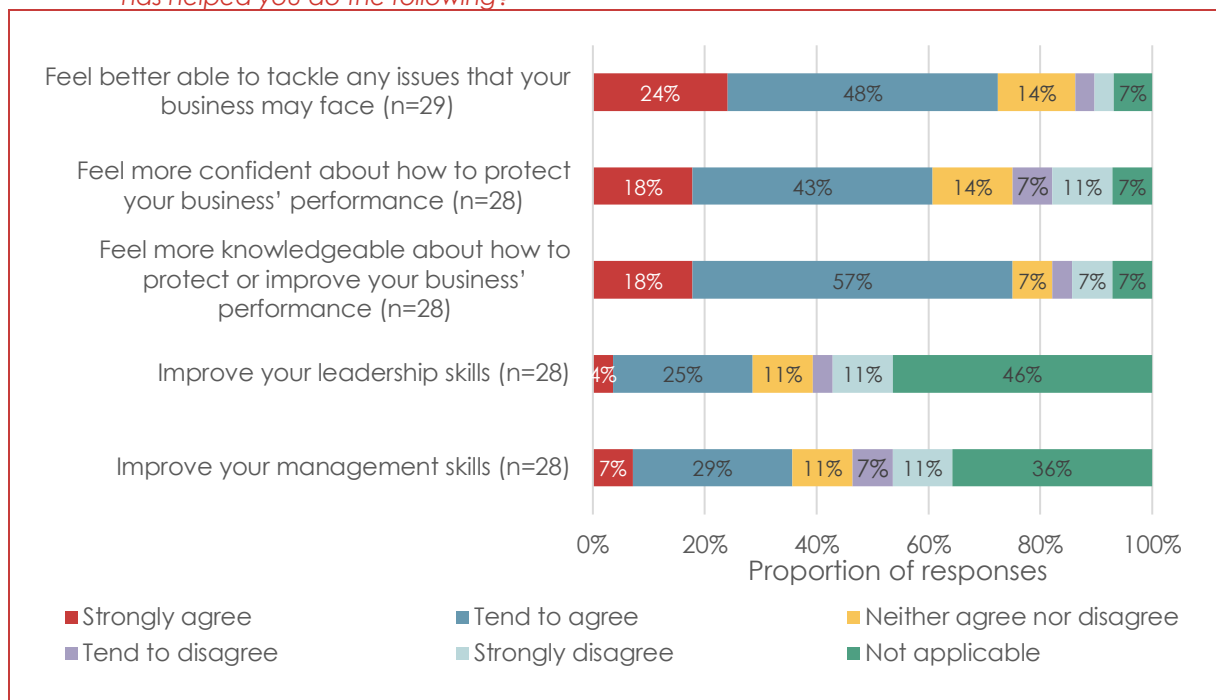
As highlighted in the programme logic model and Theory of Change, one of the core aims of the programme is to improve information and knowledge diffusion between experts and participants but also, importantly, between participating businesses. This will ensure ensuring

that participants feel more knowledgeable and capable as a result of their programme participation.

Survey respondents were asked how far participation had helped improve their knowledge and capabilities in a variety of areas. As shown in Figure 8, the majority of respondents agreed that programme participation has helped their knowledge and capabilities. Respectively, 75% and 72% of respondents either strongly agreed or tended to agree with the notion that the programme had improved their knowledge of how to protect or improve business performance, and how to tackle any issues their business might face. In addition, nearly two-thirds (61%) said that programme participation had left them feeling more confident about how to protect their business performance.

Where information and knowledge diffusion appears to have been less effective has been in terms of knowing how to improve on a personal and individual level (rather than business level) capabilities. As shown in Figure 8, only 36% (10) of HotSW respondents agreed that programme participation had left them with better management skills, while only 29% (8) agreed that the programme had provided them with improved leadership skills.

*Figure 8 Responses to "To what extent do you agree or disagree that usage of Be the Business support has helped you do the following?"*



Source: HotSW participant survey

Interview evidence tends to support the idea that knowledge diffusion has been most effective when it comes to sharing ideas on how to look after the business on a practical level, as opposed to improving personal skills. Interviewees spoke of how their participation helped improve their knowledge of practical concerns such as resolving staffing issues and which letting agents to use rather than developing their knowledge of personal leadership and management issues. Nevertheless, one interviewee did speak about how the programme had improved their knowledge of financial modelling and had given them some more general knowledge on how to better run a business. The example below shows a case of how one participant greatly benefited from the exchange of ideas and advice through the programme.

## Participant E – A farmyard holiday let

### Background to beneficiary

The beneficiary owns a farmyard holiday let. They set up the business following the death of the beneficiary's partner, leaving them with a large farm to run by themselves. The beneficiary was unsure what to do with the space, whether to sell or use the land. They decided to turn part of it into a holiday let, whilst keeping the rest of the farm as their personal residence. The holiday let is formed out of a converted former farmhouse, and contains five large bedrooms, kitchen with facilities and an outdoor area, with a hot tub included.

### Reasons for participating in the programme

During the first national lockdown, the beneficiary attended multiple webinars and seminars, during one of which they were given the details of the Be the Business programme. While not initially interested in the programme, the spare time created during lockdown and the opportunity to meet likeminded people made it more attractive. The beneficiary was interested to learn what other people with similar businesses were doing, and to identify where they could make efficiency improvements. They were also looking for help and ideas to manage the transition out of lockdown and ultimately out of the pandemic.

### The programme services used

The beneficiary attended the business surgeries, and the action learning sets. During the action learning sets, they were asked to present a business issue to discuss and, despite initial scepticism, found the group process of detailed problem breakdown and analysis highly valuable. They subsequently made changes to their business as a direct result of this activity

### New knowledge acquired and actions taken

The beneficiary felt that programme participation was a worthwhile use of their time. Not only did they make tangible changes to their business, but the programme has contributed to them feeling more secure about their future plans. It gave them a solid plan, with concrete steps to move forward. By way of example, the beneficiary had some concerns over the cleaning protocols needed. One of the other members of the peer group sent them their cleaning protocol for the beneficiary to use as a template, which the beneficiary stated had a positive impact on their business.

In addition, the beneficiary felt that the programme helped improve their management skills and their ability to tackle any issues their business may face in the future.

### Benefits and impacts achieved

The comments and feedback that the beneficiary received throughout the programme have shaped and informed a number of important business decisions that the beneficiary made. This included changing holiday let agents, and dramatically increasing their prices and their potential income. Working with peers and experts through the programme has also helped them think more creatively about their business, adopting new ideas such as setting up a pop-up campsite on the farm. In addition, they also feel part of a local business community,

A further example below sets out how knowledge transfer through the programme has in part, helped encourage one business owner to keep their firm in operation.



## Participant F – Operations consultancy

### Background to beneficiary

Through a combination of COVID-19 and other personal challenges, the beneficiary had re-evaluated their working life. They did not want to build a huge business or re-start their career, but still wanted to be challenged and learn. Having reassessed the professional direction they wanted to take, they decided to set up a business operations consultancy but were unsure on precisely what direction it should take, and how long term a project it might be.

### Reasons for participating in the programme

Due to their background in the hospitality sector, the beneficiary is already an established member of local Chambers of Commerce and business networks. They attended a presentation, where a representative of the Be the Business programme invited them to attend the online masterclasses.

The beneficiary was attracted to the programme as they wanted to get back into, as they put it “a pure business mindset”. They wanted to understand how to run their business more efficiently, expand their network and understand how to pivot their business during the pandemic. Furthermore, the beneficiary sought to improve their business management skills.

### The programme services used

The beneficiary participated in the online masterclasses and also more informally, used a Be the Business representative as a mentor. They found the latter especially effective, highlighting that the mentor took a holistic view of the beneficiary's needs, on all levels, and worked closely with them to identify how to address those needs and move forward.

### New knowledge acquired and actions taken

Drawing in part on the guidance received through the masterclasses and mentoring sessions with Be the Business representatives, the beneficiary has worked towards improving their website and marketing. As COVID restrictions eased the beneficiary found themselves busy again, and therefore needed to push back these plans. More recently, however, work pressures have eased again, and the business intends to continue forward with the marketing changes initiated through the programme.

Due to their participation in the programme the beneficiary felt they improved their management and leadership skills, as well as improved their knowledge about how to improve their business performance. Additionally, the beneficiary felt better able to tackle any issues that their business may face in the future.

### Benefits and impacts achieved

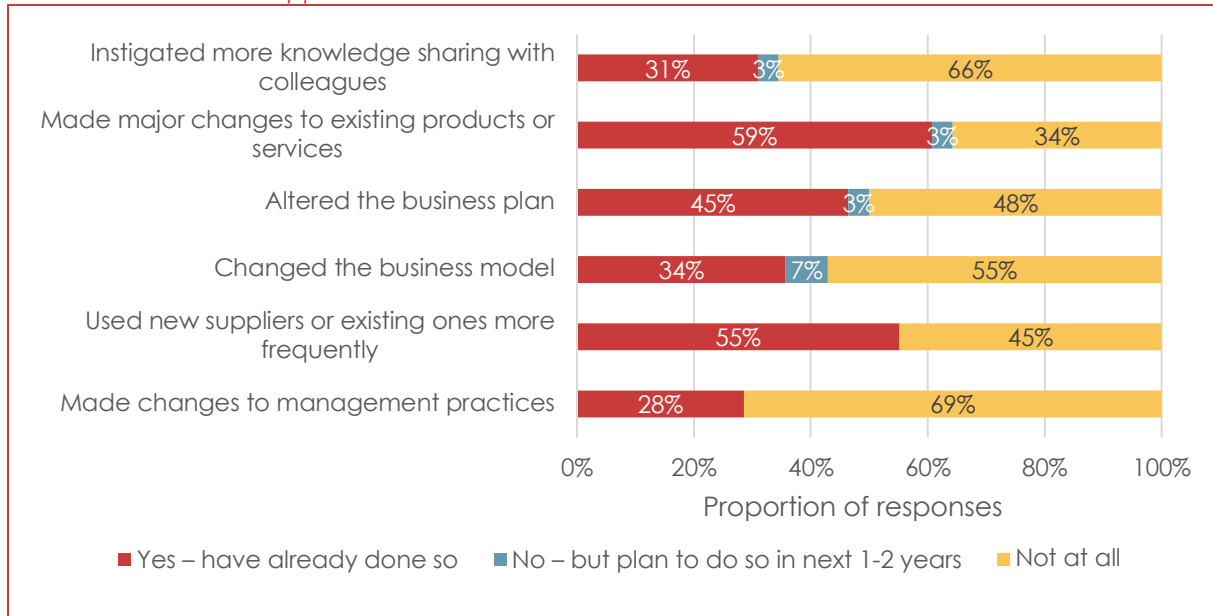
Working with Be the Business has helped lead to a mindset change in the beneficiary. Conversations with Be the Business helped provide encouragement and impetus to continue pursuing with the business into the longer term.

## 5.5 Is the programme helping improve business performance and productivity?

As highlighted above, programme participation has for some HotSW participants, led to improved knowledge. According to the programme theory of change, this should translate to improved business performance and productivity. Survey evidence suggests that the HotSW has had a mixed record in this respect. Respondents were asked whether they had made any changes to their business processes following use of the Networks programme, with response categories selected to be those that are aligned with improving productivity and business performance. As shown in Figure 9, for many response categories there was broadly an even split between those had had made changes and those that hadn't. Of the 29 respondents, 6 (21%) stated that they had not many any changes nor planned to make any across all six of the options shown in Figure 9. The majority therefore had decided upon making some kind of change to their business following their usage of BtB support. The changes that respondents were most likely to have made was in relation to making 'major changes to existing products or services,' as stated by 59% of respondents, and making changes to their suppliers (stated by 55%). As Figure 9 highlights, less than a third of respondents had 'made changes to

management practices' or 'instigated more knowledge sharing with colleagues' (28% and 31% respectively).

Figure 9 Responses to "Has your business made any of the following changes since your usage of Be the Business support?"

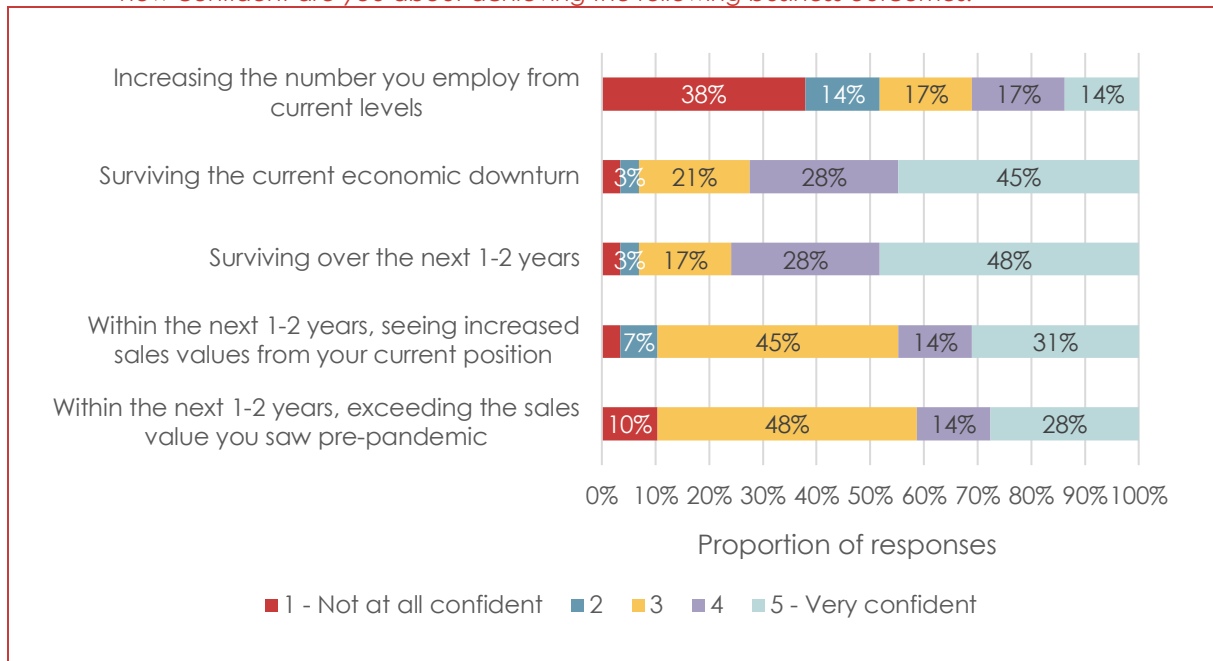


Source: HotSW participant survey (n=29)

Even in instances where respondents had not already made any of the changes they could select from, very few were planning to do so in the next 1-2 years.

Survey respondents also provided feedback on their confidence in achieving certain business outcomes. There appear to be reasonable levels of confidence in businesses surviving both in the short term and long term with nearly half of respondents (45% and 48% respectively) being 'very confident' about surviving the current economic downturn and the next 1-2 years respectively (see Figure 10). There is however, much less confidence about seeing increased sales figures. Only 31% were 'very confident' about seeing increased sales values over the next 1-2 years relative to their current position, while only 28% were 'very confident' about their sales exceeding the pre-pandemic value over the same period.

Figure 10 Survey responses to “On a scale of 1-5 (where 1 is not at all confident and 5 is very confident), how confident are you about achieving the following business outcomes:”



Source: HotSW participant survey (n=29)

However, even where respondents do expect improved business outcomes, it does not appear that much is attributable to their programme involvement. As shown in Table 17 over half (59%) of the respondents reported that all or most of the business outcomes could have been achieved without BtB support.

Table 17 Responses to “To what extent would you say that these expected business outcomes are linked to your use of Be the Business support?”

	Responses	% of total
All of these outcomes could have been achieved without Be the Business support	8	28%
Most of these outcomes could have been achieved without Be the Business support	9	31%
A notable proportion of these outcomes could have been achieved without Be the Business support	6	21%
Only a small proportion of these outcomes could have been achieved without Be the Business support	5	17%
These outcomes could not have been achieved without Be the Business support	1	3%
Not applicable – not expecting to see improved business outcomes	0	0%
Total	29	100%

Source: HotSW participant survey

In summary therefore, the link between programme participation and improved business productivity and performance does seem to be a weak one, albeit that it seems for some, programme participation has encouraged the adoption of new business practices which have the potential to improve longer term business performance and productivity.

## 5.6 Conclusions

Table 18 Conclusions for HotSW pilot

Evaluation question	Summary
Is the programme reaching its target audience?	<ul style="list-style-type: none"> <li>• Yes – the pilot has successfully reached its target audience of hospitality and tourism SMEs in the HotSW area and found business leaders wanted to improve business performance – a core programme objective.</li> <li>• Some issues with recruitment prevented the pilot from reaching as large an audience as it might have done.</li> </ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"> <li>• In general the participants seem to have valued each of the three core programme activities equally. The masterclasses and action Learning groups were particularly well-received.</li> <li>• Participants said they would welcome some more tailored and sector specific advice.</li> <li>• There is little appetite to pay for any of the activities, largely because participants seem unsure how they will benefit from programme participation</li> </ul>
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"> <li>• Yes – there is clear evidence of the programme having enabled greater levels of information and knowledge diffusion than was there previously.</li> <li>• The participants that were surveyed and interviewed have tended to suggest that knowledge and information diffusion has been most effective in terms of sharing practical ideas on how to manage a business (e.g., resolving staffing issues).</li> <li>• Where it has been less effective has been in improving personal skills (e.g. leadership and management capabilities)</li> </ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"> <li>• Programme participation has encouraged participants' business to adopt new business practices (e.g. using new suppliers, introducing new products and services) that have the potential to improve longer term business performance and productivity.</li> <li>• Nevertheless, the link between programme participation and improved business productivity and performance does seem to be rather weak, with relatively few participants suggesting that any improved business outcomes are attributable to Be the Business support.</li> </ul>

Source: Technopolis

# **6 Assessing the Hospitality Pilot**

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## 6.1 Introduction

Drawing on the assessments of the individual hospitality pilots, and a focus group of hospitality and tourism stakeholders, this section provides some overarching conclusions on how effectively and efficiently the Networks Programme has supported the hospitality sector, and what our research has shown in terms of policy interventions that could best serve the sector going forward.

## 6.2 Summary of study findings

Table 19 below shows the key findings from the hospitality programme in relation to the research questions. As shown, the programme has successfully reached its target audience and can be considered to have contributed well to the generation of intended programme outcomes, most notably information and knowledge diffusion, and in improving people's confidence.

Where, the programme has been less successful has been in generating tangible impacts. Nevertheless, a proportion of participants have gone on to make changes to their businesses that might be expected to lead to future performance and productivity improvements. It can take 1-2 years for these business changes to translate to measurable improvements, and with some of the hospitality pilots having only started in middle-to-late 2020, it is possible that evidence of improved business performance (where generated) will only be seen in another year or two. However, it is important to note that very few of the participants consulted attributed the business changes they recently made to their participation in the Collaborative Networks programme.

*Table 19 Summary of findings for the hospitality programme*

Evaluation question	Summary
Is the programme reaching its target audience?	<ul style="list-style-type: none"> <li>• Yes – the hospitality pilots have all reached their target audiences               <ul style="list-style-type: none"> <li>– The pilots have successfully recruited tourism and hospitality businesses located in their target geographical regions</li> <li>– The pilots have successfully recruited SME leaders whose goals are aligned to those of the Networks Programme – they are interested in sharing knowledge, ideas and best practice with others in their sector; and are also looking for ways to improve their company's performance either in the short term or long term</li> <li>– There have been some instances however, of the hospitality programme supporting people and organisations outside its target audience. These have included organisations such as charitable trusts and museums and individuals seeking to sell their business rather grow it</li> </ul> </li> <li>• Working with external partners, especially Destination Management Organisations (DMOs), played a significant role in reaching the target audience. However, relationships with DMOs have not always been easy given that their primary focus is rarely on providing business support.</li> </ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"> <li>• In the main, the participants seem to have valued the three core programme activities (business surgeries, masterclasses, and action learning groups) equally. Several participants who have spoken in particularly glowing terms about the action learning groups, saying that they welcomed the opportunity to discuss real and practical business issues with their peers and to develop contacts and build networks with new people for future advice and support.</li> <li>• Across all the pilot areas, there is little appetite to pay for any of the activities the programme offered. In large part, this is because participants are uncertain as to the ultimate value of participation and therefore any upfront payment is perceived as a financial risk.</li> </ul>

Evaluation question	Summary
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"> <li>• Yes – it is clear that the hospitality programme has enabled information and knowledge diffusion between businesses in each of the hospitality pilot areas. Participants have spoken of how the masterclasses and business surgeries provided an opportunity to gain insights from industry experts and how the action learning groups enabled sharing best practice amongst peers.</li> <li>• The diffusion of information and knowledge appears to have been most successful in enabling participants acquire practical ideas and feel better able and more confident to tackle business problems that arise. Effects have been somewhat lower in terms of improving the management and leadership skills of participants.</li> </ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"> <li>• Since participating in the programme, a good proportion of participants have made the types of changes to date that are expected to lead to improved business performance and productivity (e.g. refined business models, improved online interfaces, improved internal practices). However few participants indicated that these business outcomes are directly attributable to Be the Business support.</li> <li>• There are several instances however, where hospitality programme participants have claimed that programme participation has encouraged their business to adopt new practices (e.g. using new suppliers, introducing new products and services) which have the potential to improve longer term business performance and productivity.</li> </ul>

Source: Technopolis analysis

### 6.3 Supporting the hospitality sector

Drawing on the findings above along with feedback from a hospitality sector stakeholder focus group, we offer the following conclusions in terms of how to best support the hospitality sector going forward.

#### **Destination Management Organisations (DMOs) remain an important way of accessing hospitality and tourism SMEs**

As mentioned earlier in this section, the programme has not always found it easy to secure consistent engagement with DMOs for participant recruitment. However, DMOs still remain an effective, and therefore important, conduit for engaging with hospitality and tourism SMEs. Other business support partners such as Growth Hubs, the Federation of Small Businesses, and Chambers of Commerce are themselves working with DMOs, recognising the access they can provide to hospitality SMEs. Programme stakeholders have spoken of the need to ensure that there is a more co-ordinated approach by different business support providers to help ensure that hospitality SMEs are directed to the programmes or providers that can make the most difference to them, and to ensure that there is no duplication of efforts by DMOs or support providers.

Stakeholders also gave some explanations as to variable levels of engagement seen in the hospitality pilot, noting that there is no typical DMO operational remit. DMOs all vary in terms of how well resourced they are, and the scope of their activities. While DMOs are generally interested in assisting business support programmes, they may simply lack the means to be able to do so. To that end, business support providers need to ensure they work collaboratively with DMOs, providing them with additional resource and support as necessary.

#### **Hospitality SMEs value being able to share ideas with each other**

Stakeholders and programme participants alike have spoken of a desire for hospitality and tourism SMEs to share knowledge and best practice with each other. Consultees have spoken of how, regardless of location or sector, hospitality businesses still tend to have the same problems as each other. Because of this, businesses in the sector like to learn from each other

and see what approaches other have adopted to similar problems. Firms do not generally look to copy each other, but rather learn and take inspiration from each other.

This knowledge sharing does not necessarily need to come from networking opportunities. Stakeholders spoke of the value of sharing newsletters, potentially via DMOs, highlighting best practice in terms of business management.

### **Many SMEs in the sector are still prioritising survival**

Consultees have highlighted that many hospitality and tourism SMEs remain in a precarious position. Even though the UK is showing signs of coming out of the COVID-19 pandemic (at the time of writing), the immediate future of many firms still remains in doubt. As a result, stakeholders spoke of how business support to the sector will need to be short-term in nature for least another 9 to 18 months. After that point, firms may begin to start thinking about addressing longer term and underlying productivity issues.

Consultees spoke of the following being particularly pressing short-term issues for hospitality and tourism businesses:

- Labour shortages: even before the pandemic, the UK hospitality sector had a tight labour market. As the country has come out of lockdown, firms across the sector are struggling to recruit staff and this is likely to be a pressing issue for the foreseeable future. Travel restrictions mean that potential labour cannot easily enter the UK, hospitality workers have used the pandemic as an opportunity to change career and reduced movement of students across the country has led to a dislocation of casual labour. This all means that firms are unlikely to be able to operate at full capacity for some time - including over the lucrative Christmas period. Firms are trying to attract staff by offering higher wages, but this has cost implications for businesses and will affect sector productivity and profitability.
- Increased costs: not only are there cost pressures from higher wages, there are also significant inflationary pressures within the sector. This comes in large part from supply chain constraints on raw materials, increased transport costs, and rising energy bills. Estimates from the Food and Drink Federation placed inflation in the hospitality sector at between 14 and 18% (at the time of writing). At a time when there is increasing price competition from hospitality and tourism centres abroad, cost increases are likely to remain a significant ongoing concern, especially as the temporary reduction on VAT rates for the hospitality comes to an end
- Uncertain consumer spending patterns: stakeholders spoke of future consumer spending patterns being uncertain as international travel begins to open up. Furthermore, some consumers have built up cash over the pandemic and there is little indication how such groups will look to spend their money, and the extent to which that will impact the hospitality sector.

### **A need for ongoing support**

Consultees spoke of how businesses would benefit from having more prolonged support as the sector goes through such a turbulent phase. Stakeholders particularly highlighted that regardless of whether programmes offer intensive or light-touch support, there should be regular touch points after interventions to give participants a chance to reflect and seek further guidance on how to implement new skills and knowledge on a longer term basis.

### **There is no 'wrong' way to support the sector's SMEs**

Stakeholders spoke of how there was not inherently a right or a wrong way to support SMEs in the hospitality and tourism sector. They highlighted how there is room for short-term and long-



term support and for intensive and light-touch support as different organisations will need and seek different forms of support. Consultees also noted that preferences over online and in-person delivery were likely to vary between individuals. To that end, flexible approaches to hospitality business support are needed to service a variety of needs and business support providers should be open to using a range of different delivery models for the sector.

# **7 North West Family Business (NWFB) pilot**

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## 7.1 Introduction

The Family Business Pilot is designed to provide family-owned and run businesses (referred to hereafter as 'family businesses') in the North West with new ways to collaborate, learn and share ideas. It does this through activities including business placements, open business days, peer learning opportunities and Advisory Boards, The pilot is sector agnostic and in 2020 was extended into Yorkshire.

*Table 20 The family business pilot offer*

Activity	Description	Amount of interest
Advisory Boards	<ul style="list-style-type: none"> <li>• Providing access to Advisory Boards for expertise and advice in the style of non-executive directors</li> <li>• Coordinated by Be the Business, drawing on networks to recruit board members</li> <li>• Four boards of five people were in operation, with each board serving two family-owned businesses, generally from different sectors</li> <li>• Board meetings would take place on a quarterly basis with each board seeing one business in the morning and one in the afternoon</li> </ul>	<p>Based on available monitoring data, 19 individuals have participated in advisory boards so far.</p> <p>The pilot cohort in the North West was extended during the pandemic and new cohorts of advisory boards are currently being launched, including another in the North West and into Yorkshire (six new boards).</p>
Peer Learning groups	<ul style="list-style-type: none"> <li>• Based on action learning</li> <li>• The peer learning events are challenge-based, with participants invited to raise issues for the group to address and solve collectively.</li> <li>• BtB supports the coordination of the intervention, but has a relatively low degree of direct intervention in the material or themes</li> </ul>	<p>The BtB intervention tracker has recorded 58 peer learning participants (online or face-to-face)</p> <p>The delivery of peer learning groups continued through the beginning of the pandemic, but attendance for some participants was affected by furlough. After the first (and only) cohort conducted face-to-face, there followed one virtual cohort in the NW and one in the SE. The new cohorts of peer learning groups are now run by two contracts: i) the Family Business Network based in the North West, and ii) Family Business United based in the South East and based on a digital mode of delivery.</p>
Business placements	<ul style="list-style-type: none"> <li>• Designed to provide opportunities for participants to visit and experience other businesses for between one day and one week</li> <li>• Business placements were designed to allow individuals to gain a first-hand understanding of how other businesses operate</li> <li>• Participating businesses were matched with another business to undertake the placement</li> </ul>	<p>The BtB intervention tracker has recorded 36 participants of business placements.</p> <p>The conversations within the scoping phase of this study suggest that these have not continued in the COVID-19 era, due to restrictions on face-to-face meetings</p>
Open Business Days	<ul style="list-style-type: none"> <li>• Light touch intervention</li> <li>• Designed to bring together multiple businesses, on an 'open house' style basis to visit another firm</li> <li>• Intended to foster learning from the visit and encourage discussions, networking and 'bonding' among the visiting businesses</li> </ul>	<p>The BtB intervention tracker has recorded 16 participants of open business days</p> <p>The conversations within the scoping phase of this study suggest that these have not continued in the COVID-19 era, due to restrictions on face-to-face meetings</p>

Source: Desk research and interview. Participation figures calculated via the BtB intervention tracker, dated September 2020. These are indicative figures.

Based on analysis of monitoring data provided, the pilot supported 260 businesses. Of these 114 (who provided 143 different participants) as users of the advisory boards, peer learning groups, and business placements are deemed to be 'intensive users' of the pilot services. A further 146 businesses engaged with the programme in a light touch manner through newsletters, the open business days, and awards events.

## 7.2 Is the programme reaching its target audience?

The family business pilot has been largely successful in reaching its target audience of family businesses based across the North West. Due to the nature of careful recruitment of participants<sup>2</sup> all beneficiary businesses that have been supported via the pilot have been family businesses. However, one peer group appears to have been run in the South East and it is not clear why this is the case. As found in the earlier process evaluation, the ability to reach the target audience is dependent to a large extent on leveraging existing networks. Given the potential limitations and difficulties in locating more family-owned businesses in the NW reflected in the process evaluation, expansion to other areas seems to have been a prudent way of scaling the pilot and experimenting in regions where the programme might eventually be rolled out and, during the pandemic (and the delivery of virtual activities), offering support to any family-owned businesses that needed it.

The pilot's target audience was based on their status as family owned and run businesses and the particular challenges, mindset and ambitions they face. As demonstrated in the programme logic model for the family business pilot, the programme's primary objectives are to test the effectiveness of an intervention targeted at family businesses (i.e. based on shared characteristics rather than, for example, a specific sector) and to provide support to businesses in navigating the challenges of the pandemic. The pilot sought to improve the connectivity between family-owned businesses in order to enable them to improve business performance via sharing ideas and best practice and improving firms' knowledge and capabilities. Ultimately, the pilot aims to deliver improved economic performance and resilience (including during the pandemic). With this in mind, the pilot carefully selected participants that shared these goals.

As shown in Table 21, notable proportions of participating family businesses that responded to our survey were seeking to address issues that aligned with the goals of the pilot. Almost two thirds (64%) participated in the programme to find ways to run their business more efficiently. A large proportion sought connections with other businesses: Almost half (49%) stated a desire to share knowledge and experience with other businesses and a third (33%) to make new contacts. Over one third (38%) joined the pilot to find ways to improve their firm's longer-term prospects and over a quarter (28%) sought ways to develop their business leadership and management skills.

*Table 21 Responses to "What were your reasons for using Be the Business support?"*

	No	% of total
To understand how to run my business more efficiently	25	64%
Share knowledge and experience with others	19	49%
To improve my business' longer term prospects	15	38%

<sup>2</sup> Recruitment is undertaken via existing networks and targeted communications, with strong vetting. This was further discussed in scoping interviews with BtB and delivery partners / stakeholders

	No	% of total
To make new contacts	13	33%
To improve my business leadership and management skills	11	28%
To understand how I can pivot my business during the pandemic	2	5%
To make my business more resilient during the pandemic	2	5%
Other	2	5%

Source: Family business pilot beneficiary survey (n=39). Respondents able to select one than more option

### 7.3 Which elements of the programme are most effective?

Our survey asked respondents which programme activities they participated in (which in a small number of cases was more than one) and to rate how far they had been able to achieve the goals they had in mind. This is summarised for the different activities of the pilot in Table 22. It shows that respondents were most likely to have met their programme goals if they had used the advisory boards (as an advisee) or the peer learning groups. While this aligns with qualitative feedback from stakeholders and programme participants, the results need to be considered with some caution given the sample sizes involved.

Table 22 Survey evidence of activities used and ability to achieve programme goals

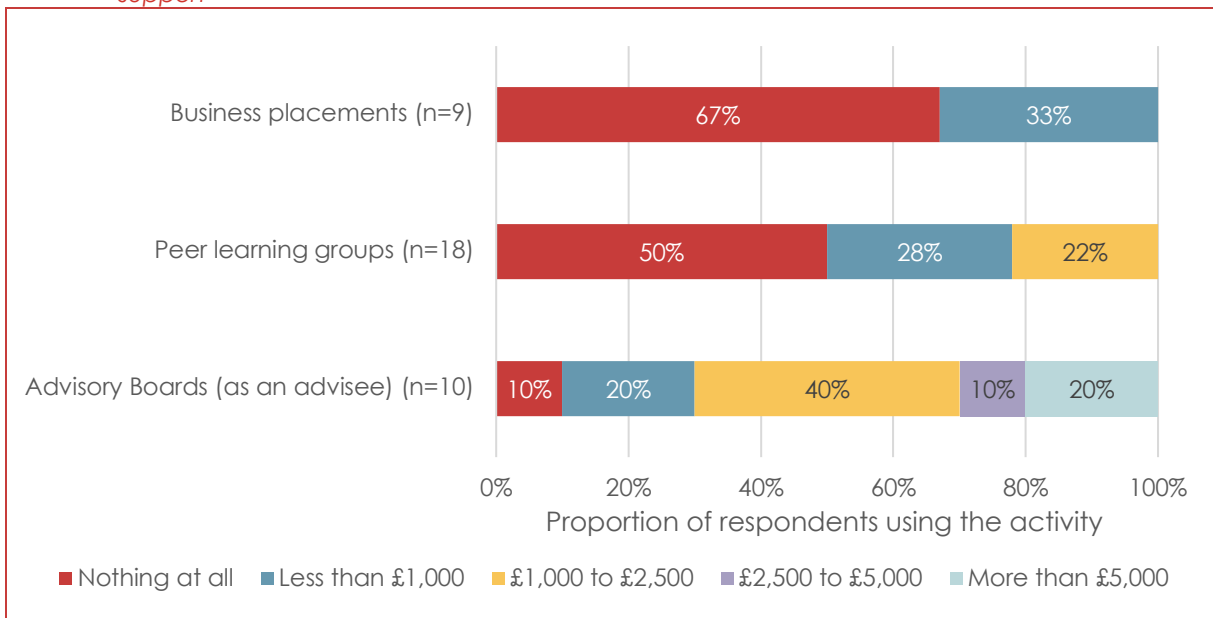
Comparison of “On a scale of 0-10 (where 0 is not at all, and 10 is completely), how far would you say that you were able to achieve the goals you had from participating in the Be the Business events?” and “Please can you confirm which of the following forms of support you used?”	Mean score (out of ten)	Median score (out of ten)	No. of respondents	Lowest score	Highest score
Advisory boards (as an advisor)	6.3	9	4	0	10
Advisory boards (as an advisee)	7.1	7	10	5	9
Peer learning groups	6.6	8	19	0	10
Business placements	5.6	7	9	0	9
Other	4.0	7	2	1	7

Source: survey of family business pilot beneficiaries (n=39)

When asked via the survey, over half of surveyed family business pilot participants (60%) (Figure 11 Figure 7) suggested that they would be willing to pay for a year's access to the support available through the programme. When indicating how much they would be willing to pay for the support, 10 respondents (29%) suggested that they would pay up to £1,000, while seven respondents (20%) suggested that an amount between £1,000 and £2,500 would be appropriate. As shown in Figure 11, those that used the advisory boards were the most likely to be willing to pay for programme support and indeed were the ones willing to pay the largest amounts. Conversely, users of the business placements were less likely to be willing to pay to for the programme's services.

In consultation, users of the advisory boards<sup>3</sup> were asked what they would look to keep, add, or change about the support they received. There was a sense across all consulted individuals that there could be more up-front communication to participants regarding expectations and the actual process of participation. This was felt necessary to allay any uncertainty, as some consultees stated that they were unclear as to what help they would receive or how the support would be relevant to them. It was also felt necessary to improve preparation ahead of participation in the advisory boards. The variety of expertise and sector experience on the boards was well-regarded by participants. One interviewee noted that having a fellow family business owner on the advisory boards would help to bolster relatability, though it was stressed that this should not be at the expense of the variety already present. One advisor suggested that there should be more structure introduced to the advisory board meetings, specifically in terms of preparation and communication between meetings. This was intended as a way to ensure greater clarity about what will be discussed at each session, with the possibility of further secretariat support where possible.

Figure 11 Comparison of services used, and the stated willingness to pay for a year's worth of pilot support



Source: Technopolis analysis of NWFB beneficiary survey respondents

#### 7.4 Has the programme helped improve information and knowledge diffusion?

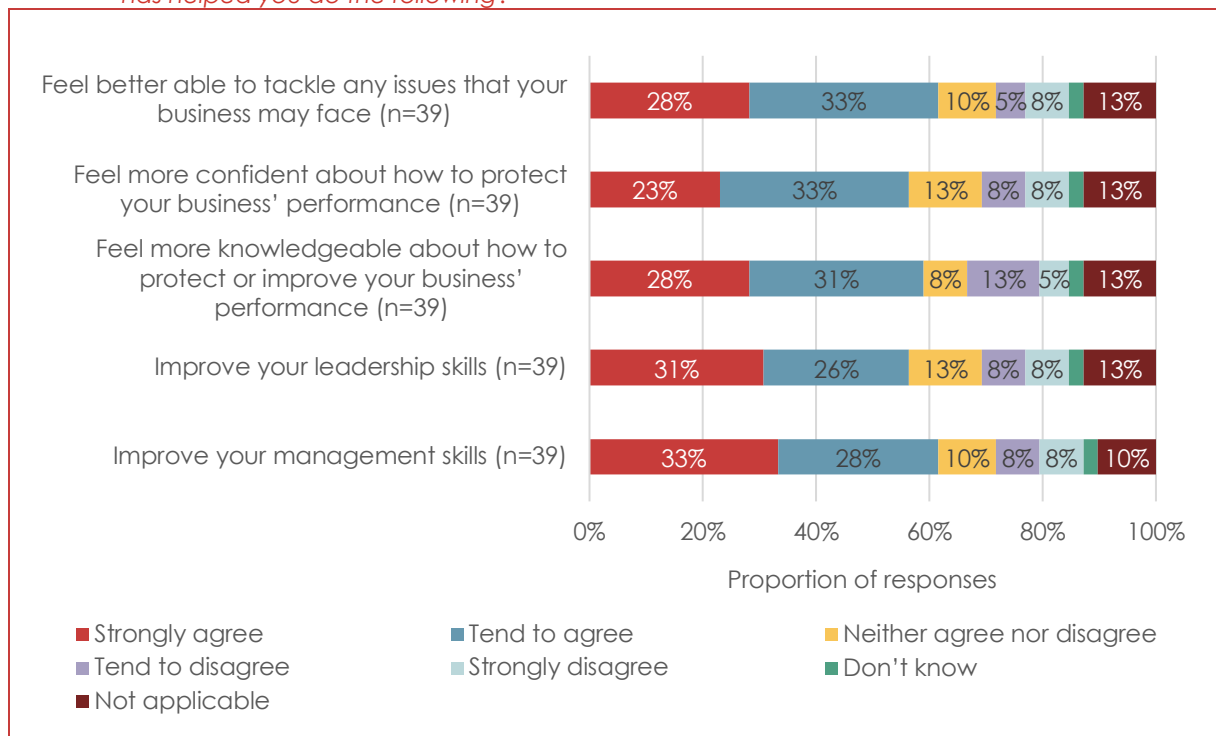
As highlighted in the programme logic model and Theory of Change, one of the core aims of the programme is to improve connectivity between businesses (including experts / advisors), and to improve the sharing of practice that will lead to improved knowledge and management and leadership skills.

Survey respondents were asked how far participation had helped improve their knowledge and skills in a variety of areas. As shown in Figure 12 respondents were largely positive, with a majority agreeing that programme participation has led to improvements. 62% of respondents strongly agreed or tended to agree that the programme had improved their ability to tackle

<sup>3</sup> At the time of writing, no interviews with recipients of other support strands had been secured

any issues that their business might face. Additionally, 62% also strongly agreed or tended to agree that participation in the programme had improved their management skills. In addition, 59% said that participation in the programme had led to them feeling more knowledgeable about how to protect or improve their business performance. Survey respondents also reflected positively on their perceived improved confidence in how to protect their business' performance (56%), and feelings of having improved their leadership skills (also 56%).

Figure 12 Responses to "To what extent do you agree or disagree that usage of Be the Business support has helped you do the following?"



Source: Family business pilot participant survey (n=39)

When asked in consultation, individuals that had participated in advisory boards as advisees<sup>4</sup> were extremely positive about the benefits of the advisory boards in terms of knowledge transfer and some skills development. The benefits discussed included being given the opportunity to step back from day-to-day business management in order to be more strategic, the opportunity to connect with individuals with diverse relevant expertise from a range of backgrounds, and the practical resolution of a number of long-running business challenges (including, for example, personnel issues). The advisory boards were also seen in a small number of cases to have positive personal and familial benefits. The following example exemplifies the positive effects that advisory board involvement has had for some participants in enabling knowledge transfer.

<sup>4</sup> At the time of writing, no interviews had been secured with individuals that had participated in other strands of the pilot

### **Participant G – an equipment supplier based in the North West**

#### **Background to beneficiary**

The business provides heating systems to home and business customers, as well as wrap-around service of design, technical support, advice and supply. In addition to its electrical and water-based heating systems, the business provides underfloor heating solutions for a wide range of flooring materials.

#### **Reasons for participating in the programme**

The business engaged with Be the Business in March 2020, following participation in the North West Family Business Awards. The Family Business Network offered an opportunity to participate in the Advisory Boards and, appreciating the importance of external views, the participant took up the offer.

In particular, the business sought help to resolve the issue of high staff turnover, aiming to identify ways to retain the team and build on the existing business's culture. The staffing issue had placed significant pressure on the business and on the business leadership team itself and they were seeking advice on additional ways, over and above current practices, to retain staff.

#### **The programme services used**

The business engaged with the Advisory Boards, and the leadership is seeking to maintain contact with one or more of the advisors, where strong relationships have developed.

#### **New knowledge acquired and actions taken**

The business realised that it would be necessary to take on dedicated human resources (HR) capacity. Historically the business employed an operations manager that staff reported to but lacked a dedicated personnel or HR function to deal with staff issues. The Advisory Board helped the business leadership team to understand that they needed to make sure the operations manager was supported to manage staff and address staffing challenges in an appropriate way.

The business worked with the Advisory Board to develop and draft a new 'Great Place to Work' strategy and hired a dedicated talent and retention manager (employed part-time) to mentor the business leadership team. The new talent and retention manager will help finalise the strategy and drive it forward. While new activities to improve staff retention might have been implemented without the Advisory Board, the improvements have been greatly accelerated time-wise than would have been the case without their support.

#### **Benefits and impacts achieved**

The introduction of a new talent and retention manager represents a fundamentally new management and leadership approach for the business. The business is working to integrate the new talent and retention manager into the business and is undertaking a series of strategic meetings to formalise a new approach to how the expanded leadership team will work together.

While there are no business performance improvements observed at this early point in time (Advisory Board meetings are ongoing), the business's leadership team expect the new approach to staff management to support future business growth.

A small number of critiques were offered to the Advisory Boards. These were primarily regarding the need to inform participants of what to expect from the advisory boards transfer and some skills.

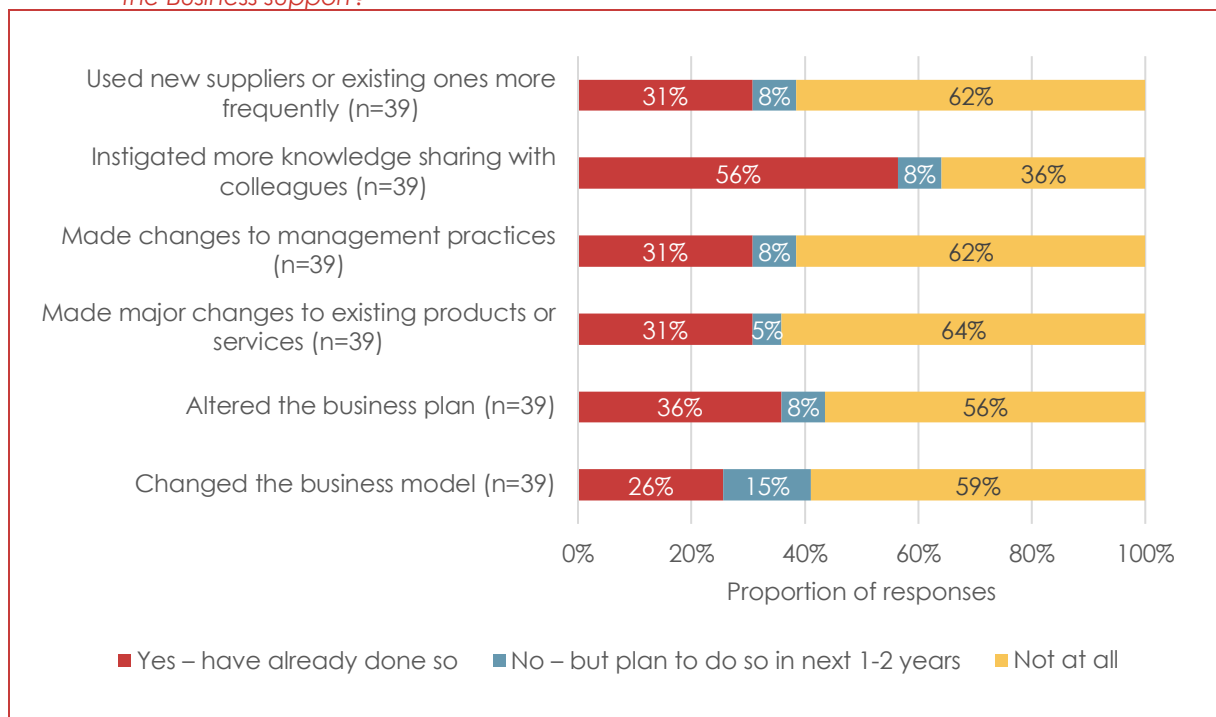
### **7.5 Is the programme helping improve business performance and productivity?**

As highlighted above, programme participation has led to improved knowledge and skills many of the surveyed businesses. According to the programme logic model, this should lead to changed business practices and, ultimately, to improved business performance. Survey respondents were asked whether, following use of the Networks programme, they had made any changes to a series of business processes that are known to contribute to improved



business performance and productivity. The survey evidence suggests that the family business pilot has had a mixed record in this respect. As shown in Figure 13 respondents have been more likely to make changes in some areas relative to others. For example, almost two thirds of respondents (64%) reported that they had instigated (or are planning to instigate) more knowledge sharing with colleagues. Almost half (44%) reported that they had made (or are planning to make) changes to their business plan, and just over two fifths (41%) reported the same in regard to alterations to their business model. The respondents were less likely to have changed (or intended to change) their management practices with 38% falling into this category. Smaller proportions still indicated changes to their firm's products and services and use of new suppliers. Of the 39 respondents, 10 (26%) stated that they had not many any changes nor planned to make any across all six of the options shown in Figure 13.

Figure 13 Responses to "Has your business made any of the following changes since your usage of Be the Business support?"



Source: Family business pilot participant survey (n=39)

The case vignette below illustrates how NFVB participants have used the knowledge gained through the programme to alter their business plan and business model.

## **Participant H – a bakery based in the North West**

### **Background to beneficiary**

The business was established in 2006 as part of a career change by the main founder. The bakery was initially run from home with products sold at farmers' markets. The business started receiving larger orders, including wholesale (such as for cafés) and by 2010 had outgrown the home kitchen. To meet increasing demands, the business scaled, moving into larger commercial premises nearby, which also resulted in increased overheads.

In 2014, the bakery took on a contract with a large supermarket. This became a test case for the potential to further scale up the business, but this market was not pursued due to production cost requirements. The business continued to thrive until floods in 2015 damaged their premises. New larger premises were built, resulting in another significant increase to overheads. A new contract for a 'free from' product helped the business launch a retail range in addition to the wholesale range.

### **Reasons for participating in the programme**

The business first engaged with the Family Business pilot in 2019, having experienced further challenges through 2017-2018, including issues related to the large overheads experienced by the founder that impacted the business. The business sought support and advice on how these challenges could be addressed and the future direction of the business.

### **The programme services used**

The business engaged with the Advisory Boards. What the business leader found most useful was hearing external reflections on their issues and options to address them. The advice provided, coming from leaders of larger businesses and in different roles from the founder of the bakery, was found to be useful, and there were a number of points of advice that helped the business founder regain their enthusiasm and define a way forward for the business.

The Advisory Board members acted as 'critical friends' rather than providing concrete structured business planning or providing specific technical advice. The style of the support was flexible with no set agenda – this worked well for the business leader as it enabled them to raise a range of issues as they emerged.

### **New knowledge acquired and actions taken**

The majority of the knowledge gained and action taken from the support relates to pivoting the business to different market segments. This included moving beyond wholesale and hospitality customers to individual consumers via direct marketing campaigns and providing white label products for existing brands. This, along with a new option for customers to order online, resulted in good Christmas 2020 sales, and a big uplift for business revenue. The business has maintained this new line of products while the hospitality customers have returned following the COVID period.

The Advisory Boards helped give the business owner the confidence to act in these new directions, lifting the business from what was described in the consultation as a 'negative place' into a business with a viable future.

### **Benefits and impacts achieved**

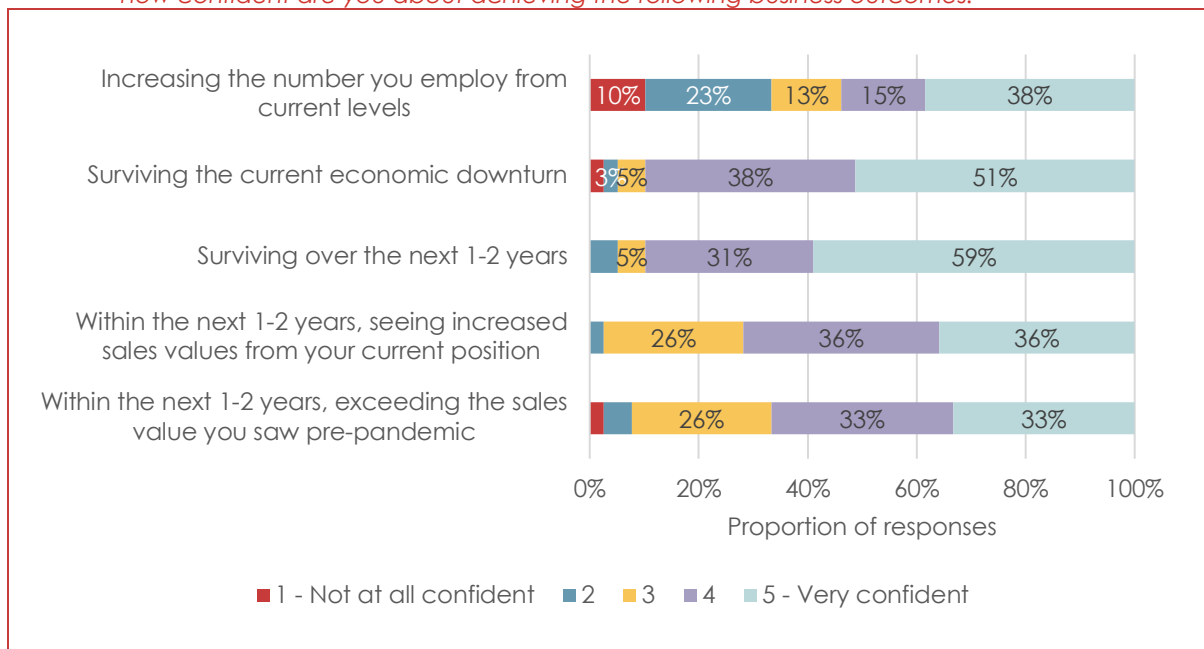
Due to the support, the business has been able to shift its offer and market focus during the pandemic. This has led to further business opportunities (in particular for white label products) and, with the return of hospitality business, has increased revenue and a need to hire additional staff.

In addition, the business has changed its management and leadership approach, and is considering options to take on a financial director. This is being considered sooner than it otherwise would have and is expected to result in more effective financial management of the business.

Survey respondents also provided feedback on their confidence in achieving a selection of business outcomes (see Figure 14). There appear to be reasonable levels of confidence in businesses surviving both in the short term and long term with nearly half of respondents (51% and 59% respectively) being 'very confident' about surviving the current economic downturn and the next 1-2 years. There is, however, much less confidence about seeing increased sales figures. Only 36% were 'very confident' about seeing increased sales values over the next 1-2 years relative to their current position, while 33% were 'very confident' about their sales exceeding the pre-pandemic value over the same period. Similar levels of confidence exist in

relation to increased hiring, with 38% of survey respondents 'very confident' about the prospect of increasing the number of employees from current levels.

Figure 14 Survey responses to "On a scale of 1-5 (where 1 is not at all confident and 5 is very confident), how confident are you about achieving the following business outcomes:"



Source: Family business pilot participant survey (n=39)

Where respondents do expect improved business outcomes, there is fairly mixed view of attribution to their programme involvement. As shown in Table 23, under one third (28%) of the respondents reported that all or most of the business outcomes could have been achieved without BtB support.

Table 23 Responses to "To what extent would you say that these expected business outcomes are linked to your use of Be the Business support?"

	Responses	% of total
All of these outcomes could have been achieved without Be the Business support	11	28%
Most of these outcomes could have been achieved without Be the Business support	8	21%
A notable proportion of these outcomes could have been achieved without Be the Business support	7	18%
Only a small proportion of these outcomes could have been achieved without Be the Business support	5	13%
These outcomes could not have been achieved without Be the Business support	3	8%
Not applicable – not expecting to see improved business outcomes	5	13%
Total	39	100%

Source: Family business pilot participant survey

In summary therefore, while the link between programme participation and improved business productivity and performance is not entirely clear-cut, there is a positive view of the benefit of

programme participation in terms of connectivity, knowledge, capability, and sharing / absorbing best practice.

## 7.6 Conclusions

Table 24 summarises the key findings from our study of the family business pilot.

*Table 24 Conclusions for NWFB pilot*

Evaluation question	Summary
Is the programme reaching its target audience?	<ul style="list-style-type: none"> <li>• Yes – the pilot has successfully reached its target audience of family owned and run businesses</li> <li>• Through targeted recruitment, it has found business leaders that share the goals of the programme, and that are willing and able to participate openly</li> <li>• Existing networks (including those of delivery partners) were key to this</li> </ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"> <li>• The more 'in-depth' strands of the programme are most highly valued. The Advisory Boards and action learning groups were rated most highly by the participants surveyed.</li> <li>• Interviewed participants offered concrete examples of benefit of participating in the Advisory Boards. There were very few criticisms and those that were provided were focused on improvements to the delivery process of the Boards rather than the design or content of the Boards themselves</li> <li>• There is some appetite to pay for the available support activities</li> </ul>
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"> <li>• Yes - surveyed and interviewed participants have tended to suggest that the sharing of knowledge and practice has been effective</li> </ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"> <li>• There is some indication that some participants are undertaking (or intent to undertake) changes to business practices, models or plans</li> <li>• However few participants indicated that these business outcomes are directly attributable to Be the Business support</li> </ul>

# **8 Assessment of the complete Collaborative Networks Programme**

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## 8.1 Introduction

Drawing on the four pilot area analyses, in this section, we provide some overarching views on the Networks Programme. It does not seek to compare the performance of the four pilots given that they addressed different types of small businesses, offered different interventions and have operated under very different contexts over different time periods. Instead, this section seeks to identify some overarching themes which address the study's research questions.

## 8.2 Is the programme reaching its target audience?

Our study has shown that all four pilots, and therefore the programme as whole, have been effective in reaching their target audiences in terms of geography and business type i.e. SMEs in the hospitality and tourism sector or family-owned and run SMEs. However, there have been handful of instances of hospitality programme participants including non-SME businesses such as charities and non-profit organisations, albeit the interviews have shown that some of these organisations participated in the programme because they wanted to operate more like a business. In NWFB, all participants were SMEs, in large part due to careful recruitment and vetting of all prospective participants to ensure they were NW-based family run SMEs.

The four pilot areas have shown the importance of effective engagement with local partners to gain access to the target audience. Stakeholders in all four pilot areas have spoken of the value of working with local partners – the DMOs in the case of hospitality and tourism, and the Family Business Network for NWFB. Relationships with the DMOs have not always been easy, in large part because providing assistance to business support programmes is not their core remit and was not a high priority at a time when they are focused on more immediate issues such as maximising visitor numbers during tourist seasons truncated by the pandemic. While NWFB's relationships with local stakeholders has also been strained at times, working with a partner whose goals and remit is more closely aligned to BtB's has clearly helped with recruitment of SMEs and ensured that the pilot has only supported those sitting within its core target audience.

As well as trying to reach businesses operating in certain regions and certain sectors, BtB has also been keen to support businesses whose goals are aligned to that of the programme. Evidence from all four pilot areas indicates that the programme has successfully done just that. As Table 25 shows, the majority of survey respondents across all four pilot areas stated that they chose to participate in the programme because they wanted to know how to run their business more efficiently – a key goal of the programme. Many respondents (34%) also wanted to make new contacts, another key goal of the programme. Where the programme has perhaps been less effective has been in attracting people looking to improve their leadership and management skills, with only 17% of respondents joining the programme for this reason.

*Table 25 Responses from all pilot areas to "What were your reasons for using Be the Business support?"*

	<b>Responses</b>	<b>% of total</b>
To understand how to run my business more efficiently	74	56%
To make new contacts	45	34%
To understand how I can pivot my business during the pandemic	17	13%
To make my business more resilient during the pandemic	22	17%
To improve my business leadership and management skills	23	17%
To improve my business' longer term prospects	39	30%

Source: Beneficiary survey (n=132). Respondents able to select more than one option

### 8.3 Which elements of the programme are most effective?

The one element that participants across the different pilot areas particularly valued was the opportunity to meet other business leaders to share thoughts and ideas and learn from them. The value that NWFB survey respondents placed on the Advisory Boards illustrates this. Advisory Boards users in NWFB were the most likely of the survey respondents across all pilot areas to say that they had met their goals from programme participation. There also appears to be a high willingness to pay for the Advisory Boards relative to the other activities available throughout the Networks Programme. Some 40% of NWFB survey respondents that used the Advisory Boards indicated that they might pay £1k to £2.5k a year to access this NWFB service. This figure is high when one considers the fact that there was little willingness to pay any fee for other activities in the NWFB or in the hospitality pilots.

Hospitality Programme survey respondents have similarly valued the ability to network via the programme. Broadly speaking, the specific hospitality programme activity used seemed to make no real difference to the chances of beneficiaries meeting their participation goals – respondents valued each activity more or less equally. Instead, hospitality beneficiaries, like those in NWFB, valued the opportunity to network and interact with others, and in this case the ability to meet and learn from others in the same sector was valued. This could be achieved through action learning sets but also through engaging with presenters at in-person masterclasses or sense-checking ideas during the business surgeries.

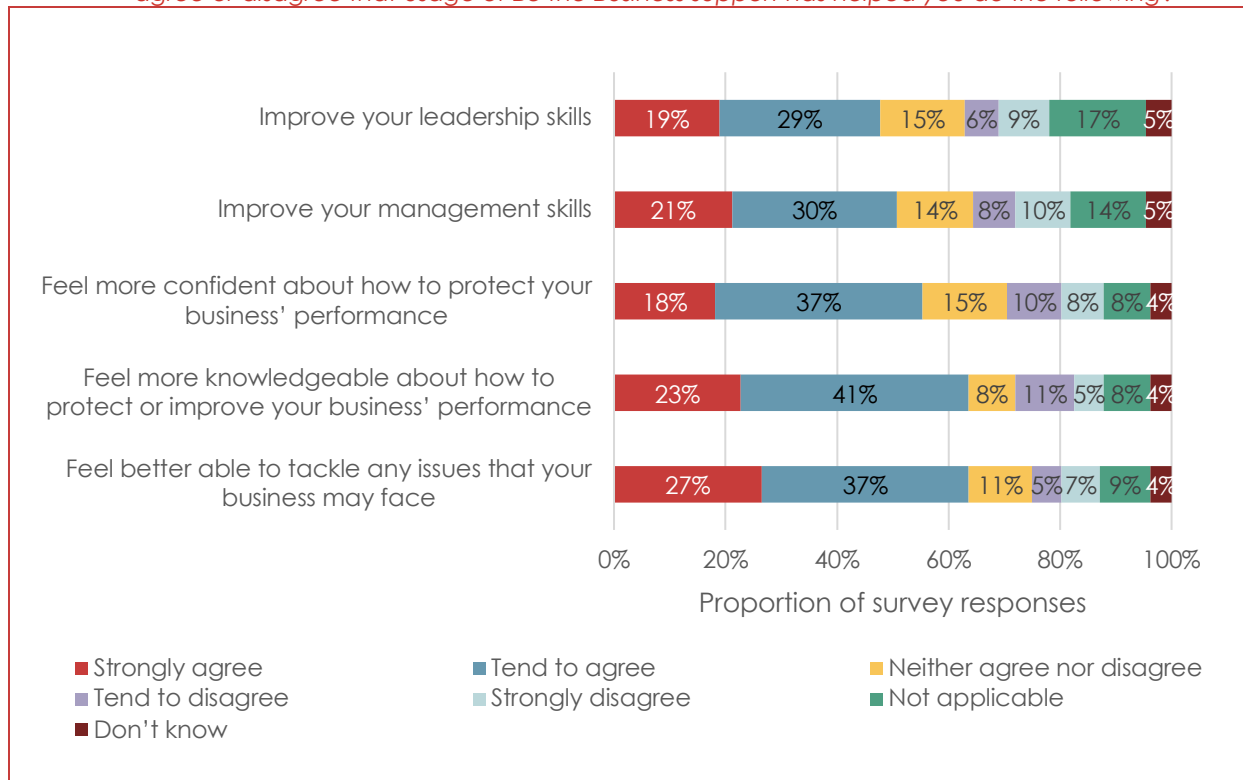
By and large, surveyed and interviewed beneficiaries did not suggest the need for any major changes to the programme. Certainly, there was no real consensus on how to improve the Networks Programme with suggestions varying from having more one-to-one business support meetings, making programme activities last longer, and having more content tailored to their specific sector or sub-sector. However, none of the changes suggested could realistically be applied across the programme as a whole, with the suggested changes relating largely to individual circumstances rather than overarching issues that could apply to all participants. There has been some frustration amongst some users of hospitality pilot action learning groups over irregular attendance of peers, meaning that participants could not regularly interact with as wide a range of businesses as they would have liked. Others stated that their groups did not last as long as they had hoped for. These indicate that while the action learning groups are valued by participants, they do need careful management to ensure they fully meet participants' needs and maximise their effectiveness.

In summary, the most effective elements of the programme are those that foster networking and some relatively in-depth interactions between business leaders, features that the action learning groups and the Advisory Boards provide particularly well.

### 8.4 Has the programme helped improve information and knowledge diffusion?

One of the main objectives of the programme is to facilitate the sharing and diffusion of business management best practice. Feedback from consulted participants indicates that the programme has been successful here. As shown in Figure 15 below, it is clear that a majority of survey respondents, a little under two-thirds either 'strongly agree' or 'tend to agree' that programme participation has improved their knowledge on how to protect or improve their business performance. A similar proportion agree that programme participation has made them feel more capable in terms of knowing how to tackle any issues that their business might face, and how to improve their business' performance.

Figure 15 Responses from beneficiary survey respondents in all pilot areas to “To what extent do you agree or disagree that usage of Be the Business support has helped you do the following?”



Source: Technopolis analysis of responses to beneficiary surveys in all pilot areas (n=132)

Wider evidence from across the pilot areas has shown that participants view one of the programme's strengths as being the ability to learn new ideas and gain new knowledge. While it is not always knowledge that individuals can immediately apply to their business, it is still knowledge that could be helpful to them in the future. Participants across the pilots have spoken of how they, for instance, have been able learn about new ways of marketing their business, new staff management strategies, and have learnt about approaches to managing the effects of the pandemic. It is also clear that much of the knowledge participants have gained has been on practical issues surrounding the day-to-day functioning of their business rather than strategic longer-term planning. This may simply be a reflection of the effects of the pandemic, when trouble-shooting and adapting in the here and now is at the forefront of business leaders' minds, but it may also reflect a more general tendency to focus on short-term issues at the expense of more strategic thinking that might lead to improved business performance in the longer-term.

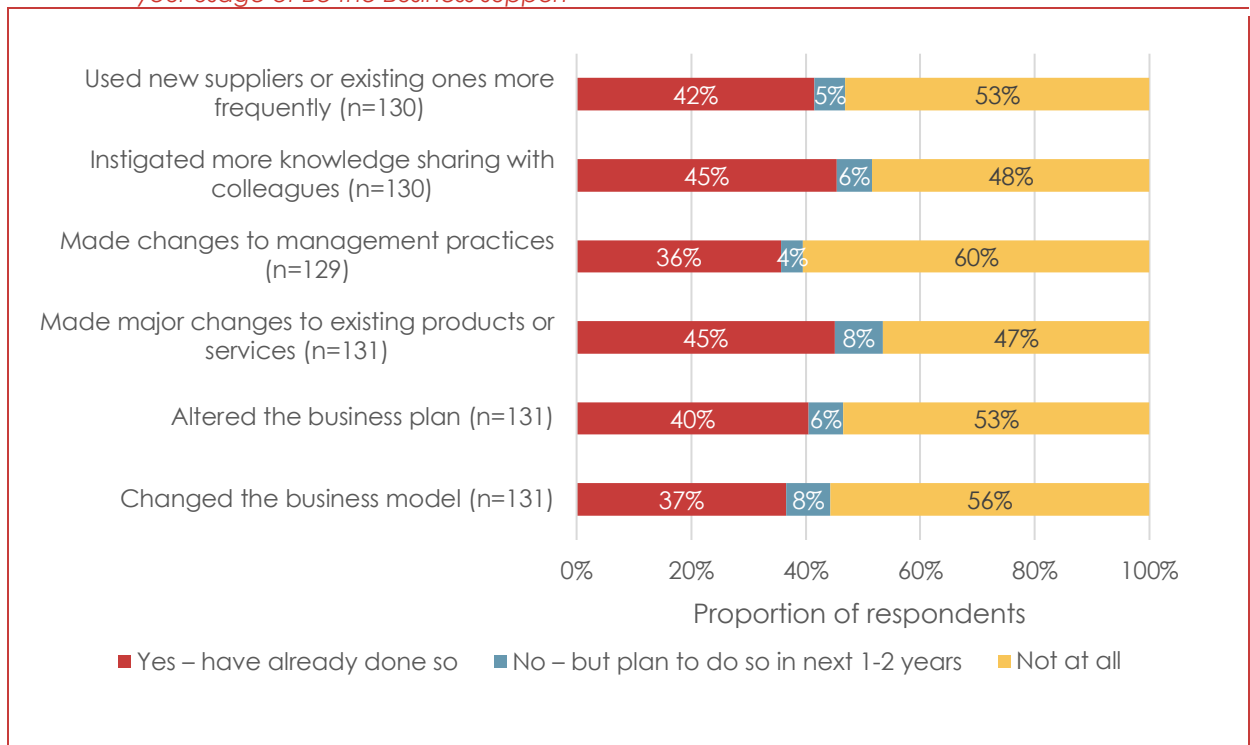
Where there seems to have been less knowledge diffusion has been in relation to personal and more conceptual skills around leadership and management best practice. As Figure 15 shows, survey respondents were less likely to agree with the notion that programme participation had helped improve either their leadership and management skills relative to other effects. In the main, respondents have spoken of more indirect effects in these areas, with programme participation having helped improve their confidence which turn, makes them feel better able to lead and manage their staff and businesses. Again, this might suggest insufficient recognition of the broader skillset required to tackle longer-term issues and improving business performance.



### 8.5 Is the programme helping improve business performance and productivity?

It appears that across all the pilot areas, programme involvement has led to a large numbers making some kind of change to their business. Of the 134 respondents to surveys across all four pilot areas, 20% (27) have stated that they had not many any changes nor planned to make any across all six of the options shown in Figure 16. The majority therefore had decided upon making some kind of change to their business following their usage of BtB support. As shown in Figure 16, around half the respondent group have made changes such as altering business plans, changing business models, or changing products or services. Furthermore, there is considerable variation between the different pilot areas in terms of the type of business changes that respondents are likely to make. For instance, those in NWFB pilot were more likely to have shared knowledge with colleagues while HotSW respondents are more likely to have made major changes to existing products or services.

Figure 16 Responses from all pilot areas to "Has your business made any of the following changes since your usage of Be the Business support"

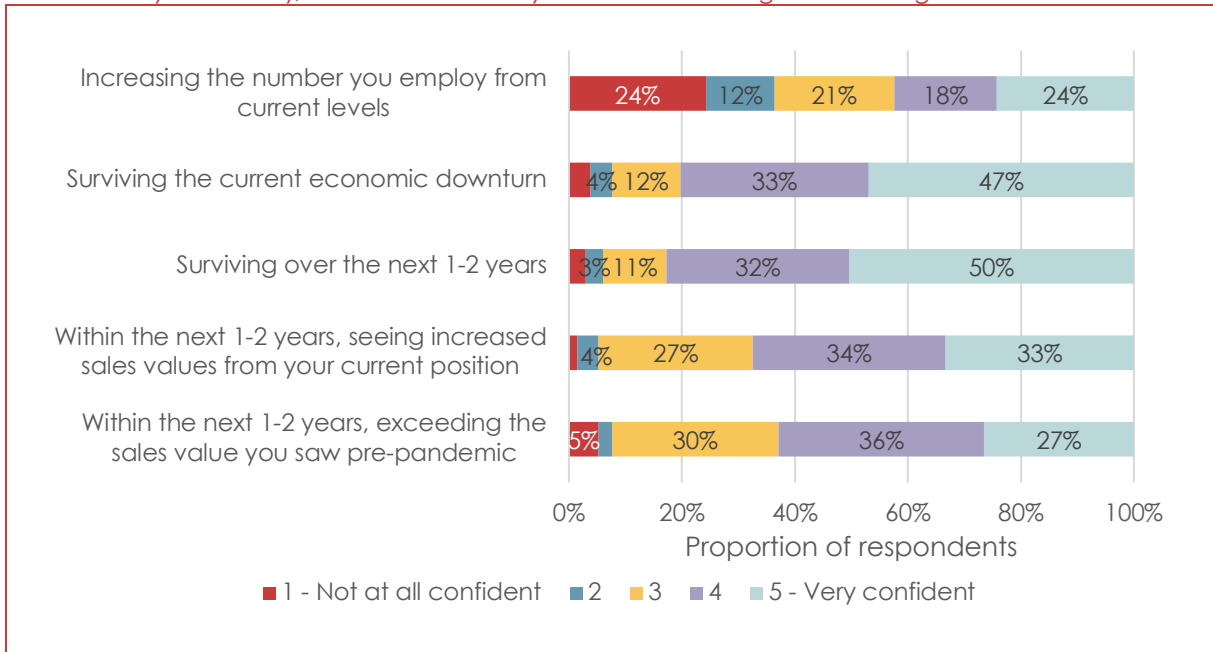


Source: Beneficiary survey, all pilot areas

As Figure 17 shows, there is a certain level of confidence amongst survey respondents regarding their business performance. A large majority, at least 80% of respondents, are respectively very confident (a score of 5) or confident (a score of 4) of surviving the economic downturn, and surviving the next 1-2 years, especially amongst NWFB respondents. To a lesser extent, there is also confidence that respondents' sales value will reach pre-pandemic levels over the next year or two. However, respondents have less confidence in being able to employ

more people, with only 42% giving scores of 4 or 5 for their confidence in reaching this outcome.<sup>5</sup>

Figure 17 Responses from all pilot areas to “On a scale of 1-5 (where 1 is not at all confident and 5 is very confident), how confident are you about achieving the following business outcomes



Source: Beneficiary survey, all pilot areas (n=132)

The general view from across all the pilot areas is that programme additionality is low (i.e. deadweight is high). As shown in Table 26, over half the respondents (58%) indicated that ‘all’ or ‘most’ of the business outcomes outlined above could have been achieved without programme support. Indeed, only 5% of respondents stated that the outcomes achieved would not have been possible without the Networks Programme. This suggests that for the vast majority of participants, the programme contributes very minimally to the business changes made and any resulting improved business performance and productivity. Participant feedback suggests that the additionality is low due both to the light-touch nature of the intervention and because, while new knowledge and insight was gained, it was often not directly applicable to their business. To some extent there is a disconnect between participants’ views that the programme has enabled them to improve their knowledge regarding approaches they might take to further improve their business performance, and any actions taken in light of this new knowledge (and the potential results of those actions). In addition the additionality question refers to expected business outcomes in terms of post-pandemic sales and employment which will, ultimately, be affected by a wider range of factors other than the knowledge, leaning and networks developed via the Networks Programme.

It is of course possible that participants will implement changes to their businesses in future that be a result of a consolidation of knowledge, skills and confidence gained from a range of sources including the Networks Programme.

<sup>5</sup> Although increasing employment was not a key aim of the programme, it provides an indicator of longer term business performance.

Table 26 Responses from all pilot areas to “To what extent would you say that these expected business outcomes are linked to your use of Be the Business support?”

	<b>Responses</b>	<b>% of total</b>
All of these outcomes could have been achieved without Be the Business support	39	30%
Most of these outcomes could have been achieved without Be the Business support	37	28%
Only a small proportion of these outcomes could have been achieved without Be the Business support	25	19%
A notable proportion of these outcomes could have been achieved without Be the Business support	15	11%
These outcomes could not have been achieved without Be the Business support	7	5%
Not applicable – not expecting to see improved business outcomes	9	7%
Total	132	100%

Source: Beneficiary survey, all pilot areas (n=132)<sup>6</sup>

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<sup>6</sup> There is a relatively even split between all the pilot areas with 29% of respondents coming from NWFB, 24% each from Bucks and Cornwall, and 22% from HotSW.

# 9 Summary and Recommendations

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## 9.1 Summary

Table 27 Summary of findings for the programme

Evaluation question	Summary
Is the programme reaching its target audience?	<ul style="list-style-type: none"> <li>• All four pilots and therefore the programme as whole have, in the main, been effective in reaching their target audience, both by geography and business type. The vast majority of programme beneficiaries have been SMEs – either family owned in the North West or in the hospitality and tourism sectors for the hospitality pilots. The hospitality programme supported some charities and on-profit organisations (i.e. outside the target audience) something which NWFB avoided through careful recruitment and vetting of all prospective participants. The NWFB intentionally reached outside its geographical region to test the approach in other regions and to support a wider group of family-owned businesses during the pandemic.</li> <li>• Central to effective recruitment is working with relevant appropriate partners who are well-connected to the target audience and where there is a sufficient degree of aligned objectives. Achieving this has not always been easy as the primary objective of partner organisations is not necessarily to provide business support.</li> </ul>
Which elements of the programme are most effective?	<ul style="list-style-type: none"> <li>• The one particular element that participants across the different pilots have valued was the opportunity to meet other business leaders and share thoughts and ideas with them.               <ul style="list-style-type: none"> <li>– NWFB participants have particularly valued the dedicated interaction and support provided by advisory boards. Users of advisory boards were the most willing to pay to use Network Programme services.</li> <li>– On the whole, Hospitality programme participants did not appear to find one activity type more effective than the other. Participants in some pilot areas appeared to marginally prefer one part of the offer while in other areas, participants there marginally preferred another. The usefulness of their activities was driven by the extent to which they were able to meet with and learn from others. These opportunities varied between the different pilot areas owing to the different programme 'offers'.</li> </ul> </li> </ul>
Has the programme helped improve information and knowledge diffusion?	<ul style="list-style-type: none"> <li>• The programme has been very effective in terms of improving information and knowledge sharing and diffusion – a desired programme output that is expected to lead to the desired outcome of improved management and leadership skills.</li> <li>• Across all participant survey respondents, just under a two-thirds (64%) agreed that programme participation has improved their knowledge on how to protect or improve their business performance.</li> <li>• Many participants also feel that programme participation has helped them feel more capable when it comes to tackling business problems</li> <li>• The programme has been most effective in sharing practical knowledge about the day-to-day running of a business. Where it has been less effective has been in improving participants management and leadership skills and knowledge of management best practice.</li> </ul>
Is the programme helping improve business performance and productivity?	<ul style="list-style-type: none"> <li>• Evidence of the Networks Programme making a direct and attributable contribution in this area is much weaker</li> <li>• Participating business leaders made a range of changes that can be expected to lead to improved business performance and productivity. Furthermore, many are confident about the business survival prospects both in the short and medium term, and to a lesser extent, about revenue exceeding the pre-pandemic values. However, by and large, participants said that these effects were not attributable to their programme involvement</li> <li>•</li> </ul>

Source: Technopolis analysis

## 9.2 Recommendations

### **Recruiting appropriate businesses**

- Drawing on local partners' knowledge and networks has been central in ensuring that the programme has reached its target audience in all the pilot areas, allowing BtB to have a much wider reach than if it had marketed the programme alone. However, our evaluation has highlighted the difficulties that can occur in keeping partners engaged with BtB and its programmes, particularly if business support is not their primary focus. Therefore, for any wider roll-out of the programme, BtB needs to continue to prioritise relationship building with key local and sector partners and seeking ways to identify ways to align objectives and find a 'win-win' partnership proposition.

### **Programme activities**

- Above all else, what businesses seem to have valued more than anything is the opportunity to discuss their business management best practice with others, be they peers or industry experts, and to do so in a fairly intensive manner. They value receiving practical knowledge associated with the day-to-day running of their business, rather than improving conceptual knowledge around how to lead a business. BtB may therefore want to ensure that its future programmes not only optimise networking opportunities but also offer the more intensive interventions such as peer learning groups and advisory boards. Once 'graduated' from the programme BtB can signpost businesses to other forms of support more directly focused on developing leadership skills (such as BEIS's Help to Grow Management).

### **Charging fees for programme services**

- Many users of the advisory boards seem willing to pay to access the Networks Programme. Participant feedback suggests that £1,000 to £2,500 for annual use of the advisory boards might be an appropriate price point. Charging a fee for on-going access to advisory boards could be considered (and trialled) for businesses who have been through this intervention once and have had the opportunity to benefit from it.
- For the other activities run as part of the Networks Programme, there appears to be little willingness to pay, meaning that there is unlikely to be much scope for BtB to charge businesses for access to these programme services.

### **Stimulating change in business processes and performance**

- The Networks Programme is a relatively light-touch intervention which has diffuse routes to impact, requiring people to make use of the knowledge and skills gained and for this stimulate them to make changes to their businesses. At present those changes typically are incremental changes to address current problems with day-to-day business operations. While these may result in improved business performance, a large proportion of business leaders do not seem to be stimulated to take a more strategic view of improving business performance. Nevertheless, the Networks Programme could be an important first step towards this if participants are motivated to seek (and signposted to) further support to improve.
- Where more leaders are motivated to make more significant change, any information and knowledge gained from participation in the Networks Programme is highly likely to require a wide range of other inputs to enact successful change. These may range from direct financial investment, but also investment in communicating and gaining buy-in to new business processes, training in new processes or even wider cultural change to a new

approach. As such, it is unlikely that this programme alone will have an observable significant impact against measures of business performance and productivity such as employment, revenue, and GVA per head. To that end, BtB may wish to reconsider its performance indicators for the Networks Programme, focusing on behavioural outcomes indicators (such as those used in the ONS Management Expectations Survey) and/or skills uplifts which might be more realistic and appropriate success measures.

### **Position in the business support ecosystem**

- The ecosystem for business support in the UK is always evolving and during COVID new forms of support have been implemented. Some of these, such as furlough, will end as the economy returns to some version of 'normality' but others will remain. During the pandemic BEIS launched three new programmes (although their origin pre-dates the pandemic) including the Peer Networks programme<sup>7</sup> that has a fair degree of overlap with the BtB programme. Therefore, BtB needs to review the position of its Networks Programme, its uniqueness and complementarity, within the current ecosystem.

### **Future monitoring activity**

- As highlighted elsewhere in this report, insufficient time has elapsed since participants were engaged in the programme to enable a meaningful assessment of the programme's impact on business performance. BtB may therefore wish to undertake future data matching with beneficiary and control groups to help understand whether business performance has over time, differed between the two groups. However, it may remain a challenge to use statistical methods identify change resulting from a specific light-touch intervention amongst other interventions within a background of irregular step-changes in economic activity – and to do so in a cost-efficient manner.

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<sup>7</sup> Plus the Help to Grow Management and the Help to Grow Digital programmes

## Appendix A Overview of the econometric analysis

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We conducted some preliminary econometric analysis as set out in the evaluation plan. This centred on conducting survival analysis using a log-logistic parametric model. This model looked to determine whether intensive programme users (the treatment group) were more likely to survive relative to a control group of participants that only had low engagement levels with the Networks programme (e.g. having only subscribed to a newsletter, or participated in an awards event). However, we have not included this analysis in this report because it has not produced any robust usable results. Three factors drive this:

- Difficulties in matching firms in secondary databases: our survival analysis was dependent on being able to match firms in the treatment and control groups to secondary datasets such as FAME and Companies House. However, matching rates were low, suggesting that many programme participants either worked for unincorporated businesses, or that the company name they provided to BtB upon programme registration were not the same as their registered business name
- Unusually low business failure rates: analysis by UHY Hacker Young found that typically 15.5% of businesses in the UK hospitality and catering sector fail every year.<sup>8</sup> However, our analysis found failure rates to be substantially lower than this, potentially due to a large number of firms receiving support from the government's Coronavirus Job Retention Scheme,<sup>9</sup> enabling many more failing businesses to survive that might otherwise have been the case. To that end, the figures in the survival analysis are unlikely to be truly reflective of the true state of a business' short and medium term health. While the failure rates for NWFB are more in line the business failure rate of 5.25% for the UK economy as a whole<sup>10</sup>, the concerns about the Coronavirus Job Retention Scheme masking the true state of business health means that reliability of NWFB survival analysis must also be questioned
- Small number of firms in the programme: the small number of firms involved in each pilot (and also appearing in our treatment and control samples) mean that some of our results have proved to be statistically insignificant.

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<sup>8</sup> Quoted by CABI in <https://www.cabi.org/leisuretourism/news/16715> (accessed 24 August 2021)

<sup>9</sup> Commonly known as the 'furlough scheme'

<sup>10</sup> Quoted by CABI in <https://www.cabi.org/leisuretourism/news/16715> (accessed 24 August 2021)



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