

Evaluation of the Global Companies Development Programme

Report to Scottish Enterprise

February 2009

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Executive summary

1. In September 2008, Scottish Enterprise commissioned SQW Consulting (SQW) to undertake an evaluation of the Global Companies Development Programme (GCDP). The Programme was started as a pilot in 2000-01 and has now been running for eight years.
2. During this time, the Programme has provided support to 111 Scottish companies and 6 Higher Education Institutions to develop international strategies and develop the capacity to grow internationally. A number of high profile Scottish success stories such as Wolfson Microelectronics, Optos, Caledonian Alloys and Trespass have received support from this Programme.
3. GCDP is managed by a small team in Scottish Enterprise and delivered using external management development consultants with international expertise. Account Managers also play an important role in referring their companies on to the Programme. The total cost of the Programme since 2000 is estimated to be £4.6 million.

Evaluation methodology

4. The process of evaluation has involved a review of all background documentation on the Programme, including ongoing longitudinal research undertaken by Glasgow University PhD students. We carried out interviews with stakeholders from Scottish Enterprise, SDI, consultants responsible for delivering the Programme and the Global Scot Network. Feedback was also received from 32 GCDP companies (out of a sample of 72 potential consultees) and two of the four HEIs put forward for consultation.

Economic impact of GCDP

5. The economic impact of GCDP, in terms of Gross Value Added (GVA), is estimated to be between £14.2 million to £28.4 million (Table 1). However, it is our view that the lower value within this range, with historic impact limited to three years, is the more realistic estimate of economic impact.

Table 1: Economic impact of GCDP

	Impact limited to 3 yrs	Impact incl. all historic change
Sample of 49 companies		
Net additional turnover	£10.8 million	£20.7 million
Direct GVA	£4.2 million	£8 million
GVA including multipliers	£8.5 million	£15.7 million
Total population of 85 companies		
Direct GVA	£7 million	£14.5 million
GVA including multipliers	£14.2 million	£28.4 million

Source: SQW

Feedback from participants

6. Overall the feedback from participants on GCDP has been very positive. The Programme has provided valuable support to management teams to become more focused and strategic in terms of their international aspirations. For some companies the Programme is regarded as the best example of public sector support that they have received and some companies even maintain that without the Programme they may not have survived.
7. The support and expertise provided by the consultants was considered the most useful part of GCDP - this was highlighted by over 80% of companies. Over 70% rated the management of the programme by GCDP staff and Account Managers as either 'excellent' or 'good'. Two thirds of companies stated that the Programme has had a significant impact on their internationalisation. The same number also stated that GCDP has been either extremely helpful or vital for their business overall.

Feedback from stakeholders

8. There have been differing views on the Programme from stakeholder consultations. The closer that consultees have been to the Programme (and therefore the more they understand the aims of GCDP), the more positive they have been about the Programme. These consultees (which have included the three Global Scots and the consultants) have stated that GCDP remains an important and valuable product.
9. By contrast, other internal SE consultees believe that whilst there is still a need for SE to support SMEs to develop internationally, they are unsure if GCDP is the best way of delivering this support. These consultees believe that there is some degree of duplication between GCDP and other SE/SDI products.

Learning and development

10. The effectiveness of the current referral process through the company's Account Manager depends on the following factors:
 - that the Account Manager has a good relationship with the company's management team, and most importantly the company's CEO (who is the person that needs to drive the process and who's involvement on GCDP is vital)
 - that the Account Manager is fully aware of all SE products, including the GCDP.
11. Some of the internal stakeholders were either unclear about the benefits of GCDP or believed that there was some degree of duplication with other SE products that have been introduced in the last few years. There is now a list of 50 SE and SDI products that Account Managers can draw down to assist their client companies' development. This in itself presents a challenge to ensure that Account Managers are not only fully aware of all products but to ensure that products are drawn-down in an appropriate and timely way for each client.

Recommendations

12. Based on our evaluation we would make the following recommendations:
- *review aims and objectives of the Programme* – there needs to be greater clarity on the specific objectives of this Programme and how these fit with other SE products. As part of this process it will also be important for SE to review the resources being allocated to each of its internationalisation products
 - *establish clear performance indicators/measures* – it is recommended that future SE approval papers should clearly set out SMART objectives with targets across a range of activity, output and outcome measures
 - *ensure up-to-date monitoring information on all Programme participants* – there should be annual data collated on the participants’ performance (turnover, employment and profits) broken down by geography (Scotland, other UK, overseas)
 - *review referral process and ensure the “right” companies are selected for GCDP* – a more ‘macro’ or pro-active ‘top-down’ approach to identifying companies, including the suggestions of consultants, would ensure that the Programme is targeting support at companies that genuinely have the capacity and ambition to grow overseas
 - *improve profile of Programme internally* – GCDP needs to increase its profile and distinctiveness so that Account Managers and colleagues within the organisation as a whole are clear about what benefits the Programme can deliver
 - *improve management of GCDP delivery* – in particular managing the relationship between GCDP team, Account Manager and consultant
 - *strengthen the networking element of the Programme*
 - *consider a more formalised approach to aftercare* – this would involve a greater focus on reviewing how the GCDP participant is progressing in implementing the GCDP action plan
 - *undertake any future evaluations every c. 3 years* – this would help to ensure that the experience of the Programme will still be relatively fresh in the corporate memory of participants and thus provide more detailed feedback on the Programme.
13. Overall we would recommend that SE support for international business management capability building and international business strategy development/implementation should continue. The precise formulation needs to take account of the changes in SE’s product portfolio and business support functions since the inception of the GCDP. This recommendation is based on the qualitative and quantitative evidence from the participants themselves who believe that GCDP has had an important impact on developing a more strategic approach to internationalisation, strengthened the management team and provided the confidence to invest in new markets. This recommendation is subject to the improvements suggested above. The Programme is not sustainable with the level of referrals from the last couple of years (although we are informed of recent signs of improvement). The key to increasing the levels of referrals is, in our view, to increase its profile internally.

1: Introduction

- 1.1 In September 2008, Scottish Enterprise commissioned SQW Consulting (SQW) to undertake an evaluation of the Global Companies Development Programme (GCDP). The Programme was started as a pilot in 2000-01 and has now been running for eight years.
- 1.2 During this time, the Programme has provided support to 111 Scottish companies and six Higher Education Institutions to develop international strategies and develop the capacity to grow internationally. A number of high profile Scottish success stories such as Wolfson Microelectronics, Optos, Caledonian Alloys and Trespass have received support from this Programme.
- 1.3 GCDP is managed by a small team in Scottish Enterprise and delivered using external management development consultants with international expertise. Account Managers also play an important role in referring their companies on to the Programme.
- 1.4 Since 2003 there has been ongoing research which has reviewed the impact (mainly qualitative) of GCDP. This longitudinal research undertaken by PhD students from Glasgow University has identified that GCDP has supported companies in developing a more strategic approach to internationalisation. However, the present study is the first full independent evaluation of the Programme.

Background

- 1.5 The rationale for GCDP was identified in the Global Companies Enquiry findings in 1999. The Programme was launched the following year as part of a Global Companies Strategy. This strategy aimed to encourage the development of more 'global' Scottish companies, creating more sustainable and higher value employment in the Scottish economy.
- 1.6 The Enquiry findings highlighted that up until then (the late 1990s) support for international trade in Scotland had focused mainly on inward investment and export promotion. The Global Companies Strategy aimed to redress this by increasing the number of global companies controlled from Scotland.
- 1.7 Eight years on, supporting Scottish companies in international markets remains a key economic development objective of the Scottish Government, Scottish Enterprise and Scottish Development International. Section 2 of the report examines the background and context for GCDP in more detail.

Purpose of the evaluation

- 1.8 The objectives of this evaluation were to provide a full review of the performance of GCDP, including a robust economic impact assessment, and to assess the following:
 - strategic fit of the Programme

- rationale for intervention
- GCDP performance with clients companies
- economic development benefits
- contribution to SE's measures and targets
- wider economic benefits
- GCDP performance - internal perspective.

1.9 A final study objective was to provide recommendations for future improvements in delivery of the Programme. As with any evaluation, it has been important to assess the extent to which the Programme is meeting its original aims and objectives and to quantify the economic benefits arising.

Structure of the report

1.10 The remainder of the report is structured as follows:

- Section 2 – background and context
- Section 3 – Programme delivery
- Section 4 – evaluation methodology
- Section 5 – evaluation evidence from participants
- Section 6 – evaluation evidence from stakeholders
- Section 7 – impact assessment
- Section 8 – learning and development
- Section 9 – conclusions and recommendations
- Annex A – references
- Annex B – business interview and questionnaire
- Annex C – business survey results
- Annex D – summary of DVD testimonials
- Annex E – consultees.

2: Background and context

- 2.1 This section provides background on GCDP including its origins, rationale and original objectives. We also consider how it fits with wider economic development strategy at the time of its launch and now.

Origins and rationale

- 2.2 In 1999, Scottish Enterprise published the research findings of the Global Companies Enquiry which had started two years earlier. The main aims of this research were to define a ‘global company’, identify its characteristics, demonstrate why these types of company were important to the Scottish economy and show how Scotland compared against other countries.
- 2.3 The broad definition of a global company as stated in the Enquiry findings was as follows:

‘A company, strategically directed from Scotland and above a minimum size threshold for its sector, which conducts a substantial proportion of its business across international boundaries (through direct exports and licensing or franchising or locating operations overseas) and which, possessing a relatively large and/or growing market share, has maintained a strong competitive position over a sustained period in responding quickly and efficiently to changing global market conditions’.¹

- 2.4 This definition led to a number of criteria which a firm had to meet to be classified as a ‘global company’. If only some of the criteria were met but there was evidence that the firm was progressing towards meeting the other criteria, it would be classified as an ‘emerging global company’. The criteria are shown in Table 2-1.

Table 2-1: Criteria to be considered a ‘global company’

Criteria	Measurement
Mission	Clear mission statement that the company has significant international ambitions.
Objectives	Quantifiable objectives showing ambition to operate or market on 2 or more continents.
Size	>£5m turnover
International markets	Sales: minimum 2 continents Minimum 30% turnover from overseas
Overseas operations	Employment, assembly, manufacture or distribution channels in at least 2 continents
Scottish HQ	CEO based and board meetings held in Scotland Overall operational control in Scotland
Strategic Independence	Strategic decision making in Scotland
Growth	5 year turnover growth

¹ Scottish Enterprise (1999), *Global Companies Enquiry: Research Findings*

Criteria	Measurement
Influence on markets	Global market share & global brands
Integration of operations	Operational control or brand management on at least 2 continents
International recruitment	Significant numbers of non-home nationals at senior managerial level
International sourcing	Company seeks inputs world-wide

Source: Global Companies Enquiry

- 2.5 In terms of assessing the impact of global companies on the Scottish economy, the Enquiry research highlighted the ‘indicative’ impact based on a selection of 16 companies that met the global company criteria. It was found that these companies contributed over £1.6 billion in turnover income, £414 million in employment income and over 23,000 jobs. The research also outlined additional qualitative impacts including:
- high contribution to R&D and innovation levels
 - increased sophistication of alliances and technology transfer collaborations
 - linkages to Scottish Higher Educational Institutes (HEIs)
 - raising the profile of Scotland internationally
 - raising the quality of their Scottish based suppliers
 - pulling through of inward investment
 - sponsorship of Scottish and community based activities.
- 2.6 Although the research did not identify all Scottish global companies, it aimed to illustrate the disproportionate impact that these types of companies can have on the economy.
- 2.7 As summarised in a subsequent journal article, the implications of this Enquiry were that ‘*a handful of global companies would have a more powerful and longer-lasting impact on regional economic development than a larger number of less internationalised businesses*’.² This same article also highlighted that the distinction between a ‘global’ and ‘international’ company was that globalisation implies a higher value added form of internationalisation (i.e. going beyond simply exporting and becoming more integrated in overseas markets). This distinction in terminology is relevant to some of the evaluation feedback explained later.
- 2.8 Based on the findings of the Global Companies Enquiry, Scottish Enterprise also published a Global Companies Strategy which aimed ‘*to increase employment, competitiveness and economic prosperity in Scotland by increasing the number of global companies controlled from Scotland*’.

² Raines, P & Brown, R (2001), *From International to Global: The Scottish Enterprise Global Companies Strategy and New Approaches to Overseas Expansion* – Regional Studies Vol. 35.7

Project appraisal

- 2.9 Dating back to the start of the pilot Global Companies Development Programme in 2000 there are a series of internal Scottish Enterprise project papers and approval papers that outline the rationale for the project including the types of ‘market failure’ that the Programme has been aiming to address.
- 2.10 The main market failures identified by Scottish Enterprise were:
- information deficiencies – due to the nature and capacity of young SMEs, it is argued that they have insufficient knowledge about where they can access funding (private and public sector) and also where they can find out about accessing new international markets
 - risk aversion – because of the financial risks of investing overseas, it is suggested that whilst many SMEs consider increasing their international activity, they are inclined to act in a way that minimises the risk (described by SE as ‘toe-dipping’). It is quite common for companies to focus on the short-term rather than consider a longer term strategy.
- 2.11 Reluctance to go global is by no means a specific issue for Scotland. The European Commission recently found that only 8% of SMEs in the EU export and only 12% of the inputs of an average SME are purchased abroad. The main reported reasons are a lack of financial resources but most of all lack of skills or skilled human capital to tackle internationalisation.³
- 2.12 GCDP was therefore designed to address these perceived market failures by developing the skills and expertise of the companies’ management teams to improve their knowledge of how they can grow internationally, but also to assist them in developing a longer term strategy and in changing culture and mindset. Based on these approval papers, the Programme sought to accelerate the process of internationalisation for those companies that were identified as having the genuine ambition to go global.

Original objectives

- 2.13 Establishing the original objectives is key to evaluation, especially for a programme such as GCDP which has been running for a relatively long period of time. The earliest project paper stated that it is ‘*of strategic importance to the Scottish economy that the number of Scottish global companies is increased. This initiative addresses that need.*’⁴. The same paper also stated that ‘*the project will help companies who have already taken the decision to go global to do it quicker, better and with a greater scale than they might have otherwise done.*’
- 2.14 The original project paper for the pilot GCDP identified anticipated *short term and long term benefits of the programme*. Anticipated short term benefits included: increasing the international activity of the companies involved (through additional trade missions, evaluating opportunities for overseas expansion and increasing the number of overseas JVs); increasing

³ European Commission (2007), *Final Report of the Expert Group on Supporting the internationalisation of SMEs*

⁴ SE Internal Paper (1999), *Global Companies Development Process Pilot – Project Paper*

the number of senior managers participating in and transferring the knowledge from advanced management education; and increasing the participation of pilot companies in domestic/international networks. In standard evaluation terminology these short term benefits would be classified as activities and outputs.

2.15 Anticipated longer term benefits set out in the original project paper included: increasing the overseas operations of the pilot companies; increasing the employment and turnover associated with these companies in Scotland; increasing the number of Scottish global companies; increasing the awareness of Scotland of the needs of global companies, and increasing the knowledge resource that can be accessed to help companies move towards globalisation. These can be considered outcomes of GCDP.

2.16 An approval paper (for the continuation of funding) from 2002 stated that the aim of this Programme was '*to accelerate the growth of more Scottish global companies*'⁵. More recent promotional material for the Programme highlighted that the purpose of GCDP is to:

- accelerate the globalisation process for SME's by enhancing learning processes, thereby driving businesses further, faster and more profitably
- deliver a learning and knowledge-building process that is tailored to a company's needs
- contribute to a step-change in Scottish economic performance by projecting better prepared Scottish companies onto the global stage
- overcome the barriers to internationalisation.⁶

2.17 The same document stated that it is anticipated that participating companies will achieve the following benefits:

- accelerate the globalisation process, using the latest technology and drawing on global knowledge base
- help to reduce the costs of globalisation by guidance, support and best practice implementation
- access to participating company CEOs through peer events and networking
- access to relevant learning in a safe environment
- access to international networks and mentors
- sustained growth in revenue, profit and market share
- develop a leading edge competitive position in the market sector.

2.18 The elements listed above involve a mix of activity, output and outcome indicators. In the early approval papers there is a dearth of SMART objectives. However, a later paper highlighted that for the three year period 2004-07 GCDP had the following objectives:

⁵ SE Internal Paper (2002), *Global Companies Development Programme: Programme Approval Paper*

⁶ Scottish Enterprise, *Scotland: Making International Connections*

- support the emergence of 13 new global companies and another 15 with overseas operations
- support the implementation of action plans of 70 internationalising companies
- identify and support 54 GCDP top team development processes and action plans
- provide internationalisation advice to 250 companies.⁷

Strategic fit

- 2.19 When GCDP was launched in 2000, supporting companies to develop internationally was central to economic development policy and highlighted in the following policy documents.

Framework for Economic Development in Scotland

- 2.20 The Framework for Economic Development in Scotland (FEDS) was published in 2000 and set out a vision *‘to raise the quality of life of the Scottish people through increasing economic opportunities for all on a socially and environmentally sustainable basis’*⁸. One of the four outcome objectives to achieving this vision was international integration and *‘securing economic growth through integrating the Scottish economy within the global economy’*. The Framework clearly identified the need for Scottish companies to embrace the opportunities of globalisation; *‘it is the growth and development of new goods and services that can compete in international markets that is important. Scotland should work with the forces of international competition’*.

Smart Successful Scotland

- 2.21 After producing the overarching framework for economic development, the Scottish Executive then published its first enterprise strategy in early 2001, Smart Successful Scotland (SSS). The strategy stated that *‘we want to see the development of more global companies headquartered in Scotland, which make a substantial contribution to the economic and social development of the country’*⁹. The role for Scottish Enterprise and HIE in supporting the globalisation of companies was also highlighted, *‘the Networks should work closely with potential multinational players to help them develop and implement globalisation strategies. They should also work with exporters to help them better penetrate existing markets, access new ones and develop their capacity to become more competitive suppliers to overseas markets’*.

Global Connections Strategy

- 2.22 Global Connections was one of the three strategic themes of SSS (along with Growing Businesses and Skills and Learning) and the Global Connections Strategy published later in 2001 reinforced the need to encourage companies *‘to take advantage of international opportunities through a range of activities including exporting, joint ventures, strategic*

⁷ SE Internal Paper (2006), *Scottish Enterprise Major Projects Gateway – GCDP Peer Group Review*

⁸ Scottish Executive (2000), *The Way Forward: Framework for Economic Development in Scotland*

⁹ Scottish Executive (2001), *A Smart Successful Scotland: Ambitions for the Enterprise Network*

*partnerships, technology alliances and outward investment*¹⁰. The strategy identified four main challenges in terms of improving global connections:

- digital connectivity
- increased involvements in global markets
- Scotland to be a globally attractive location
- more people choosing to live and work in Scotland.

2.23 The perceived need for more involvement in international markets was built on the findings of Scottish Enterprise's Global Companies Enquiry. The Global Connections Strategy also signalled the creation of one organisation to support inward and outward investment, Scottish Development International. This new organisation took on the responsibilities of Locate in Scotland and Scottish Trade International.

Current strategic fit

2.24 Although the Scottish Government changed in 2007, the commitment to supporting Scottish companies in international markets remains. One of the five priorities in the Scottish Government's Economic Strategy is to create a supportive business environment. One of the proposed approaches to creating this type of environment is '*targeted support to business in the pursuit of opportunities outside of Scotland and the development of internationally competitive firms*'¹¹.

2.25 Scottish Enterprise's current Business Plan is aligned with the Government Economic Strategy and aims to increase Scottish productivity through support for enterprise, innovation and investment¹². Under the enterprise theme, supporting the internationalisation of Scottish businesses is highlighted as a key activity.

2.26 There can therefore be little doubt that a programme such as GCDP which aims to encourage and promote more Scottish global companies continues to fit well with broader economic development policy. For companies to be successful and contribute significantly to the Scottish economy they need to be outward-looking and to be able to operate within an international market.

¹⁰ Scottish Executive (2001), *Scotland: A Global Connections Strategy*

¹¹ Scottish Government (2007), *The Government Economic Strategy*

¹² Scottish Enterprise (2008), *Business Plan 2008-2011*

3: Programme delivery

- 3.1 In this section we set out what the Programme actually involves, how it is delivered, how many organisations it has provided support to and what resources have been required from Scottish Enterprise to deliver GCDP over the last eight years.

Entry criteria

- 3.2 The original referral onto the Programme is made by a company's Account Manager who then discusses the suitability of the company with the GCDP team before then inviting the company to participate. The criteria for entry onto GCDP are listed below (Figure 3-1) - companies are required to satisfy the first four bullet points as a minimum.

Figure 3-1: GCDP entry criteria

- Company has Local Enterprise Company Account Manager support for GCDP
- HQ or strategically controlled from Scotland with turnover increasing year upon year - significant growth and financial stability
- Ambitious top team with key management functions in place (at least 4 members and wanting to enhance their international skills) seeking to extend international markets by outward investment with the vision and capacity to formulate and implement a global strategy, to operate internationally
- Have the capacity to increase turnover to between £15m - £100m in 3-5 years from the implementation date of the GCDP strategy
- Market moving internationally away from Scotland and company has the flexibility, adaptability and management ability to respond swiftly to changes
- Willingness to develop greater operational diversity and significant innovations / products awaiting development or to find the right market
- Preference for medium to large companies that fit with SE recognised sector strategies.

Source: SE document 'Scotland: Making International Connections'

Delivery process

- 3.3 The delivery of the Programme involves the company's Account Manager, the GCDP team within Scottish Enterprise and the external consultant who is chosen by the company. If a company wishes to go onto the Programme, the Account Manager and GCDP team put forward two or three consultants for the company to interview, one of whom they will select to deliver the Programme.
- 3.4 The panel of external consultants available to GCDP companies has increased over the years and there are now seven consultancies, specialising in management development, from which the companies can choose.
- 3.5 The delivery of GCDP consists of the five following stages (Table 3-1):

Table 3-1: GCDP delivery

GCDP stages	Summary of activity
1. Discussion between GCDP team, consultant and company's management team on the overall process.	Discussion on how the programme can be tailored to fit with the company's need to develop or grow its international business. Agree the process and diary dates to start off the programme.
2. Consultant undertakes individual management team interviews and skills identification. This leads on to the tailoring of the programme content to company's agreed needs.	<p>This review, delivered principally through one to one interviews, will combine qualitative and quantitative measurement to determine the potential of the company to become truly global. Key company operations will be examined covering:</p> <ul style="list-style-type: none"> • Strategy and Planning • International Operations • Marketing and Service • Operations and Technology • Research and Development • Organisation and Human Resource Management • Governance and Responsibility • Finance
3. Strategy formulation / scenario planning session – carried out by the consultant.	A process to clarify, align and refresh the strategic direction of the company to embrace the global challenge or challenge the company's current international strategy and identify any gaps.
4. Action Planning Session – carried out by the consultant.	<p>The Action Plan, which will come out of the strategy, will articulate the strategic direction discussed and agreed at the strategy & scenario planning session – this comprises a one-page planning document.</p> <p>Specifically, the process identifies what has to be done, by whom and by when.</p>
5. Implementation Support – this involves the Account Manager & GCDP team.	This involves the company taking SE through the action plan. SE then work with the company to help deliver agreed sections of the Action Plan through accessing relevant national and international networks, provide follow-up coaching and other relevant support.

Source: SE document 'Scotland: Making International Connections'

- 3.6 GCDP is an intensive and in-depth programme that usually takes place over a six to nine month period during which companies can access up to 20 days consultancy support. The time taken to complete this consultancy phase of the Programme (stages two to four in Table 3-1) is often subject to the company's availability as CEO and Senior Management Team participation is mandatory.
- 3.7 In addition to the consultancy-based support, the other main element of GCDP is the peer group events. There have been around three to four of these events organised each year. High profile business speakers are brought in to share their experiences of international business and the events also provide networking opportunities for GCDP companies. Topics have included investor readiness, leadership and management, scenario planning and lessons from international expansion. These events have also been used as a recruitment tool by inviting potential GCDP companies to find out more about the Programme.
- 3.8 Although the GCDP pilot was delivered by SE, responsibility for the Programme soon transferred to the newly created SDI where it remained for four years. In 2005, GCDP returned to SE.

Programme costs

- 3.9 The total cost of the Programme since 2000 is estimated to be £4.6 million (Table 3-2). This figure consists of GCDP team staff costs, marketing, peer group event costs and consultancy costs. The resources required to deliver GCDP have varied significantly year on year. In 2002-03, eight staff (FTE) were responsible for managing and coordinating the Programme.
- 3.10 Over the last two years there has been a core team of two full-time staff. The ratio between staff and (new) participants has remained fairly steady over the eight years with the exception of the current year. It should be noted that the figures for 2008-09 only include the first six months of the year and we are aware that the GCDP team is in discussion with around 30 companies and up to a third of these may join the Programme in the near future.

Table 3-2: GCDP costs

Year	No of GCDP staff (FTE)	Staff costs £	No of co's	GCDP staff per new participant	Consultancy costs £	Total costs £
2000-01	3	103,000	9	0.3	225,000	375,000
2001-02	7.5	228,000	16	0.5	400,000	550,000
2002-03	8	253,000	17	0.5	425,000	575,000
2003-04	6	193,000	18	0.3	486,000	736,000
2004-05	7	237,000	17	0.4	459,000	709,000
2005-06	6	224,000	18	0.3	486,000	736,000
2006-07	3	135,000	12	0.25	324,000	424,000
2007-08	2	90,000	7	0.3	189,000	289,000
2008-09*	2	90,000	3	0.7	81,000	181,000
2000-08		1,553,000			3,075,000	4,628,000

Source: Staff costs based on SE estimates and consultancy costs based on SE approval papers – costs per participant £25k for 2000-02 and £27k for 2003-08 (Consultancy costs also include marketing and peer group event costs).

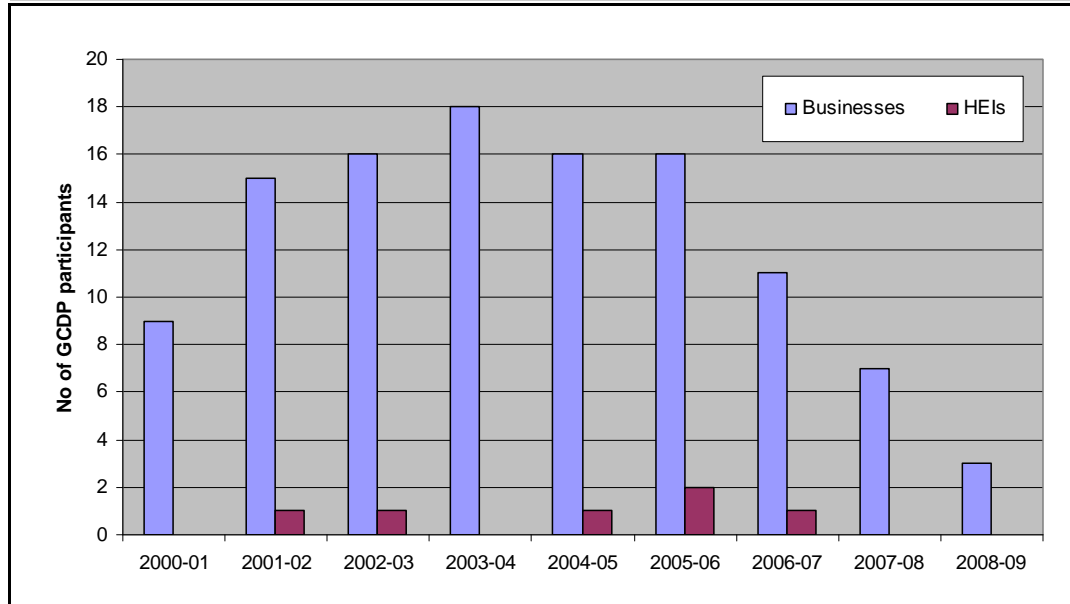
*Note: figures for 6 months of 2008-09

- 3.11 In addition to the central costs to SE of managing and coordinating the Programme, it is acknowledged that over the years there will have also been some time spent by Account Managers in relation to GCDP (e.g. meetings with GCDP staff and attending some of the workshops with the companies). However, since this issue would be similar for all SE products that are drawn down by Account Managers, we have not included this resource in the costs for GCDP.

Programme performance

- 3.12 GCDP has supported 111 Scottish companies and also six Higher Education Institutions (HEIs) since 2000. The Programme was most successful in terms of recruitment between 2002 and 2005 when each year 17 or 18 new companies or HEIs joined the Programme (Figure 3-2). The number of companies participating in the Programme has declined over the last three years and in 2007-08 there were only seven new recruits to the Programme.

Figure 3-2: GCDP participants by year (total of 111 companies & 6 HEIs)



Source: GCDP team

- 3.13 As would be expected over an eight year period, some of the GCDP participants are no longer trading – 13 companies and one HEI (following merger). Fourteen companies have been sold and 13 did not finish the Programme. The status of all participants is set out in Table 3-3 below.

Table 3-3: Status of GCDP participants

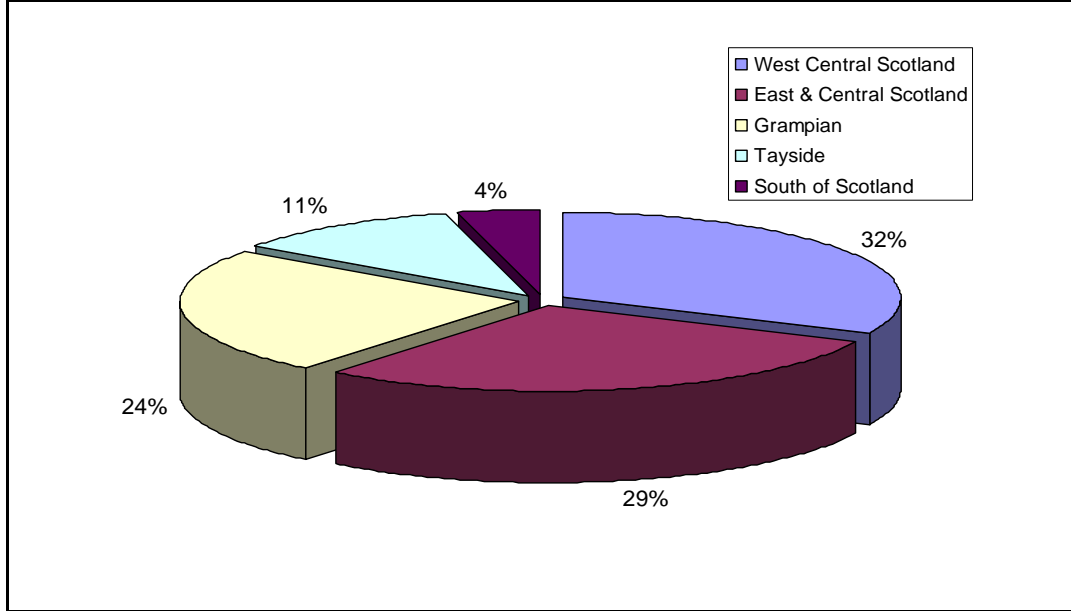
Status	Number
Companies still trading	71
Companies that are no longer trading	13
Companies that have been acquired	14 (incl. 1 Management Buy-Out)
Companies that did not finish	13
Existing HEIs	5
HEI no longer operating	1
TOTAL	117

Source: GCDP team

- 3.14 Most of the GCDP participants have come from the east of Scotland (Figure 3-3). Taking into account all 111 companies that have participated, 29% have come from East and Central Scotland, 25% from Grampian and a further 11% from Tayside. One SE consultee suggested that the lower number of referrals from the west of Scotland could have been in part due to the work of Business Gateway International in the Glasgow and Lanarkshire former LEC areas which had activities with similar objectives to GCDP.¹³

¹³ Prior to SE restructuring in 2008, Business Gateway Internal incorporated local export partnerships for each LEC area that included staff from SE, SDI, Local Authorities and in some cases Chambers of Commerce.

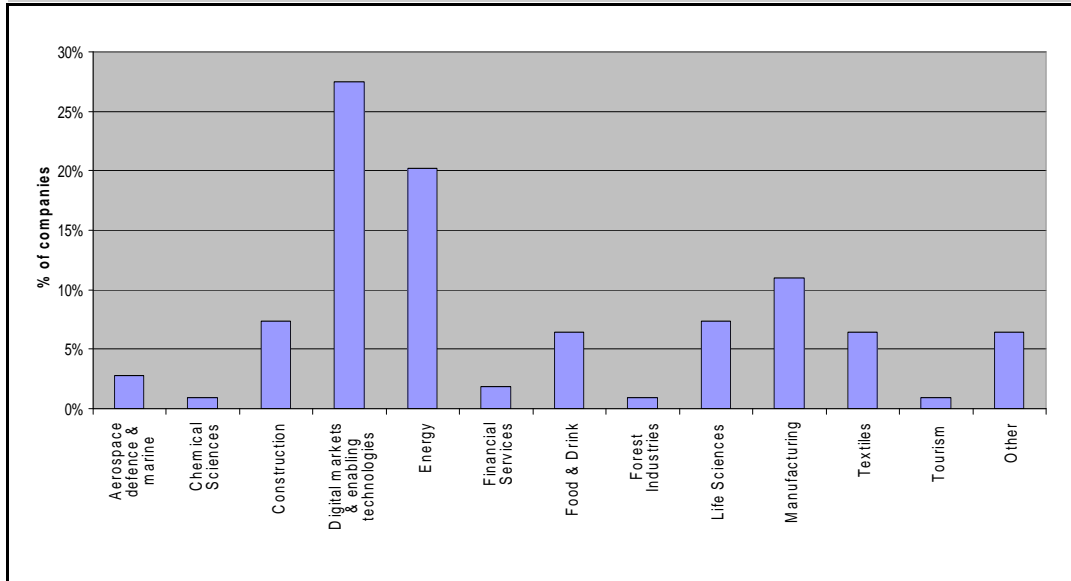
Figure 3-3: Location of GCDP companies



Source: Data from GCDP team

3.15 As identified in the entry criteria, it was preferable that GCDP participants should fit within SE’s priority industries. As indicated in Figure 3-4, this has been the case, with only six percent of companies not operating in one of the priority industries. Most of the companies operate in the digital markets & enabling technologies (28%) or energy (20%).

Figure 3-4: Sectoral breakdown of GCDP companies



Source: Data from GCDP team

Performance against targets

3.16 As highlighted in the previous section, there has been an absence of both SMART objectives and specific targets during parts the Programme’s lifetime. One approval paper sets out the

case for assisting up to 90 companies over the period 2003-04 to 2005-06.¹⁴ This support was described as including completing a strategic review and designing an action plan. However, the actual performance for this three year period was significantly lower, with 50 companies recruited on to the Programme.

- 3.17 A 2006 approval paper set a lower three year target of 54 companies to be recruited between 2004-05 and 2007-08. Table 3-4 below highlights that during this period a total of 43 companies and four HEIs were recruited on to the Programme which represents 87% of the target. The actual number of participants receiving implementation support has been calculated using the number of participants from the previous year 2003-04 (excluding one company that did not finish).
- 3.18 Although the number of ‘global companies’ and ‘companies with overseas operations’ have been included as targets, no monitoring information has been provided that can show how the Programme has performed against these targets. The complexity and confusion surrounding the exact definition of a ‘global’ company (this was identified in many of the stakeholder consultations) has made the Programme monitoring more difficult. Supporting the emergence of new global companies is an objective of the Programme – however, it currently has no clear mechanism of measuring how it is addressing that objective.
- 3.19 More than one in five companies interviewed as part of this evaluation indicated that their overseas activity increased significantly. If this proportion was replicated to the population of 47 participants during the period 2004-07, then it could be assumed that around nine companies were assisted to develop overseas operations during this three year period.

Table 3-4: Performance against targets

GCDP measure	2004-07 targets	2004-07 actual performance
GCDP company starts	54	47
Company action plans	54	47
Implementation support	70	64
Global Companies	13	*
Companies with overseas operations	15	*

Source: 2006 Approval Paper and data from GCDP team (the figures include four HEIs that joined GCDP)

* - not monitored / reported by SE

- 3.20 The partial nature of targets and associated monitoring has made tracking the success of this Programme difficult. Measuring against the three year target of 90 companies to be recruited for 2003-2006, the Programme did not perform well. However, taking into account revised targets for 2004-2007, it has performed significantly better (but still just short of the target). The tailing off of GCDP participants over the last couple of years is clear from Figure 3-2 earlier in this section.

¹⁴ SE Internal Paper (2002), *Global Companies Development Programme: Programme Approval Paper*

Performance of GCDP companies

- 3.21 As will be discussed in the impact assessment section we have accessed turnover data from before and after GCDP involvement for 49 companies (over the eight year period). For this group of companies, domestic turnover has increased by £146 million since their participation in GCDP and a significantly larger increase of £262 million in overseas sales (Table 3-5). These figures would suggest that companies involved in GCDP that are aiming to increase their international activity are indeed achieving their aim.

Table 3-5: Total gross turnover change for GCDP companies (49 companies)

Market	Turnover prior to GCDP participation	Latest turnover	Gross turnover change
Domestic	£526,792,362	£673,577,723	£146,785,361
Overseas	£155,653,428	£417,962,732	£262,309,304
Total	£682,445,790	£1,091,540,455	£409,094,665

Source: SQW analysis of turnover data from various sources

- 3.22 Overall, the performance of the Programme appears to be generally positive with the exception of the last couple of years when referrals have declined significantly. Many of the companies involved in GCDP such as Wolfson Microelectronics, Optos, Caledonian Alloys and Trespass have gone on to become very successful companies. However the scale of GCDP activity has not been as large as anticipated with participant numbers not meeting the targets referred to in the approval papers.
- 3.23 The Programme has been successful in targeting companies within SE's Priority Industries (28 % of companies from digital markets & enabling technologies and 20% based in the sector). Finally, it is interesting to note that a disproportionately large number of participants have come from the east of Scotland.

4: Evaluation methodology

- 4.1 The process of evaluation has incorporated the following research methods:
- desk research – reviewing all relevant GCDP documentation, in particular the longitudinal research undertaken by Glasgow University PhD students
 - survey of GCDP participants
 - stakeholder consultations.

Review of longitudinal research

- 4.2 This was the initial phase of the study as it was important to review the work that had already been undertaken by two Glasgow University PhD students, identify any findings that could be incorporated into this evaluation and also highlight areas of research requiring further clarification.
- 4.3 The longitudinal research provided feedback from four cohorts of participants (a total of 45 participants) involved in GCDP. Cohort 1 involved 15 participants that started in 2000-01 and were interviewed on three occasions between 2003 and 2005. Cohort 2 included a further 13 participants recruited in 2002-03 and were interviewed twice during 2004 and 2005. This research was undertaken by the first PhD student. Cohorts 3 and 4 involved another 17 participants that started between 2003 and 2005 and were each interviewed once. We understand that phase two research for cohort 3 has been taking place over recent months.
- 4.4 For a number of reasons, it became apparent that although providing useful context and qualitative insights for this evaluation, the longitudinal research would be difficult to incorporate into our analysis. Different cohorts had been asked slightly different questions (the two researchers designed their own questionnaires). Furthermore, the open-ended nature of the questions used in questionnaires (and complexity of some questions) would have made consistent analysis problematic. Also, as the focus of these questionnaires has been qualitative research (as highlighted by the researchers themselves), questions on quantitative impacts were quite generalised and bundled, and have not adequately taken into consideration important factors such as displacement, substitution and leakage.

Summary of longitudinal research – qualitative feedback

- 4.5 Overall, the feedback from companies was positive across all four cohorts of companies. When asked about the impact of GCDP on different elements of internationalisation, companies stated that its greatest influence was in *changes in knowledge, learning, capabilities and skills of staff*. Other important elements were enabling companies to do *business on a larger scale*, helping with *access to overseas markets* and *changes in the number of employees*.

- 4.6 Based on a ranking of different GCDP activities, the *consultants' strategic review* had the greatest impact on the firms' internationalisation followed by the *preparation of the action plan* and the *development of the strategy*.
- 4.7 The main strength of GCDP was identified as the effective and professional approach of the GCDP team and consultants. The main weaknesses were the need for greater flexibility and the requirement for more follow-up support.

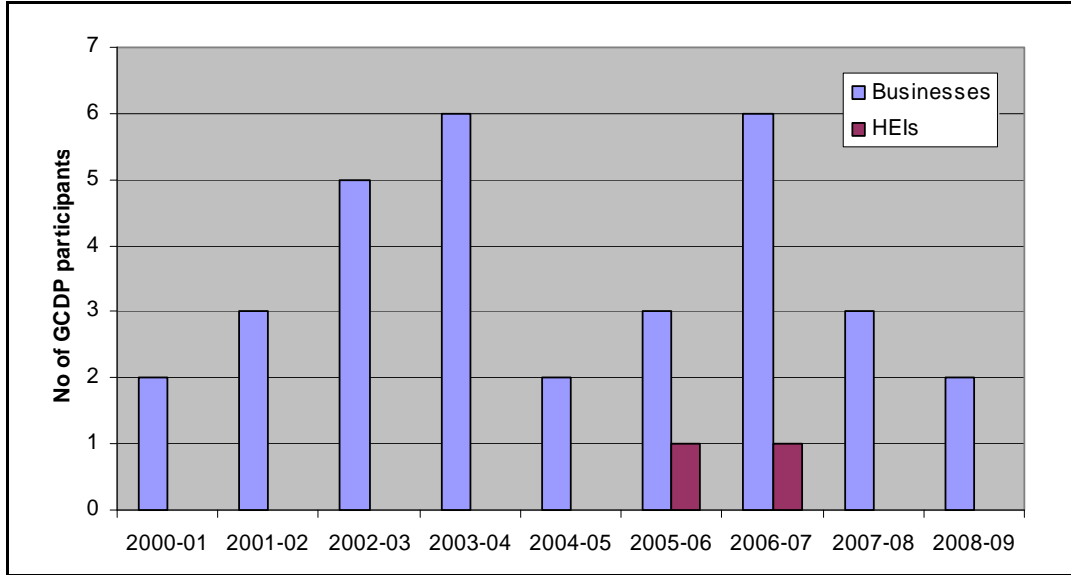
Survey of GCDP participants

- 4.8 In order to collate as much information as possible from GCDP participants, we undertook a two-stage survey. A list of 76 potential consultees (72 companies and four HEIs) was provided by SE at the start of the evaluation process. This list excluded companies that withdrew from the Programme, those that were no longer trading and those companies where the management team had changed significantly (and would therefore no longer have sufficient corporate memory of GCDP).
- 4.9 After an introductory email from the GCDP team, we sent out a link to an online questionnaire that included detailed questions regarding the performance of the company before joining the Programme and more recently. The questionnaire also asked companies to quantify, where possible, what proportion of any change in performance could be attributed to the Programme. Section 7 of the report explains the process of calculating gross to net impact, taking into account deadweight, displacement, substitution, leakage and multipliers.
- 4.10 We also conducted a series of telephone interviews with GCDP participants. These involved a more comprehensive set of questions regarding expectations of the Programme, the level of their involvement, how it was managed and delivered, and how it had an effect on the way they run their business.
- 4.11 Copies of the two questionnaires are attached as Annex B.

Profile of survey sample

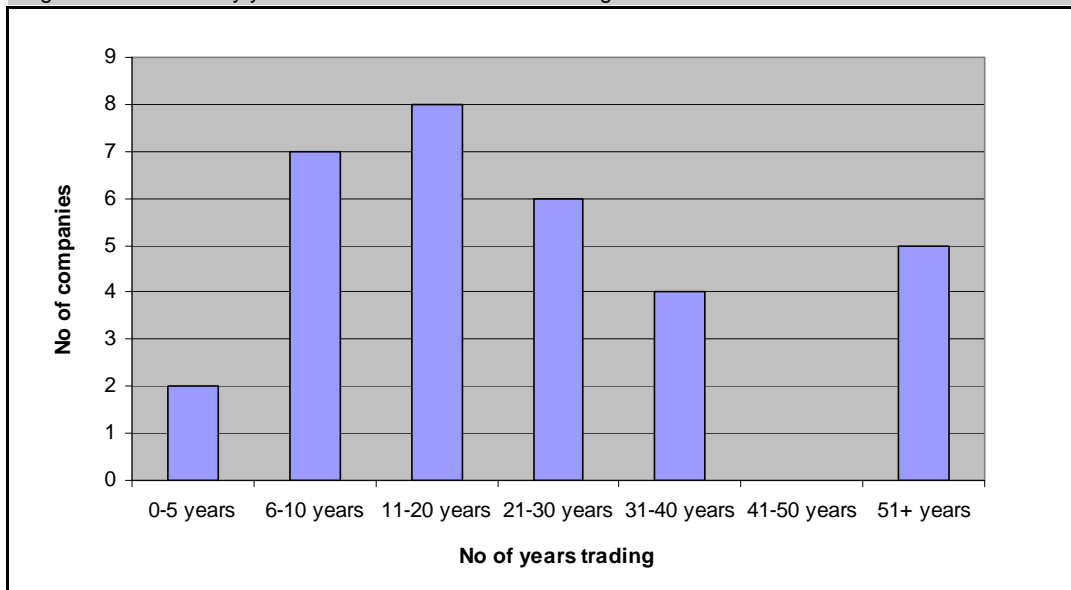
- 4.12 From the 72 companies put forward as potential consultees for this study, feedback was received from 32 companies, representing a response rate of 44%. Two of the four HEIs suggested for the study were also interviewed. Nineteen companies involved in this study also completed the online questionnaire.
- 4.13 Overall, the survey sample included a good cross-section of participants from the last eight years (Figure 4-1).

Figure 4-1: Profile of survey sample



4.14 Nearly all of the 32 businesses described themselves as an established business (18 months or older) when they joined the Programme. The remaining one company was a spin-out company. The average age of companies that have participated on the Programme (excluding three companies over 100 years old) is around 20 years. The Programme therefore has not penetrated to any great extent SE’s young growth company market. The range of age bands is shown below (Figure 4-2).

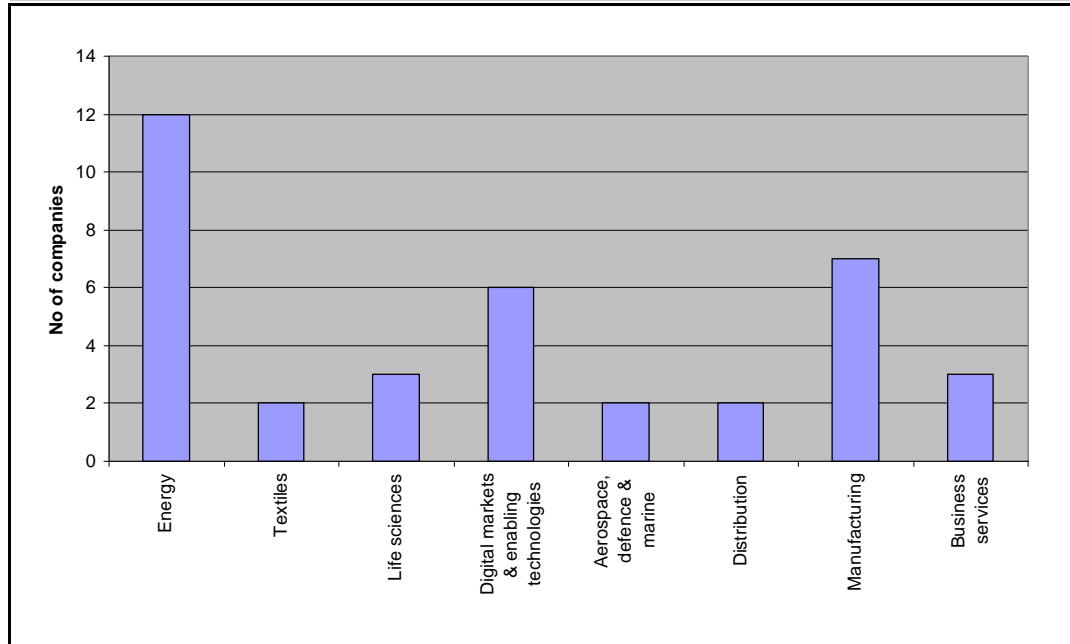
Figure 4-2: How many years has the business been trading?



Source: Telephone interview – 32 respondents

4.15 Over a third of companies involved in this study indicated that they operate in the energy sector (Figure 4-3). The other main sectors represented in the survey sample are manufacturing and digital markets & enabling technologies.

Figure 4-3: What sectors does your business operate in?



Source: Telephone interview – 32 respondents but some involved in more than one sector

Stakeholder consultations

4.16 The evaluation has also involved consulting with a range of stakeholders from SE, SDI, four consultants that have been responsible for delivering the Programme¹⁵, and three members of the Global Scot network. Interviews were mainly conducted on a one-to-one basis (either face to face or by telephone) although one focus group was organised for four Account Managers. Overall, the study included 29 stakeholder consultations.

4.17 Discussions with stakeholders were structured around the following headings:

- strategic fit – in 2000 and the current strategic context
- rationale and objectives – any evidence of market failure and barriers to market entry? What did the Programme aim to achieve?
- Programme delivery and management – effectiveness of the current delivery model, how does the Programme fit with other public sector interventions? How effective is the Programme management and monitoring?
- Programme impact – benefits to companies involved in GCDP, to what extent is the Programme meeting its original objectives?
- lessons for the future – strengths and weaknesses, is there a continuing need for/ demand for the Programme? Could/ should there be a different approach to Programme delivery?

4.18 A full list of consultees is attached as Annex E.

¹⁵ The consultants with most experience of the Programme were put forward by SE as consultees for this study.

5: Evaluation evidence from participants

- 5.1 This section summarises the feedback from the companies and Higher Education Institutions that have participated in the Global Companies Development Programme over the last eight years.

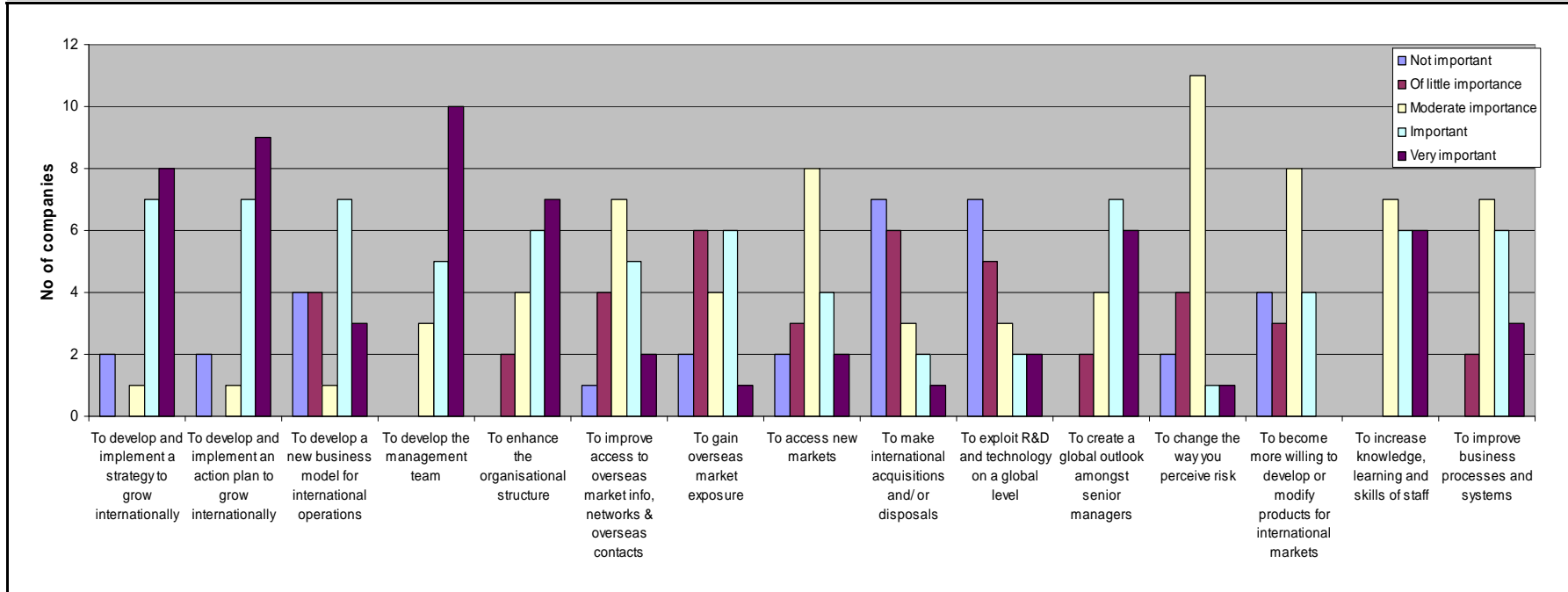
Feedback from companies

- 5.2 The sample size for our telephone based survey of businesses was 32. Nineteen of these businesses also completed the online questionnaire.

Reasons for participating and expectations

- 5.3 The four primary reasons for companies participating on the Programme were:
- to develop the management team (10 companies out of 19 respondents to the online survey stated that this was very important)
 - to develop an international strategy
 - to develop an international action plan
 - to enhance the organisational structure.
- 5.4 This is highlighted in Figure 5-1 shown on the following page. The other main messages in terms of motivation for getting involved in GCDP are:
- more than a third of the 19 online respondents stated that making more international acquisitions or exploiting R&D on a global level were 'not important'
 - eight respondents stated that developing a new business model for international operations was either 'not important' or 'of little importance'.

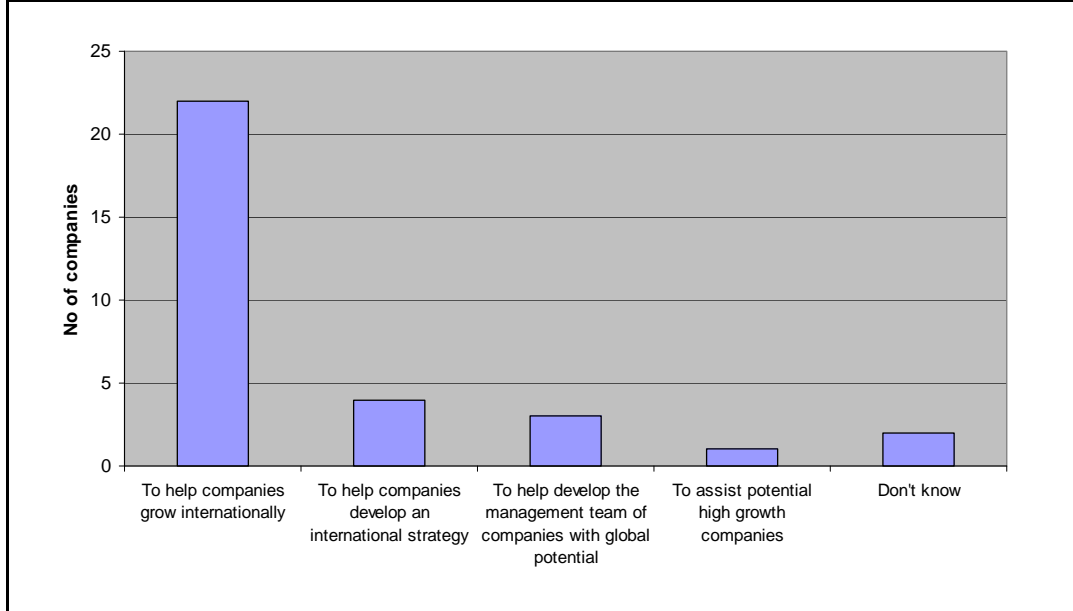
Figure 5-1: Reasons for participation in GCDP



Source: Web Survey - 19 respondents

5.5 Although businesses had slightly differing reasons for participation, there was a general recognition that the aim of the Programme was to help companies grow internationally. More than two thirds (22 companies) of the telephone interviewees identified that this was the aim of GCDP (Figure 5-2).

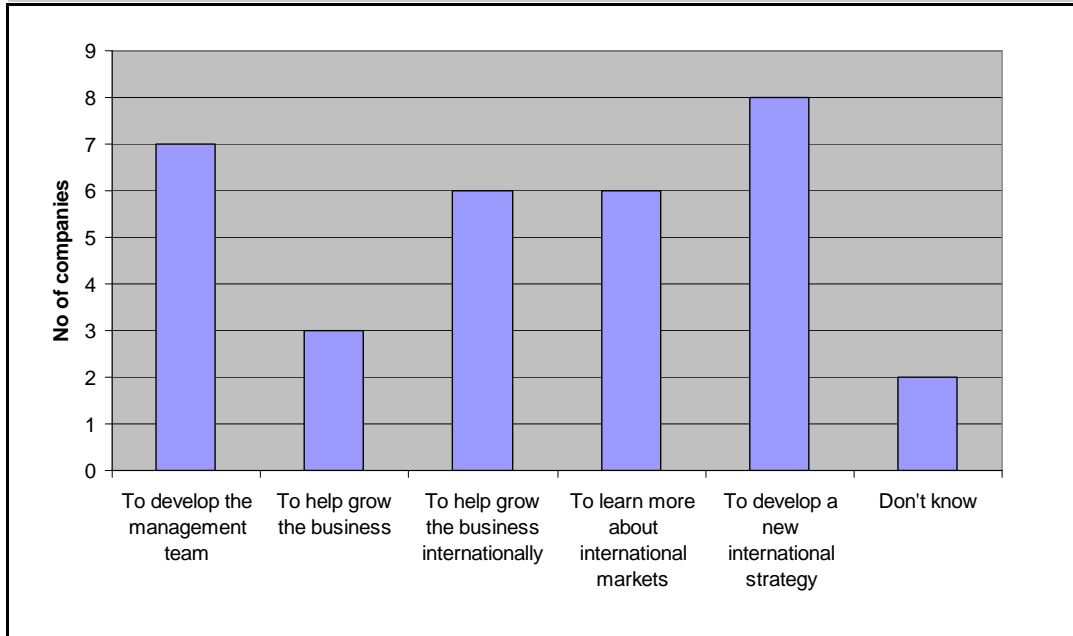
Figure 5-2: What do you understand to be the original aims and objectives of the GCDP?



Source: Telephone interview – 32 respondents

5.6 The sample of businesses interviewed by telephone also highlighted their main expectations of the Programme were to either develop an international strategy or to develop the management team. This was identified by eight and seven companies respectively (see Figure 5-3).

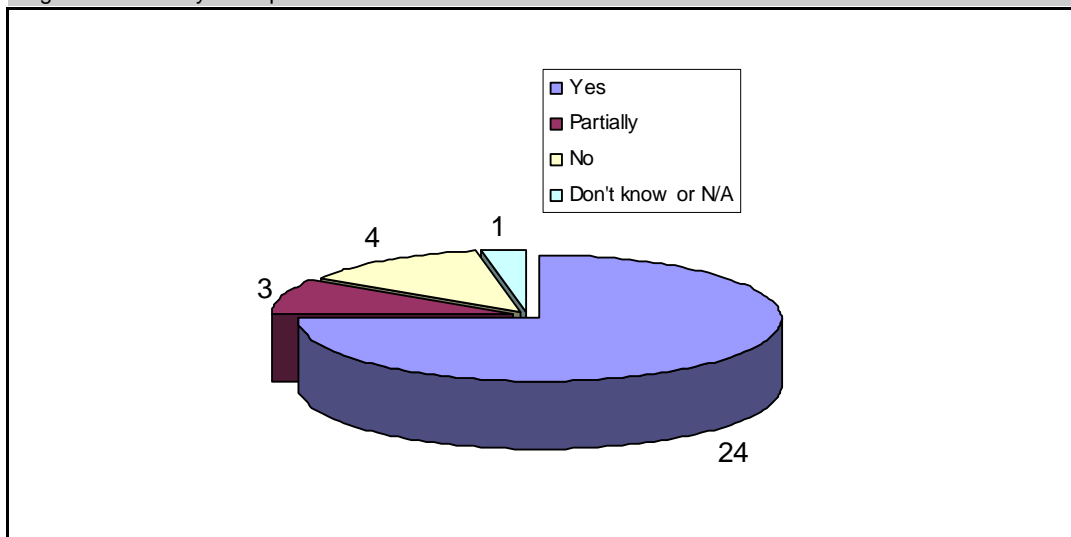
Figure 5-3: What were your expectations of the Programme?



Source: Telephone interview – 32 respondents

- 5.7 Three quarters of respondents stated that the Programme had met their original expectations (Figure 5-4).

Figure 5-4: Have your expectations of GCDP been met?



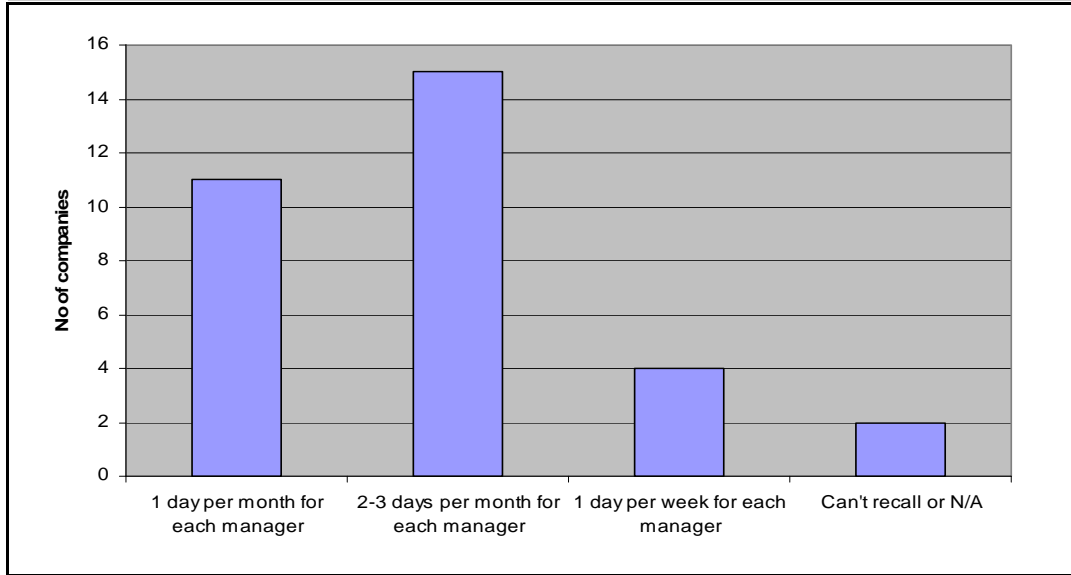
Source: Telephone interview – 32 respondents

- 5.8 Nearly half (14) of the companies interviewed indicated that lack of knowledge of international markets was a barrier for companies wanting to become global. The other major barrier identified by nine companies was lack of management team skills. Over half of the companies thought that these barriers are still relevant today (nine companies stated 'yes' and another seven said 'partially' when asked if these barriers still exist today).
- 5.9 The main referral mechanism for companies joining the Programme was through their Account Manager - this was the case for 18 companies (out of 32). A further 11 companies were referred on to the Programme through a combination of their Account Manager and the GCDP team or through the SE priority industry teams.
- 5.10 Just under half of the companies (15) stated that prior to joining GCDP, they had a significant level of involvement with SE. For eight companies, there had been some limited involvement and the remaining companies said either that there was no involvement (eight companies) or they could not recall (one company).

Programme delivery

- 5.11 Based on the responses from those companies that could remember, the Programme was delivered within the year. Ten companies said the Programme took less than six months, another 10 indicated it took between six and 12 months and one stated between 12 and 24 months. The remaining eight companies that have completed the Programme could not recall the length of time involved in GCDP.
- 5.12 In terms of the contribution required from the companies whilst involved on the Programme, most companies stated that it usually required two to three days each month and the same from each manager, with often five or six senior managers involved (see Figure 5-5). For four companies, the process was very resource intensive and involved a day a week.

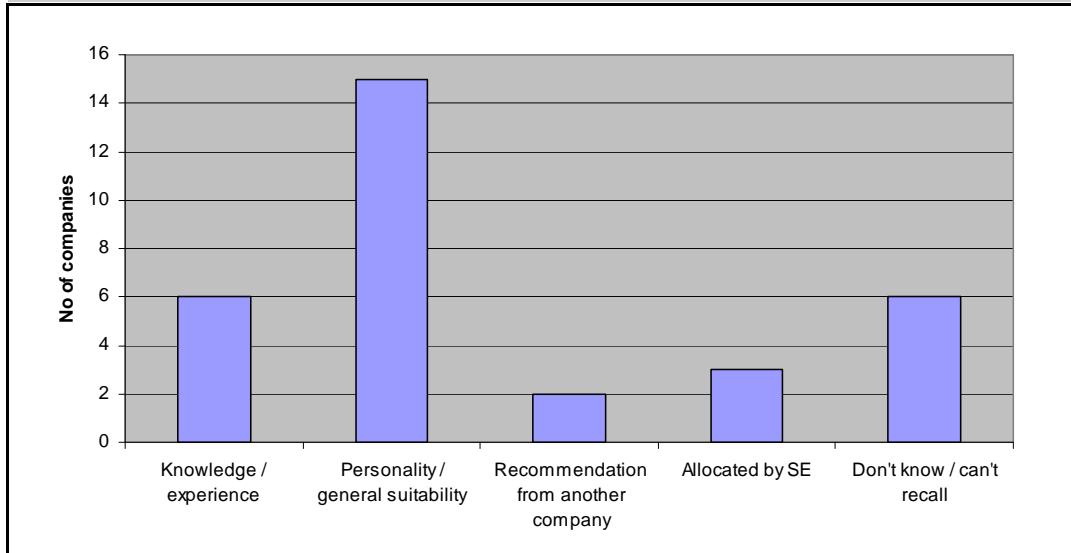
Figure 5-5: How much of your time and your colleagues' time has been required to be involved in the Programme?



Source: Telephone interview – 32 respondents

5.13 Discussions with companies involved in GCDP highlighted the importance of the relationship between themselves and the consultant responsible for delivering the Programme. When asked how they selected the consultant (from the two or three options provided by SE), just under half of the companies described how it often came down to the personality of the consultant and whether the company thought that it could work with the individual. A further six companies highlighted that their decision was based on the experience and knowledge of the consultant (Figure 5-6).

Figure 5-6: What criteria did you use to select the consultant that has delivered the Programme?

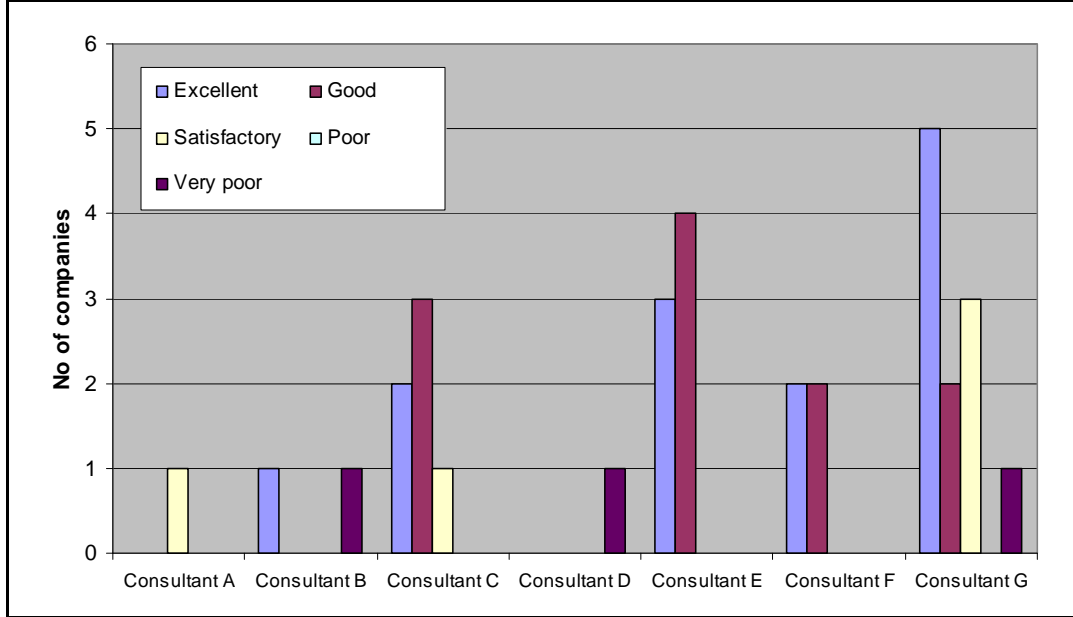


Source: Telephone interview – 32 respondents

5.14 More than two thirds of respondents viewed the consultancy approach as either 'excellent' (12 companies) or 'good' (10 companies). Only three companies were negative about the approach (and this was based on their individual experience with the consultant). The remaining five companies stated that it was satisfactory.

5.15 These ratings are broken down by consultant (anonymised) in Figure 5-7 below. Although most companies were very positive about the consultant approach, the range of responses from companies that dealt with ‘Consultant G’ illustrates that what works with one company may not work so well with another.

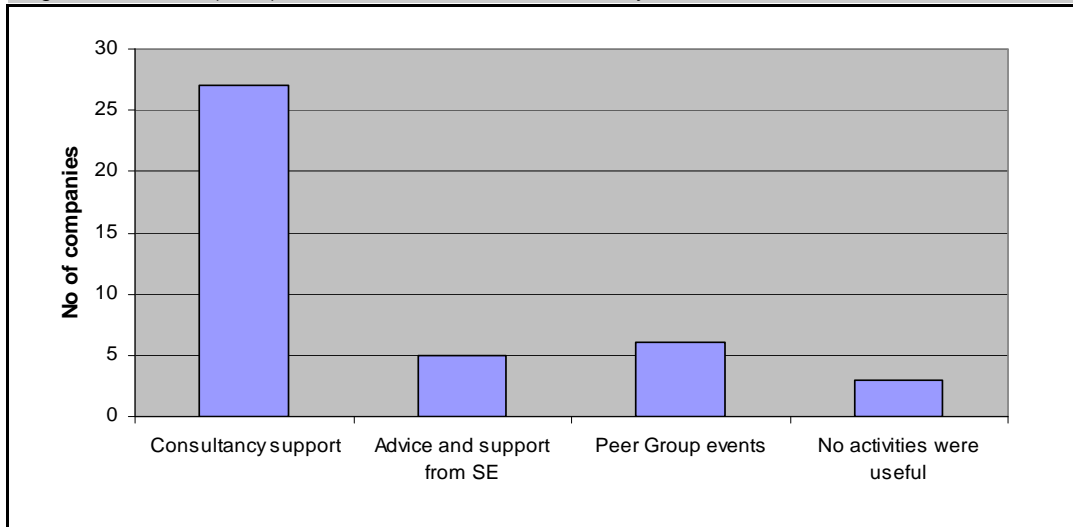
Figure 5-7: Ratings of consultancy approach



Source: Telephone interview – 32 respondents

5.16 As would then perhaps be expected, the most useful part of the GCDP according to businesses was the support and expertise provided by the consultants - this was highlighted by 27 companies (Figure 5-8). Six companies highlighted the peer group events as an important element and five mentioned advice and support from SE (GCDP team and Account Manager).

Figure 5-8: Which (three) activities have been most useful to your business?¹⁶

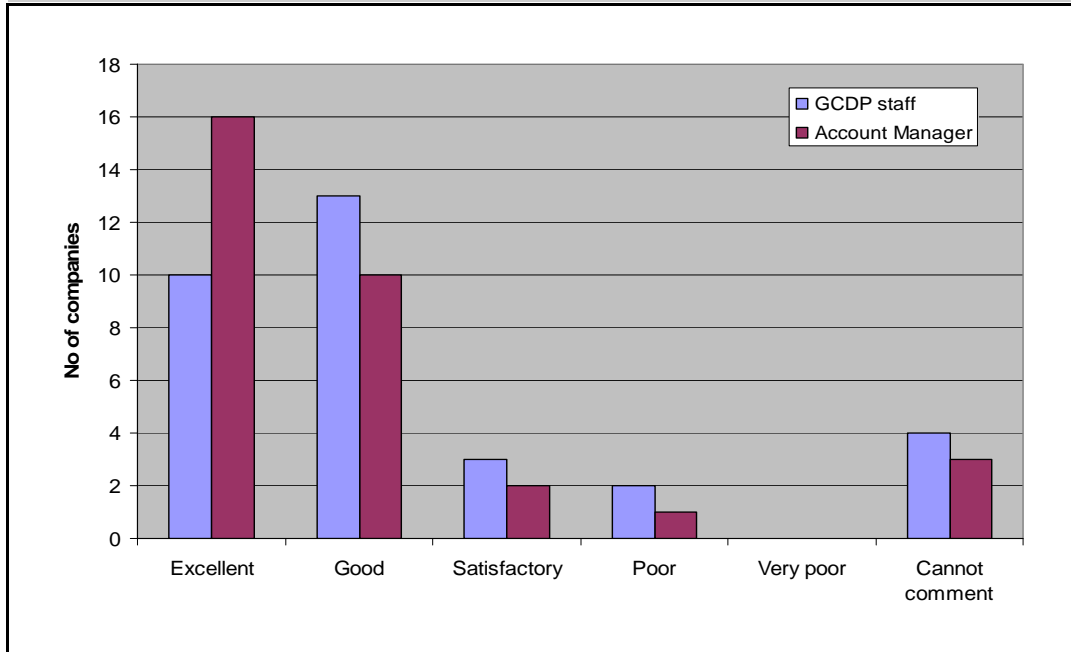


Source: Telephone interview – 32 respondents

¹⁶ Although the original question asked for three activities, the majority of companies just highlighted the one activity that they found most useful.

- 5.17 In addition to the positive feedback regarding the consultants used to deliver GCDP, companies have also indicated that they are very satisfied with the way in which the Programme has been managed by Scottish Enterprise (involving the GCDP team and Account Managers).
- 5.18 More than two thirds of companies stated that the management by GCDP staff was either good or excellent. This figure was even higher in relation to the performance of the Account Managers (Figure 5-9).

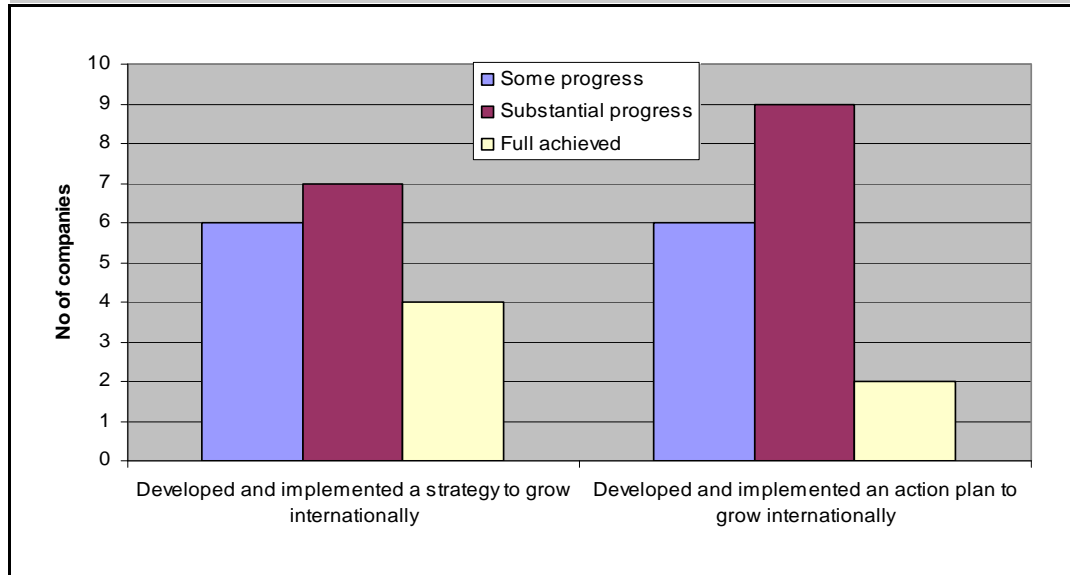
Figure 5-9: How effectively has the Programme been managed by SE?



Source: Telephone interview – 32 respondents

- 5.19 Although 26 companies (out of 32) stated that they have completed the Programme and developed a GCDP action plan, a lower proportion of companies in the online questionnaire stated that they have *implemented* either their GCDP strategy or action plan. Four companies (representing 23%) indicated that they have developed and implemented a strategy to grow internationally but only two companies have implemented an action plan (Figure 5-10).
- 5.20 This difference perhaps reflects the fact that actually implementing a strategy or action plan is likely to take these companies a number of years to complete. All companies, even those that have recently joined the Programme, consider that *some* progress has been made in developing a GCDP strategy and action plan.

Figure 5-10: What progress has been made in developing and implementing a GCDP strategy and action plan?



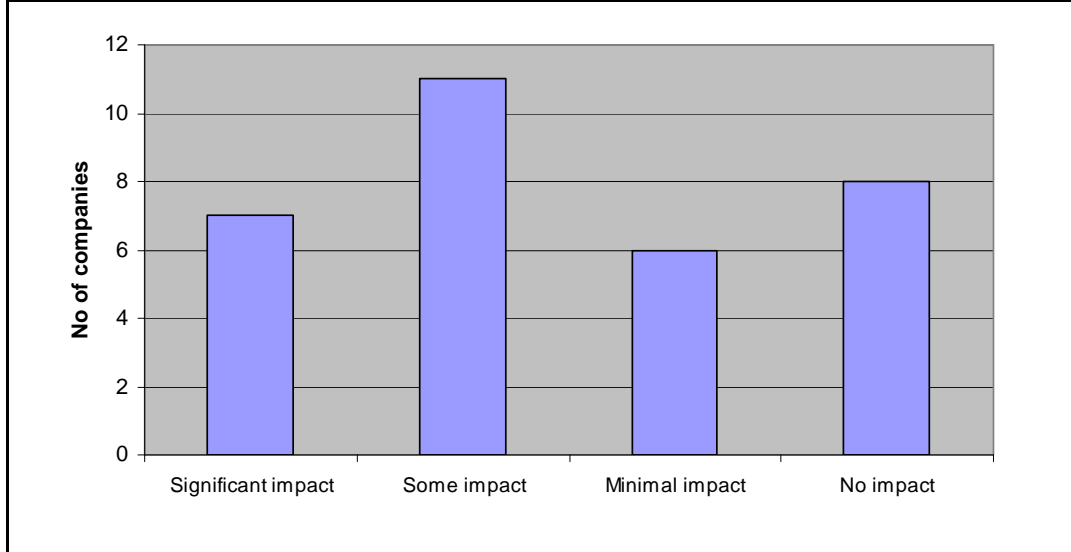
Source: Web Survey – 17 respondents

- 5.21 For each of the reasons or objectives that companies had for getting involved in GCDP (refer back to Figure 5-1), we then asked to what extent these objectives had been achieved. Most progress has been achieved against those same objectives that attracted companies to become involved in the first place.
- 5.22 More than half of companies (10 out of 19 online respondents) stated that substantial progress has been made in developing the management team. One other company stated that this had been ‘fully achieved’. Ten companies also indicated significant progress (nine ‘substantial’ and one ‘fully achieved’) in creating a global outlook amongst senior managers. Nine companies also highlighted substantial progress in increasing the knowledge, learning and skills of staff.
- 5.23 More than two thirds of companies stated that they received some follow-up support. Fifteen companies indicated that they have been supported by SE in the implementation of their GCDP action plan and a further 10 companies said they have had support from a combination of SE and the consultant that delivered the Programme.

Impact of the Programme

- 5.24 As discussed earlier in the report, one of the main aims of this Programme was to accelerate the growth of more Scottish global companies. Seven out of the 32 companies in our survey believed that the Programme has had a significant impact on the internationalisation of their company (Figure 5-11). Five companies stated that support from GCDP helped them open up new premises overseas (China, Holland, Germany, the US and Singapore) and the other two said that it helped them increase their sales in overseas markets. Another 11 companies believed that it has had some impact. The remaining 14 companies said that it has had minimal (six companies) or no impact at all (eight companies).

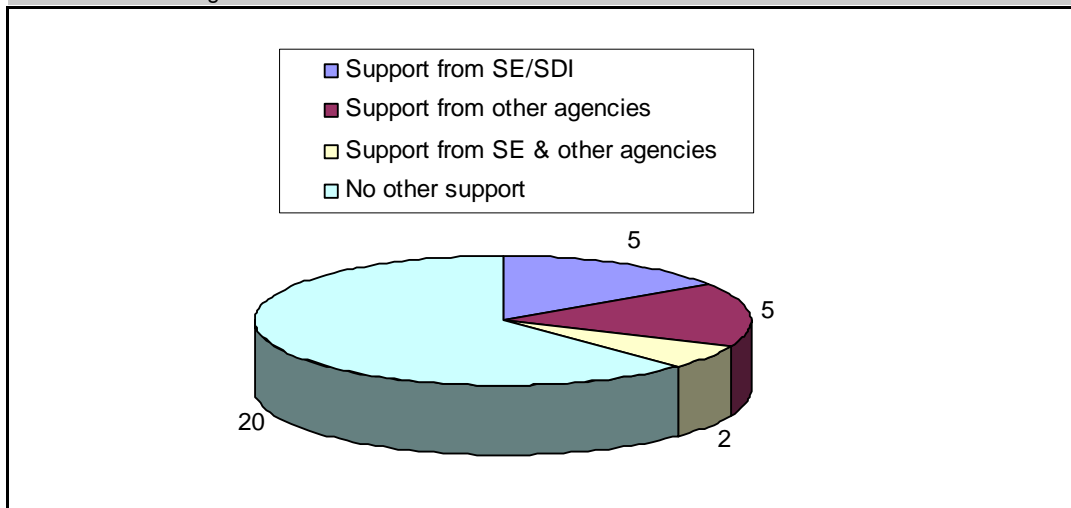
Figure 5-11: How has the Programme contributed to the internationalisation of your company?



Source: Telephone interview – 32 respondents

- 5.25 In terms of GCDP’s importance to the company’s overall performance, seven companies said that it has been vital and a further 15 stated that it has been extremely helpful to the company. One company stated that if it had continued to trade only in Scotland, it may not still be in business. This company therefore estimated that all its increase in sales/profits outside Scotland was down to the GCDP. Another company described the Programme as fundamental in filling the skills gap at the management level.
- 5.26 Only 12 companies stated that they had received support from other public sector programmes or initiatives since they first became involved in GCDP (Figure 5-12). The other types of support included SDI projects, RSA grants, R&D funding from BERR and the European Commission, UKTI market information, and grants from their Local Authority.

Figure 5-12: Has your company received support from other public sector bodies since you have been involved in the Programme?



Source: Telephone interview – 32 respondents

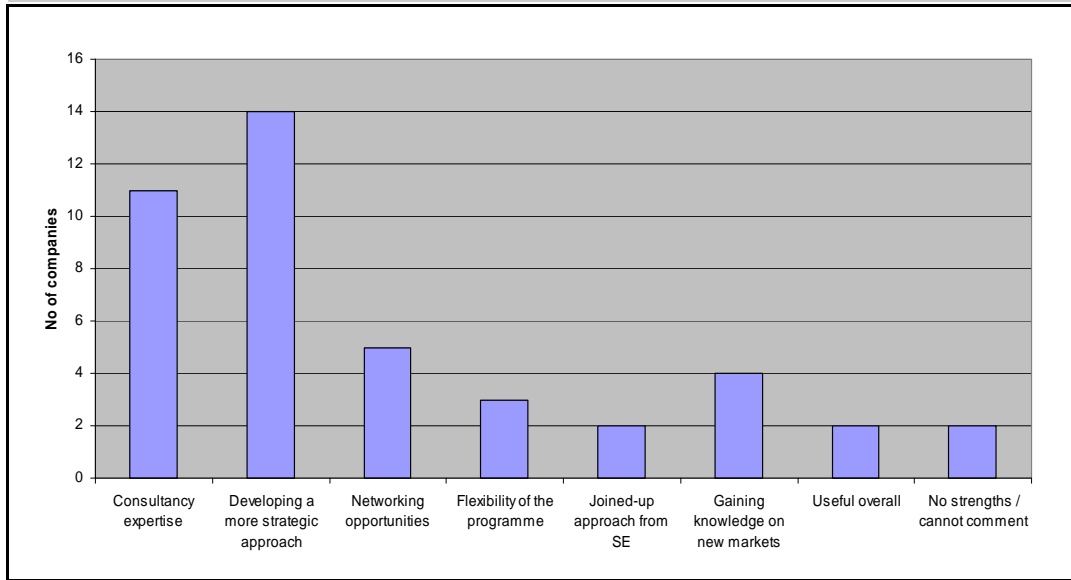
- 5.27 Based on their experiences of other public sector initiatives, 75% of companies (24) stated that they believed that GCDP fits well with the other support programmes available to

businesses. Only two companies thought that it did not fit well – one believed it was too isolated whilst the other company had a negative view overall of the Programme’s effectiveness. The remaining six companies were unable to comment.

Learning and development

5.28 The key strengths of the Programme as identified by the companies have been the opportunity to develop a more strategic approach (stated by 14 companies) and more specifically the opportunity to access expertise provided by the consultants (according to 11 companies). The other main strengths are shown below (Figure 5-13). These findings are in line with the Programme strengths as identified by the longitudinal research (by Glasgow University PhD students).

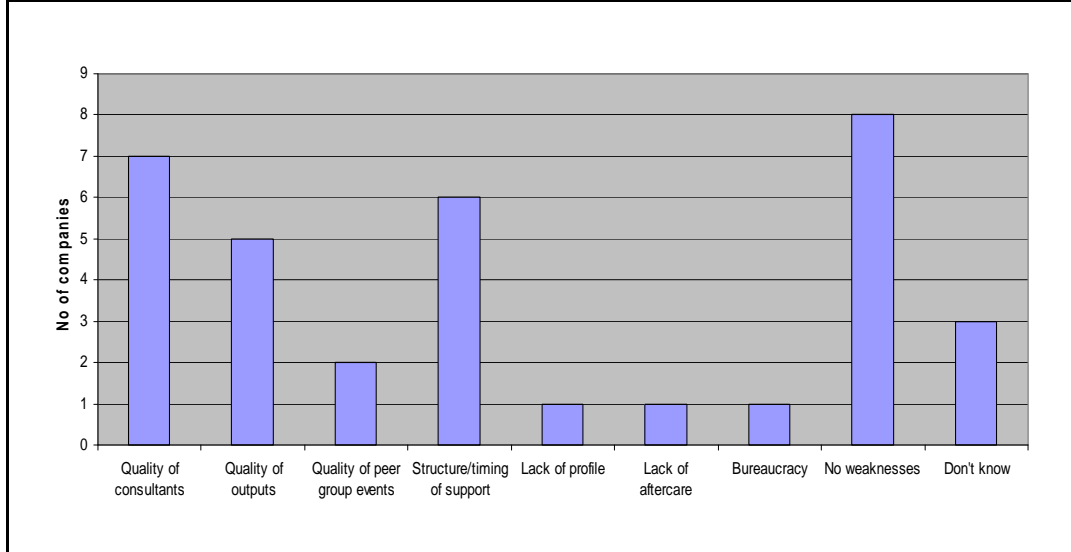
Figure 5-13: What are the main strengths of the Programme?



Source: Telephone interview – 32 respondents but some suggesting more than one strength

5.29 A third of companies were not able to highlight any weaknesses of the Programme: of which eight companies actually stated that there were none (Figure 5-14). Some companies had overall concerns over the quality of the consultants that they dealt with whilst others identified weaknesses in specific outputs arising from the consultant’s support.

Figure 5-14: What are the main weaknesses of the Programme?

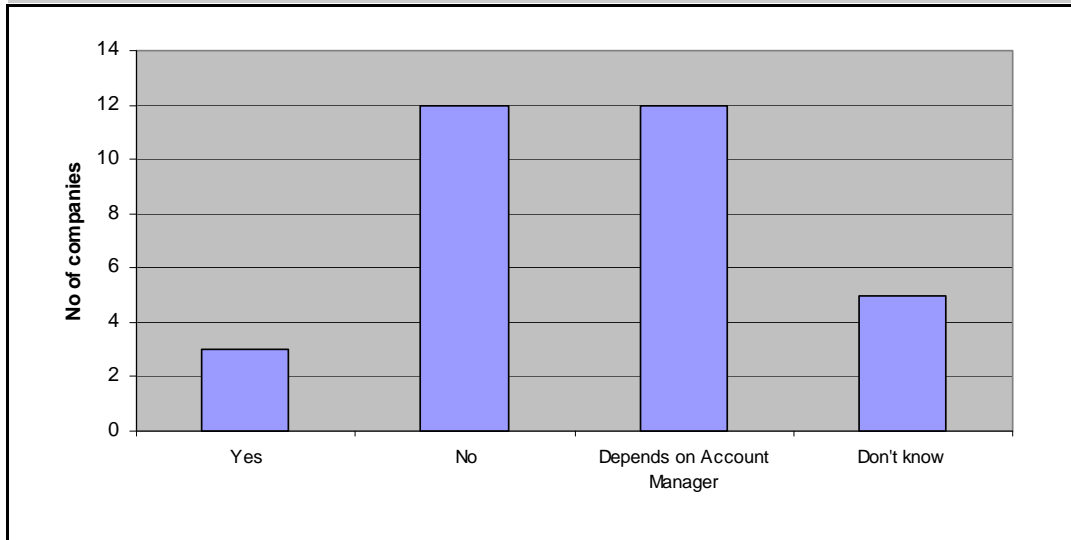


Source: Telephone interview – 32 respondents but some suggesting more than one weakness

5.30 The suggested changes to the Programme follow on from these perceived weaknesses. For example there were some comments about ensuring that consultants have sufficient knowledge and experience of the company’s sector and also improved aftercare to review the company’s progress in implementing the action plan.

5.31 Only three of the companies believed that the Programme could be facilitated by the Account Managers (Figure 5-15). Twelve companies believed that it could not be facilitated by the Account Managers (primarily because of the time that would be required to facilitate the Programme) and the remaining companies were not sure, stating that it would depend on the experience and capabilities of the Account Manager.

Figure 5-15: Do you think that the Programme could be facilitated by your Account Manager instead of the GCDP team?



Source: Telephone interview – 32 respondents

Other feedback from companies

- 5.32 Over the years, SE has compiled two DVDs of company testimonials that reinforce their positive experience of GCDP. A summary of their comments is attached as Annex D.

Feedback from universities

- 5.33 This feedback is based on consultations with two universities.
- 5.34 From the universities' perspective, the main benefits of participating in the Programme have been the development of internal processes and a greater focus on overseas markets. Similar to feedback from many of the companies, the fact that the Programme forced senior staff from different management functions in the university to come together to review their international strategy was a significant achievement in itself. One university highlighted its 'Framework for International Development' that was developed as a result of the support from GCDP. The Programme also helped both universities in developing a more strategic approach to the European Commission's Framework Programme 7. Previously each faculty had dealt with the Commission separately.
- 5.35 There was no quantified impact reported as result of participation in the Programme mainly because it was too early to establish. The universities also stated that in any case it would be very difficult to attribute monetary benefits to the Programme.
- 5.36 Both universities also questioned whether the GCDP consultants had sufficient knowledge and understanding of the Higher Education sector and its particular challenges of developing an international strategy. The university interviewees suggested that these are likely to be quite different to the issues facing companies as they attempt to internationalise.
- 5.37 Nevertheless, the Programme was considered to be beneficial and the universities interviewed would participate in it again. In terms of future development, there is scope for more aftercare once participants have completed the Programme and also more support for targeting specific overseas customers and markets.

6: Evaluation evidence from stakeholders

- 6.1 Twenty-nine stakeholders were consulted from SE, SDI, the Global Scot network and the consultants responsible for delivering the Programme. In order to present a 360 degree analysis of the Programme we have summarised the feedback by stakeholder group.

Scottish Enterprise and SDI staff

Strategic fit and rationale

- 6.2 It was agreed that GCDP had a good strategic fit and rationale when it was set up and in indeed within the current context. It was stated that in a globalised economy, companies need to be more outward-looking and that SE should be helping companies with ambition and capability to grow internationally. In particular the support should be ensuring that the management team has the right structure and capabilities to implement an international/global strategy. Many Scottish SMEs are involved in mature domestic markets and so the only way for them to grow is outside the UK.
- 6.3 Consultees believed that the key market failures that GCDP was designed to address were lack of leadership and strategic thinking, and a lack of knowledge about new markets. In some industries such as oil and gas, companies are required from a young age to consider markets other than the North Sea. It was reported that for some of these companies, there is a tendency to follow opportunities without having a clear strategy. It was claimed by some consultees that the current economic climate would make companies more reluctant to invest overseas, thereby reinforcing the need to provide this type of support.
- 6.4 It was suggested the context for GCDP has changed slightly and that new international opportunities have emerged for Scottish companies since the Programme was set up in 2000. In the last few years there has been much more of a focus on the Asian market, in particular China and India.
- 6.5 There appears to be some confusion about the original objectives of GCDP. As discussed in an earlier section of the report, the aim of this Programme was to accelerate the growth of more Scottish global companies and help companies internationalise beyond just exporting. However, most consultees have stated that the original objectives were to help companies develop an international strategy and to prepare the management team to be able to operate internationally (developing the capacity within the management teams).
- 6.6 Most consultees have stated that increasing the number of global companies was not an objective of the Programme. They added that this would only be achieved through a combination of other factors, including accessing a range of SE/SDI support.
- 6.7 Some within SE view the aim of the Programme as developing an international strategy, something that, according to them, other products can also address. Other consultees have

highlighted that the main difference is that GCDP focuses more on management development.¹⁷

Programme delivery and management

- 6.8 Most of the SE and SDI consultations indicated that the delivery and management of GCDP could be more effective than is currently the case. The issue of referrals was identified as a major issue in terms of how the Programme is being delivered. The number of referrals onto GCDP from LECs/regional offices has been largely dependent on the support for the Programme within local management. In the last year or so there have been fewer referrals.
- 6.9 The main issue appears to be around the profile of GCDP and limited understanding and knowledge of the product amongst Account Managers who are responsible for making referrals. In recent years there has been significant ‘churn’ of Account Managers which has affected levels of awareness. Furthermore, for some longer standing Account Managers the Programme has been perceived as an ‘*Atlantic Quay product*’. The apparent low profile of the GCDP amongst Account Managers would therefore appear to be due to lack of understanding by some and a lack of awareness by others.
- 6.10 The current system of selecting companies for the Programme was thought to be more appropriate than marketing the product directly to companies. It was pointed out that SE account manages around 2000 companies and that this product is only appropriate for a very small sub-group. Internal consultees were confident that SE has a good system and criteria for selecting the right companies to support.
- 6.11 GCDP was mainstreamed in SE in 2005 at the same time as Companies of Scale was launched. Other products have also been introduced and many Account Managers are either unsure about what GCDP involves or believe there are other products more suitable for their companies. The other programmes and products mentioned by consultees included Companies of Scale and International Strategy Workshop. One consultee questioned why there should be a separate product for international strategy development, since companies already receive ongoing support for business strategy (and ‘*surely international activity would be part of that same strategy for the business as a whole*’).
- 6.12 According to a number of consultees, GCDP has evolved over time and now needs to regain or better promote its distinctiveness. In terms of its fit with other interventions, the Programme sits between strategy development (support provided or organised by the Account Manager) and new international market development (this support is provided by SDI). Those who have been closely involved in the Programme highlighted that its ‘USP’ in terms of management team development needs to be better promoted. The Programme’s fit with other products is discussed in more detail later in the report.
- 6.13 The feedback suggested that GCDP was most successful when delivered by SDI (2002-05) when there was a team of five to six people, with additional resources to promote it internally (within SDI and SE) and organise peer group events. During this period, it also had a higher profile and was generally considered as a ‘prestige product’.

¹⁷ Those consultees that highlighted the generic management development element of GCDP acknowledge that promoting this aspect more strongly may make it difficult to sell the GCDP to companies.

- 6.14 More flexibility has been introduced over the years in terms of Programme delivery. Companies are now able to have between five and ten days consultancy support if this is deemed more appropriate instead of the initial 20 days. The flexibility of how GCDP is delivered and the fact that there was a good choice of consultants were highlighted as strengths of the Programme.
- 6.15 For those consultees with more limited direct experience of the Programme, there was some uncertainty about the role of the GCDP team. Some Account Managers also stated that the GCDP needed to manage the consultants more effectively, ensuring better communication throughout the process of the Programme.
- 6.16 The peer group events were regarded as an important part of the Programme, providing valuable networking opportunities. Some consultees expressed disappointment that these events have become less frequent in recent years.
- 6.17 Although there has been little if any impact on the delivery and management of GCDP since the restructuring of SE in 2007, consultees believed that in theory the new structure should facilitate the internal promotion of the Programme.

Impact of the Programme

- 6.18 Feedback from the companies, via the stakeholders, on the impact of the Programme has been very positive. They indicated that the improvement in business performance (turnover, employment and GVA) of GCDP participants demonstrates the positive effect of the Programme. They also recounted some discussions with companies who maintained that without GCDP support they may not still be in business.
- 6.19 Assisting the management team to refine their strategy and structure, and becoming more focused in their international activities have been the main benefits to companies. Although sometimes difficult, companies have appreciated being forced to think about what they were doing and why they were doing it. In some cases companies have been provided with decision-making and market analysis tools, and their GCDP action plans have continued to be useful for the company.
- 6.20 Many consultees highlighted that in addition to helping companies develop their international strategy, the Programme also assisted other companies to realise that investing in international markets was not appropriate for them at that particular point in their development. In this sense although the Programme is not directly assisting the company to go global, it is assisting the company more generally.
- 6.21 In addition to specific benefits to companies, consultees highlighted that GCDP was helping to create a network of internationally savvy business leaders which has been facilitated by the GCDP peer group.
- 6.22 However, some consultees were sceptical about being able to demonstrate any direct link between the Programme and an increase in the number of Scottish global companies or an increase in company's overseas activities.

Lessons for the future

- 6.23 All consultees believed that there continues to be a demand for this type of support for companies. One consultee stated that in addition to the enthusiasm from companies there is no real alternative to supply this demand. The difference of opinion amongst stakeholders concerned whether GCDP was the best way to address this demand. This relates back to the issue of limited awareness of the Programme's distinctiveness relative to other SE products and processes.
- 6.24 Helping companies to think more strategically and longer term was identified as the main strength and this was primarily as a result of the successful consultancy-based approach.
- 6.25 The main weakness of GCDP was seen to be the lack of profile and understanding within SE about how the Programme differs from other types of support. According to some internal consultees, Account Managers see the output of the Programme as the international strategy / action plan. These same consultees highlighted that the 'real' output is actually the development of the management team, which is less tangible.
- 6.26 It is believed by some consultees that limited awareness has led to a lack of 'buy-in' from Account Managers and other SE managers which is then having a negative impact on the referral process.
- 6.27 There were mixed views on whether the Programme could be facilitated by Account Managers. It was thought that this is likely to depend on the abilities/experience of the Account Manager and how well they understood the work of the GCDP team.
- 6.28 If GCDP is to continue, consultees stated that there needs to be better awareness and understanding within SE and SDI which will speed up the referral process. A clearer monitoring framework was also suggested with relevant indicators and targets that would help internal stakeholders understand what the Programme is achieving.
- 6.29 Other suggested improvements put forward by SE/SDI consultees included:
- improved management of the consultants ensuring better three way communication between the GCDP team, consultant and Account Manager
 - changing the name of the Programme – perhaps to better reflect the emphasis on management development
 - limit the use of flexible financial products since these should only be used as a last resort (this product is explained in Section 8)
 - restructuring peer group events – more regional events to encourage attendance, more specific subjects and sector-based events. However, some companies welcome the general topics where they meet companies from different sectors but with similar issues.

Consultants

Strategic fit and rationale

- 6.30 The four consultants interviewed as part of this study stated that there was a strong rationale for this type of Programme both when it was set up and also today. They viewed the Programme as assisting sustainable economic development for Scotland, encouraging smaller SMEs to scale up through more international activity.
- 6.31 The Programme was seen as helping companies to review and prepare their international strategy and build capacity in the management team. It was highlighted that many management teams of companies with around £10-50 million turnover are so busy with the day-to-day running of the business that they do not pay sufficient attention to strategy and long term planning. Many do not even have regular management team meetings. The consultants have also found that there is often under-investment in HR and marketing, and limited knowledge of international markets. Another potential barrier to internationalisation is often the CEOs' entrepreneurial spirit which can lead to 'chasing' opportunities.
- 6.32 The original objectives were identified as creating companies of scale through increased knowledge and awareness of global markets and developing a more strategic approach amongst management teams.

Programme delivery and management

- 6.33 The current referral system was highlighted by all four consultants as a weakness of the delivery model and something that has become less effective in recent years. One consultant described the system of company selection as 'bottom-up', relying on Account Managers to identify and refer the 'right' companies on to the Programme. According to the consultants, the effectiveness of this process depends on the quality of the Account Manager and the type of relationship that they have with the company (it was suggested by two of the consultants that some Account Managers may not be comfortable dealing with the strong characters of CEOs and instead deal mainly with operational managers within the company). The churn of Account Managers (and the subsequent lack of awareness of GCDP) was also identified as a problem with the referral process.
- 6.34 It was suggested that a more effective system would be a 'macro' or 'top-down' approach targeting key companies in the priority sectors, with SE involving the consultants more in the referral process. This, it was argued, would enable the Programme to recruit companies that can genuinely become global companies.
- 6.35 It was agreed that GCDP needed to be better managed and promoted within SE – the consultants are aware of the confusion that exists amongst some Account Managers (about GCDP and its fit with other products) and believe that this is hindering the referral process. The consultants could not however specify whether this confusion was due to lack of understanding on the Account Managers' part or lack of sufficient promotion by GCDP staff.
- 6.36 They believed that the model of delivery has generally worked very well and pointed to the more effective period of Programme delivery three or four years ago when there was a critical

mass of companies being referred and sufficient resources within SE to manage the Programme.

- 6.37 One consultant remarked that it was ironic that as the Programme has lost impetus over the last couple of years staffing has been scaled down but the number of GCDP consultants has actually increased.

Impact of the Programme

- 6.38 All four consultants believed that GCDP is an important Programme that has delivered significant benefits to companies and is meeting its original objectives. Two of the consultants described GCDP as one of the most successful business support programmes in the UK.
- 6.39 The feedback that consultants have received from the companies has been very positive. The main benefits have reportedly been the development of the management team and developing a business model that can be applied to new overseas markets. The consultants argued that the improved business performance of the companies they have supported indicates the success of the Programme.

Lessons for the future

- 6.40 The consultants agreed that there remains a need to continue this type of support. In the current economic climate they believe the market failure argument for the Programme is stronger, and that SE should make sure that Scottish companies are ready for the new opportunities when the economy recovers. Many Scottish businesses in the priority industries are in mature domestic markets and should be encouraged to look overseas. This Programme is required to stimulate the management teams to think how they can implement a global strategy.
- 6.41 Identifying the right companies for the Programme was highlighted as a key lesson for the future. The consultants described how since some companies were not actually ready to ‘go global’, more basic management development support was required before even considering international investments. This reinforces the suggestion that some companies have been referred onto the Programme without really having the capacity to go global. As was discussed earlier, GCDP was designed to ‘*help companies who have already taken the decision to go global to do it quicker, better and with a greater scale than they might have otherwise done*’.¹⁸
- 6.42 The strength is the in-depth support that the companies can get from the consultancy work and the confidence that this gives them. There is also great value in the peer group events where companies can learn from each other.
- 6.43 Whilst there is scope for this type of intervention, it was agreed that the delivery model needs to be improved primarily through more resources for the GCDP team and fewer consultants (the latter more in line with the scale of the Programme). It was suggested that the cluster model in the priority industries would be a good example for delivery of GCDP (the

¹⁸ SE Internal Paper (1999), *Global Companies Development Process Pilot – Project Paper*

consultant referred to the Food and Drink team which has around 4-5 staff and an administrator).

- 6.44 Suggested improvements to the Programme included changing the name (going 'global' scares some companies), allowing the GCDP team to recruit companies directly, and ensuring that companies have sufficient support to implement their action plans.

Global Scots

- 6.45 Global Scots is a network of over 900 influential business leaders who are committed to generating opportunities for Scotland. Two of the three Global Scots consulted as part of this study have experience of GCDP through involvement at the peer group events. The other consultee was involved in his previous job as CEO of one of the early participants.
- 6.46 GCDP is considered to be an important Programme that assists Scottish companies to become more international. It has helped to address the common issues of accessing finance developing the skills and knowledge to go global and effectively provides an incubation process for ambitious SMEs. It is believed that there is a natural temptation for small companies to concentrate on the domestic market.
- 6.47 Overall, the consultees stated that based on their experiences and conversations with GCDP companies, the current delivery model is working well. The networking opportunities provided by the peer group events was highlighted as a major strength and it was suggested that companies welcomed being part of a cohort of 'companies with potential'. One of the Global Scots explained how he has maintained a mentoring-type relationship with one of the GCDP companies that he met at an event five years ago.
- 6.48 Another consultee stated that the Programme should make more effective use of the network of 900 Global Scots, many of whom are resident in Scotland. It was suggested that more of these people could be used to coach some of the GCDP companies or have non-executive roles in the companies. Establishing an Advisory Board of external business people to oversee the development of the Programme was also suggested.
- 6.49 The Global Scot who had direct involvement in GCDP stated that the Programme helped bring together all parts of the company, providing strategic focus and ensuring that they were all pulling in the same direction. The consultancy-based approach was particularly beneficial to his previous company and he found it different to other support programmes because of its focus on developing the management team. The only perceived weakness was the limited support in implementing the new international strategy.
- 6.50 The consultees agreed that there continues to be demand for this type of programme. However it should be integrated with other initiatives and should act as an entry point to going global. There is an awareness of the recent restructuring of SE and refocusing on priority areas. But it is felt that this is the type of programme that SE should be supporting.

Overview of stakeholder feedback

- 6.51 There have been differing views on the Programme from our series of stakeholder consultations. The closer that consultees have been to the Programme (and therefore the more they understand the aims of GCDP), the more positive they have been about the Programme. These consultees (which have included the three Global Scots and the consultants) have stated that GCDP remains an important and valuable product.
- 6.52 By contrast, other internal SE consultees believe that whilst there is still a need for SE to support SMEs to develop internationally, they are unsure if GCDP is the best way of delivering this support. These consultees believe that there is some degree of duplication between GCDP and other SE/SDI products.

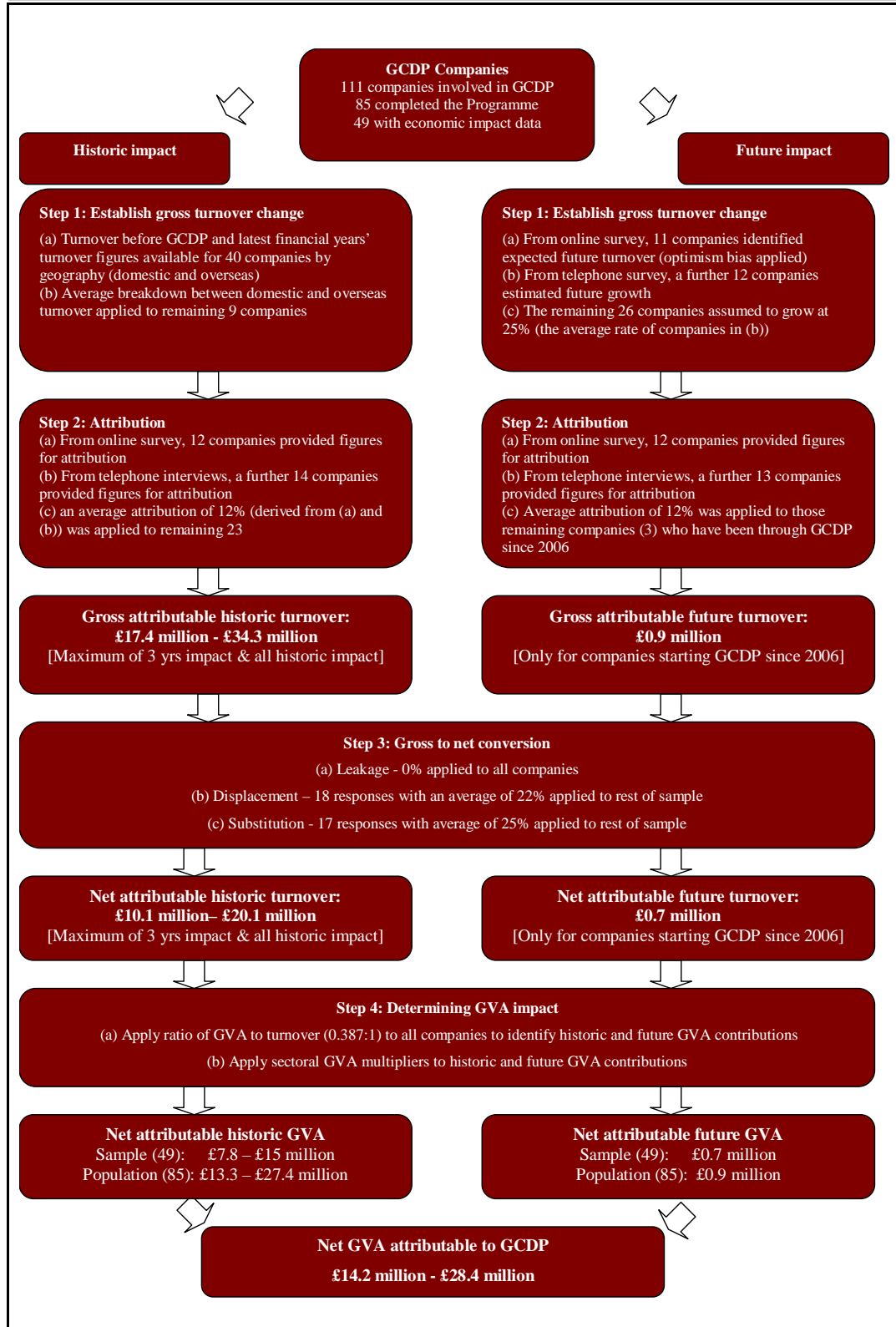
7: Impact assessment

- 7.1 This section sets out an assessment of the economic impact of GCDP. This part of the evaluation has proved to be quite challenging with companies either finding it difficult to answer questions on attribution or less willing or able to provide the necessary data.
- 7.2 Although the online survey included questions on turnover, employment and profits, our analysis of economic impact has focused on turnover change where the feedback was more comprehensive. At the end of the section we summarise the employment impact based on the limited responses received. We also discuss the issue of attribution between GCDP and other SE support that companies have received over the same period.

Approach

- 7.3 Our economic impact calculations have been based on an analysis of the turnover change in participating companies. The analysis has not taken into account the six HEIs that have been involved – as highlighted in Section 6, the two universities that were consulted stated that quantifying the impact of the Programme would be extremely difficult.
- 7.4 This approach has incorporated the following data: baseline data – i.e. annual turnover in the year preceding participation in the Programme, the turnover for last year and the turnover reasonably anticipated three years from now. Turnover data were obtained from four sources:
- responses to the online survey
 - information gained from the telephone interviews
 - company monitoring data provided by the client – GCDP pro-formas and some company performance data included in the longitudinal research
 - company accounts lodged with Companies House.
- 7.5 These data provide insights into gross change in business performance over time. Given the underlying rationale and objectives of the Programme, we asked participants to distinguish between turnover resulting from domestic business activities (Scotland and rest of UK) and international.
- 7.6 We would highlight now that the following section of the report is very detailed, with full explanations for each stage of our calculations. The process is summarised in the flow chart below (Figure 7-1) together with a summary of calculations that also appear throughout the section.

Figure 7-1: Methodology for calculating economic impact of GCDP



Source: SQW

Gross change in business performance

- 7.7 For this evaluation gross business performance change is not sufficient. It is necessary to determine the gross change that is *attributable* to participation in the Programme (i.e. the difference between the intervention case and reference case). Each respondent to the online survey and telephone interviewee was asked to accord a level of attribution to the GCDP for the change in turnover experienced and expected.

Sample size

- 7.8 The total population of GCDP companies over the eight years is 111. However, this figure includes companies that did not finish the Programme or that are no longer trading. Excluding these groups, the relevant population for the economic impact analysis totals 85 companies. We were given permission by the client to approach 72 of these participating companies with our online and telephone survey - we received 19 responses to the online survey and 32 to the telephone interview.¹⁹
- 7.9 At least one set of turnover figures was available for 70 companies, over 80% of the total number of companies which completed the GCDP and are still trading. However, we only obtained before and after turnover figures from 49 companies to incorporate in the economic impact analysis, with 40 of these companies including a full breakdown of turnover by geography (UK and overseas) and by year.

Timescale for measuring gross turnover change

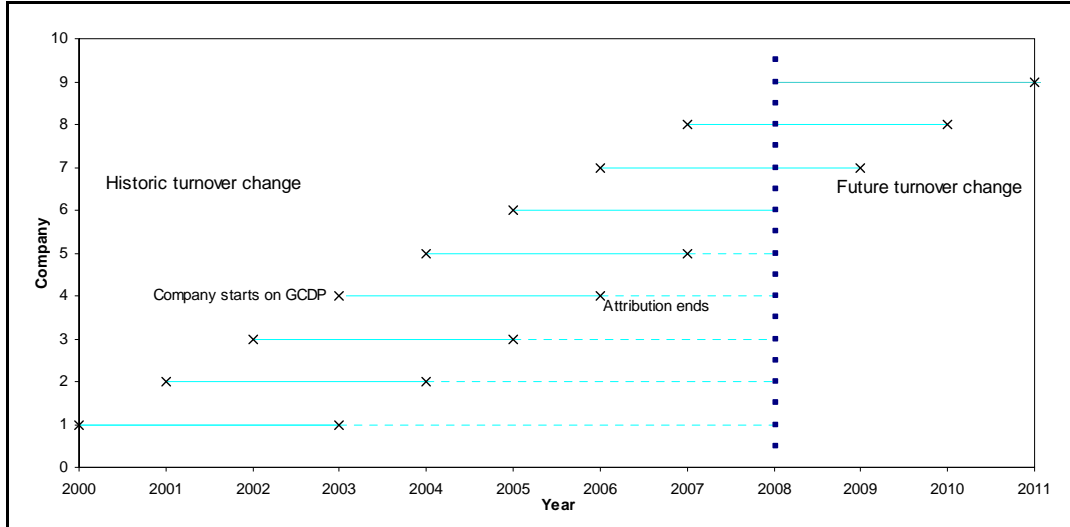
- 7.10 Participation on the GCDP has long term impacts on the participants. However, it is unreasonable to assume that a company from the early years of the Programme will be able to attribute the same level of impact as a company that has participated over the last two to three years. In order to make an allowance for the diminishing effect of the Programme over time, we have decided to analyse the impact of the GCDP over a three year period from entry onto the Programme for all participants.²⁰
- 7.11 For companies who started between 2006 and 2008, a combination of the historic and future turnover change has been used. This logic is set out in Figure 7-2.
- 7.12 For completeness, we have also included the impact figures relating to all historic change in performance where in some cases this can include eight years of impact. This is represented visually in Figure 7-2 as the sum of the solid and dotted lines over the period of eight years.

¹⁹ Our impact calculations based on different levels of response to different questions. It is obviously possible to highlight confidence levels for the two main areas of research (telephone interviews and online responses). However for the economic impact calculations we have incorporated different numbers of responses for attribution, displacement and substitution which makes it near impossible to produce an overall confidence interval. For indicative purposes we can state that for the telephone survey (32 companies out of a population of 85 companies that have completed GCDP) there is a confidence interval of +/- 14% (based on a 50% estimate and 95% confidence level). Calculations on attribution of historic impact were based on responses from 24 companies out of a population of 85 which has a confidence interval of +/- 17%. In terms of the robustness of the overall impact figure we are confident that the lower estimate is both conservative and realistic and based on a reasonably high sample of companies. The relatively low number of companies involved in the Programme and therefore an even lower number responding to the surveys makes it difficult to apply confidence levels as would traditionally be applied to larger populations and samples.

²⁰ Consequently for companies that participated in the GCDP between 2000 and 2005, only three years of their historic turnover change has been included in the economic impact analysis

7.13 Therefore, the range of values given in the flow chart above reflects the difference in economic impact depending on whether we calculate impact over a period of three years or whether we include all historic change since participation in the Programme and an estimate of future impact.

Figure 7-2: Calculating gross turnover change



Source: SQW

Historic change in turnover

7.14 For the 40 companies with a full breakdown of turnover by geography and year, it was possible to identify the change in the average breakdown of turnover between UK and international sales. Table 7-1 shows that in the year prior to participation in the GCDP, UK turnover accounted for c. 72% of total turnover on average. In the latest financial year, UK turnover makes up only 63% of the total turnover with overseas turnover contributing 37%.

Table 7-1: Average breakdown of turnover by location

Proportion of turnover accrued...	In the year before participation in GCDP	In the latest financial year
In the UK	72%	63%
Overseas	28%	37%
Total	100%	100%

Source: SQW

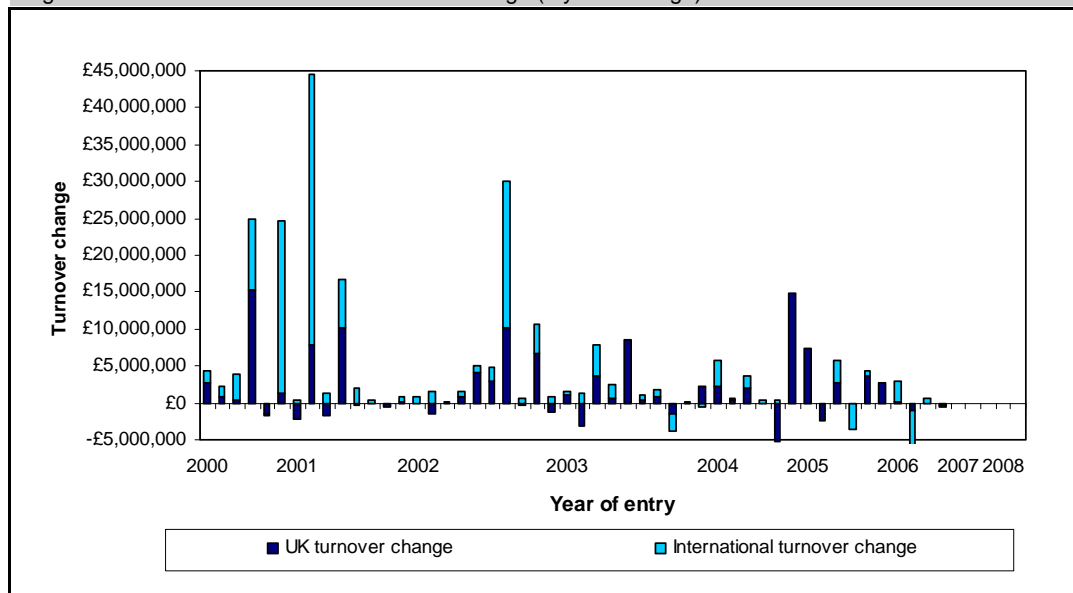
7.15 These average breakdown figures were applied to the remaining nine companies for which we could identify a total turnover figure but no geographic breakdown. Using this assumption, this gave us a total of 49 companies with turnover figures before GCDP participation and latest turnover by location.

7.16 Figure 7-3 below shows the distribution of turnover change by location of the business activity. It plots the three year average of historic turnover change for all 49 companies²¹. This total turnover change is made up of the change in UK turnover and the change in

²¹ For example, if we have turnover data for a company that started five years ago, we have calculated the average annual change and applied this to three years.

overseas turnover. Based on the turnover data for 49 companies, only 12 companies saw a net reduction in their turnover three years after participating in GCDP.

Figure 7-3: Breakdown of historic turnover change (3 year average)



Source: SQW

Future turnover

- 7.17 In the online survey, expected future UK turnover was identified by eight companies and future overseas turnover was identified by 11 companies. The average growth expectations based on these responses were that companies would increase domestic turnover by over 200% and overseas turnover by 260% over the next three years.
- 7.18 There is a risk that these companies have overstated their likely future turnover growth. Comparing their historical growth trends against the projected turnover growth which was stated in the online survey it is clear that the future growth figures are significantly higher than the historical trend growth.
- 7.19 The average length of time since starting on the GCDP for the 11 companies who gave a future overseas turnover figure was three years so a direct comparison was made between actual annual turnover growth over the last three years and expected annual turnover growth over the next three years. Table 7-2 shows that the expected annual future turnover growth is 28% higher than the historic trend²². Therefore, an optimism bias adjustment of 35% has been applied to counter this likely overestimation of future turnover. The optimism bias that we have applied is higher than the 28% change between expected future and historical performance in order to reflect the harsher economic climate which firms are likely to face over the next three years.²³

²² 86%/67% = 1.28 (therefore 28% higher)

²³ Interviews with businesses were undertaken in October and November 2008 after the start of the financial crisis

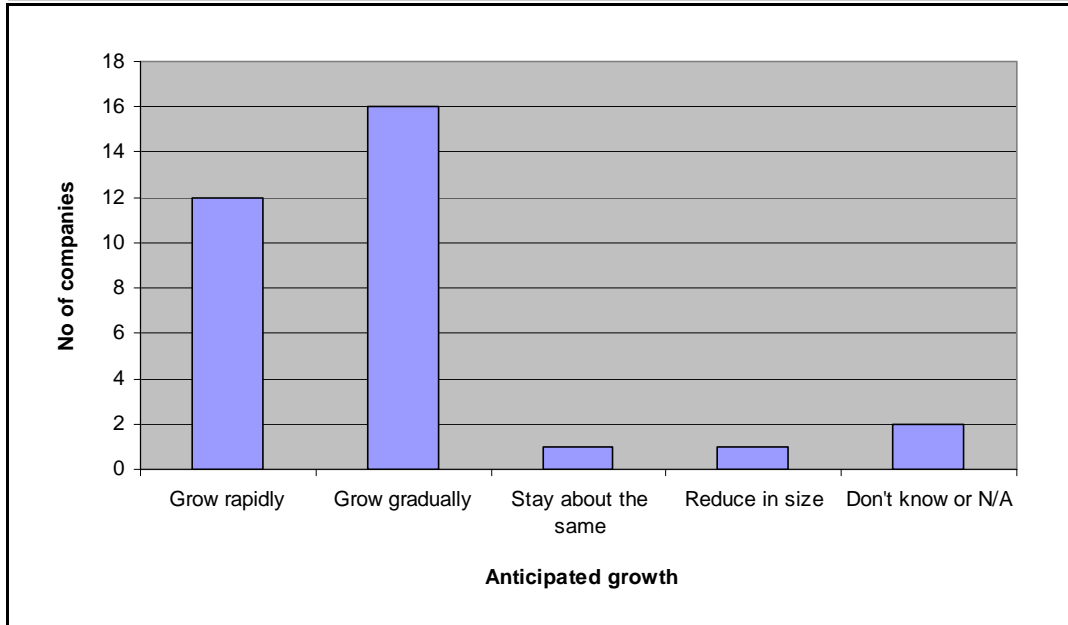
Table 7-2: Historical and future growth rates

Overseas turnover growth	Percentage growth rate
Annual future growth	86%
Annual historic growth	67%

Source: SQW

7.20 A further 32 companies were able to give an estimate of future (gross) turnover growth in the telephone interviews. (Figure 7-4).

Figure 7-4: How would you best describe the growth prospects of your business over the next 5 years?



Source: Telephone interview

7.21 Table 7-3 shows the assumed growth prospects associated with each response to this question. These are much more conservative than the average growth rates identified by the online survey and so no explicit optimism bias has been applied.

Table 7-3: How would you best describe the growth prospects of your business over the next 5 years?

Answer	Assumption
We will grow rapidly	50% growth
We will grow gradually	25% growth
We will stay about the same size	0% growth
We will reduce in size	-25% growth

Source: SQW

7.22 Using the online survey and the telephone interviews, it was possible to identify expected future turnover for 21 of the 49 companies in the sample. For the remaining 28 firms for which there were no available data on expected future turnover, it was assumed that their turnover would grow at the average rate of those firms that did provide an answer to Question 8 of the telephone survey (Table 7-3). Given that the highest number of responses was for an expectation of gradual growth and to maintain a conservative calculation of the economic

impact of the Programme, the 25% growth assumption (over the next three years) associated with gradual growth was applied to the remaining 28 firms.

Gross turnover change

- 7.23 Having identified turnover in the UK and overseas for 49 companies, it was possible to calculate the gross change in turnover from when the firms started on the GCDP and their latest figures, and also the expected gross change between their latest turnover figure and estimated future turnover. Table 7-4 shows the gross historic change based on a three year average where relevant (refer to back to Figure 7-2 for explanation) and for all historic change. For historic changes in domestic markets, this ranges from £81.2 million to £146.7 million. In overseas markets, the change is estimated to be between £122.3 million and £262.3 million.

Market	Turnover prior to GCDP	Latest turnover	Historical turnover change (limited to 3 years)	All historical turnover change (all years since joining GCDP)
Domestic	£526,792,362	£673,577,723	£81,212,322	£146,785,361
Overseas	£155,653,428	£417,962,732	£122,316,348	£262,309,304

Source: SQW

- 7.24 Table 7-5 shows the estimated change in turnover over the next three years for companies that have joined since 2006 and then for all 49 companies.

Market	Latest turnover	Expected future turnover	Future gross turnover change (limited to companies on GCDP since 2006)	Future gross turnover change (applied to all 49 companies)
Domestic	£673,577,723	£835,533,242	£8,976,658	£161,955,519
Overseas	£417,962,732	£557,763,874	£9,016,283	£139,801,142

Source: SQW

Additionality / attribution

- 7.25 We now address the matter of additionality: i.e. the proportion of the changes in turnover that is different to what would have been achieved anyway (commonly referred to as deadweight) and that can therefore be attributed to participating specifically in the GCDP. Companies were asked ‘*how much different do you think the following [turnover, employment and profit] would have been without GCDP support?*’ since starting on the GCDP and over the next three years.²⁴ From the online survey results, the GCDP was attributed with very little of the change in domestic market turnover. This can be seen in Table 7-6.

²⁴ We again acknowledge the views of some internal stakeholders who stated that the change in company performance attributed to GCDP is likely to have been dependent on other types of SE support either before, during or after involvement on the Programme. We would however stress that every effort was made to explain to participants that we were only evaluating GCDP and not all SE support that they may have received.

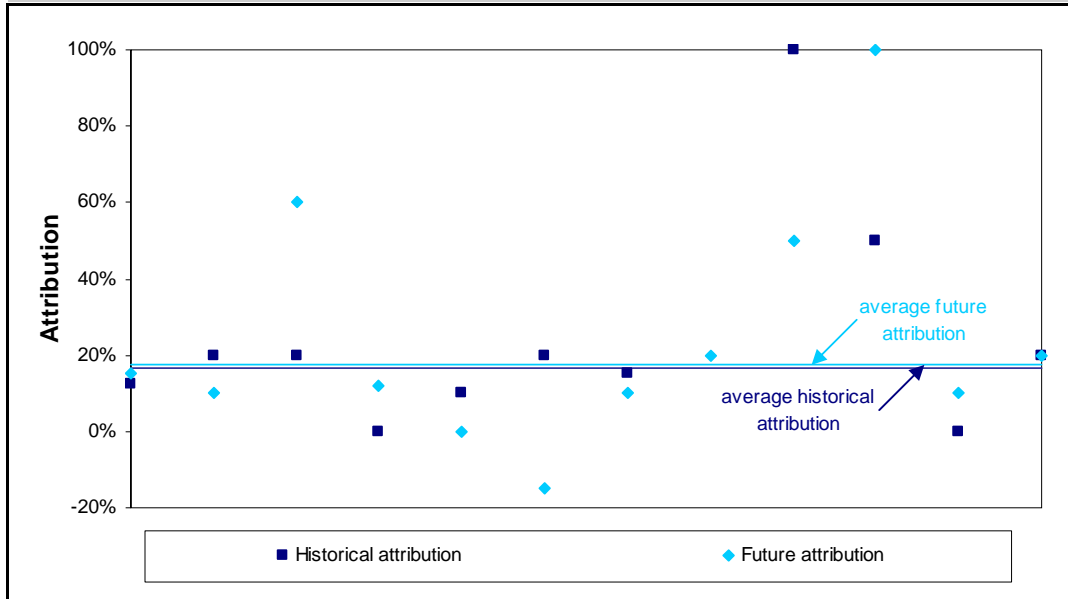
Table 7-6: Domestic turnover change attributable to GCDP

Domestic turnover change	Average attribution
Historical	0%
Future	1%

Source: SQW

- 7.26 Given these very low attribution figures, combined with the low response rate to this question, we have concluded that the GCDP has had little impact on domestic sales. Therefore, the economic impact analysis will concentrate on how overseas turnover has changed as a result of the companies experience on the Programme.
- 7.27 For changes in overseas turnover, the average attribution figure is equal to 16.75% and 17.45% for historical and future turnover respectively. This was based on 10 (historic attribution) and 11 responses (future attribution) to the online survey (see Figure 7-5). Those firms which responded that the GCDP had been responsible for 100% of the change in turnover have been treated as outliers and, although included in the analysis, they have not included in the averages as this would overestimate the impact for the average firm.

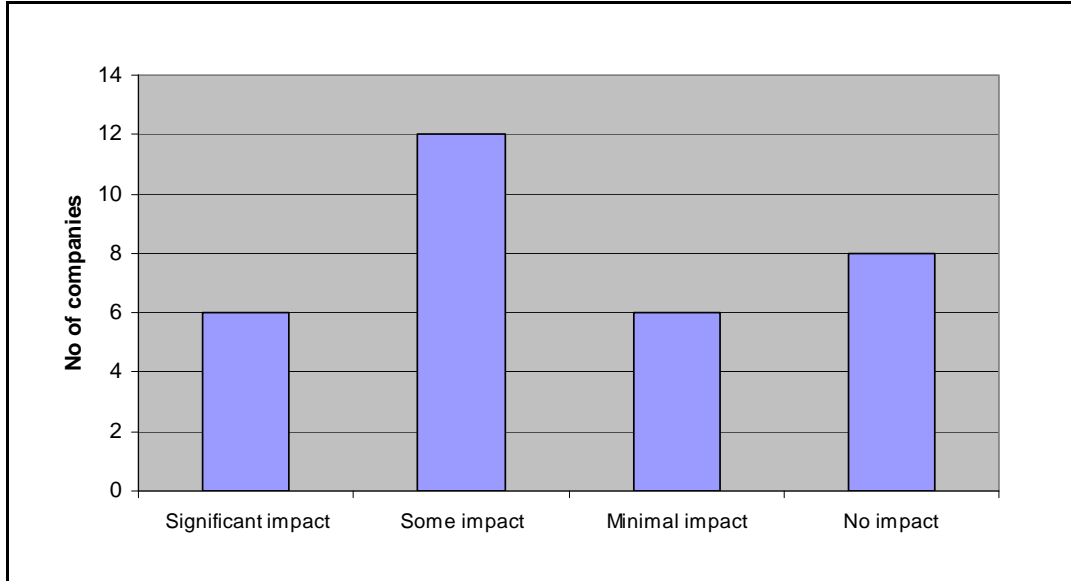
Figure 7-5: Overseas turnover attribution - historical and future



Source: SQW

- 7.28 Further evidence of attribution was identified from the telephone interviews. Those firms which took part in the telephone interviews answered the question ‘*how has the programme contributed to the internationalisation of your company?*’ The responses to this question have been split into four categories by the answer given: significant contribution, some contribution, limited contribution and no contribution. A breakdown of responses is shown in Figure 7-6.

Figure 7-6: How has the programme contributed to the internationalisation of your company?



Source: Telephone interview

7.29 For those firms which responded that the GCDP had made no contribution to the internationalisation for the company, a value of 0% was applied. In order to calculate appropriate attribution values to the other three responses to the question (significant impact, some impact and minimal impact), responses were cross-referenced with the responses to the online question about attribution.

7.30 Of those firms which answered both questions, two companies stated that the GCDP made a significant contribution to the internationalisation of the company and both attributed 20% of overseas turnover to the Programme. A further two companies stated that the GCDP had made some contribution to their internationalisation and stated that 10% and 12.5% of the historic change in turnover could be attributed to GCDP. The range of responses to the online question asking about historical turnover attribution was between 0% and 20%, excluding the outliers. Table 7-7 shows the attribution value assigned to the responses based on the range of responses and the trends highlighted by the cross-referencing of the telephone and online surveys.

Table 7-7: How has the programme contributed to the internationalisation of your company?

Answer	Attribution value
Significant contribution	20%
Some contribution	10%
Limited contribution	5%
No contribution	0%

Source: GCDP Web Survey

7.31 This meant that we could attribute a proportion of the historic turnover change to GCDP for a further 14 companies and a proportion of the future change in turnover for 13 companies. This is shown in Table 7-8.

Table 7-8: Number of attribution responses by source

	Online	Telephone	No response	Total
Historical	10	14	25	49
Future	11	13	25	49

Source: SQW

- 7.32 For the remaining 25 companies who did not respond or were unable to determine an attribution figure, the average attribution figures of 12% for historic and for future turnover was used. This average was derived by combining the average attribution percentages stated in the online survey and the average values calculated from the telephone surveys.²⁵
- 7.33 For firms who have experienced a negative turnover change (either historical or an expected drop in future turnover), we have applied the attribution figure in a different way. For example, if a firm has experienced a £100,000 fall in turnover over the period of participation in the GCDP but have given an attribution figure of 20%, it is assumed that without GCDP, the drop in turnover would have been 20% worse so £20,000 (£100,000*20%) of turnover can be attributed to the GCDP.
- 7.34 The total gross changes attributable to the Programme are shown in Table 7-9. Once again we would highlight that historical attribution figures includes a range depending on whether or not we limit the impact to three years. Historic impact in terms of additional turnover attributable to GCDP is estimated to be between £17.4 million and £34.3 million. Future attributable turnover is estimated to be around £0.9 million and only relates to companies that have joined GCDP since 2006 (i.e. consistent with the approach to only include impact achieved over a three year period).

Table 7-9: Gross change in overseas turnover attributable to GCDP (49 companies)

	Historical impact (limited to 3 years)	All historical impact	Future impact
Overseas turnover	£17,355,041	£34,266,823	£882,127

Source: SQW

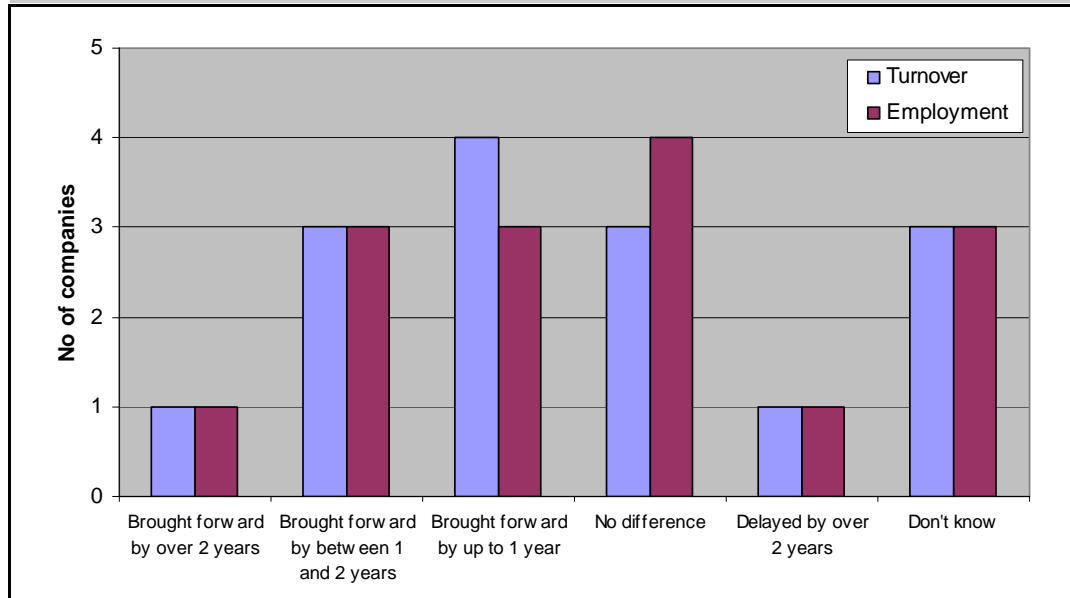
Time additionality

- 7.35 For many projects, it may be possible to identify and record the amount of time an intervention benefit has been advanced or delayed in comparison with the reference case (in weeks, months or years as appropriate)²⁶. In the case of GCDP's impact, more than half of the companies that answered this particular question (eight out of 15 companies) in the online survey indicated that company turnover growth had been brought forward as a result of the Programme. This reinforces the view that the Programme has delivered additional turnover impact for many companies.

²⁵ For historical attribution, the average online response was 16.75%, based on a total of 10 responses (excluding two outliers). The average telephone response was calculated by giving each response a value from 1 (no contribution) to 4 (significant contribution), with an average response of 2.5. If a response of 2 (limited contribution) is equal to 5% attribution and a response of 3 (some contribution) is equal to 10% attribution, then 2.5 is equal to 7.5% attribution. The average of these two (16.75% and 7.5%) is 12.13%. A similar calculation was done for future attribution and was also equal to 12.48%

²⁶ Scottish Enterprise (2008), *Additionality and Economic Impact Assessment Guidance Note*

Figure 7-7: To what extent has GCDP support brought forward, delayed or made no difference to any change in turnover and employment levels?



Source: GCDP Web Survey - 15 respondents

Adjusting the gross direct effect: leakage, displacement and substitution effects

- 7.36 It is insufficient to use these gross turnover figures to calculate the economic impact of the GCDP without considering a number of other factors. These include leakage, displacement and substitution effects. Only once these factors have been considered can we arrive at a net additional impact figure.

Leakage

- 7.37 Leakage is the proportion of outputs that benefits those outside the intervention group. In the case of the GCDP, there is zero leakage in terms of outputs as all of the companies who have been on the Programme have been selected by Scottish Enterprise. Given the selection process and eligibility criteria, it is not expected that any of the outputs (i.e. the companies going through the Programme) will have been accrued to non-target companies, for example companies from outwith Scotland.

- 7.38 The main intended outcome of the GCDP is to improve Scottish company's performance in global markets. The change in turnover generated overseas has been used as a proxy for this performance. There is no outcome leakage because only turnover generated overseas has been included in the analysis.

Displacement

- 7.39 Displacement is the proportion of intervention benefits accounted for by reduced benefits elsewhere. In this case, there is a risk that GCDP assisted companies may take market share from other, non-assisted Scottish firms. According to the responses to the online survey, an average of 25% of the companies competitors are based in Scotland. Firms were asked 'if

sales in your business were to grow, to what extent would this be at the expense of your competitors in Scotland?’ The responses to this question are shown in Table 7-10. The displacement ready-reckoner values are taken from the Scottish Enterprise *Additionality and Economic Impact Assessment Guidance Note*.

Table 7-10: If sales in your business were to grow, to what extent would this be at the expense of your competitors in Scotland?

Response	Number of responses	Displacement ready-reckoner value
None of your sales would be at the expense of other firms	10	0%
Less than half of your sales would be at the expense of other firms	5	25%
Half of the sales would be at the expense of the other firms	1	50%
More than half of your sales would be at the expense of other firms	1	75%
All of the sales would be at the expense of other firms	1	100%

Source: GCDP Web Survey

- 7.40 The most common response is that none of the sales increase would be at the expense of Scottish competitors. Intuitively this seems reasonable as the number of situations where a Scottish firm will be competing with another in overseas markets is likely to be very low. For those firms in the sample who have given a response (13) to the displacement question, we have applied the relevant displacement ready-reckoner value. For the rest of the sample, we have applied an average displacement figure of 22%²⁷.

Substitution

- 7.41 As well as displacing activity of other Scottish firms, it is likely that participation in the GCDP and the actions undertaken as a result of this participation have come at the expense of other, possibly similar, activities that the companies would have undertaken anyway. This opportunity cost needs to be acknowledge and firms were asked ‘to what extent has your participation in GCDP resulted in the business replacing one activity for a similar one to take advantage of the support received?’ as part of the online survey. The results of this question are shown in Table 7-11.

²⁷ Giving each response a value from 1 (no displacement) to 5 (100% displacement), the average response was 1.78. If a response of 2 (some displacement) is equal to a ready reckoner value of 25%, then 1.78 is equal to 22%.

Table 7-11: To what extent has your participation in GCDP resulted in the business replacing one activity for a similar one to take advantage of the support received?

Response	Number of responses	Substitution ready-reckoner value
None of this has replaced another activity	8	0%
Some of the resource spent on GCDP has replaced another activity	5	25%
Around half the resource spent on GCDP has replaced another activity	3	50%
Most of the resource spent on GCDP has replaced another activity	0	75%
All of the resource spent on GCDP has replaced another activity	1	100%

Source: GCDP Web Survey

- 7.42 Eleven of the firms included in the economic impact calculations have included a substitution value and these values have been applied to these firms. For the rest of the sample, an estimate has been made based on the total amount of responses. The average is 23.5% and the median is 25%. Therefore, it is assumed that some of the resource spent on GCDP has replaced another activity for all the other firms and the 25% ready-reckoner is used.

Net additional impact

- 7.43 The impact of the GCDP on participants' turnover is shown in Table 7-12. **Based on the 49 companies included in the economic impact assessment, the total net impact on turnover is estimated to be between £10.8 million and £20.8 million.**

Table 7-12: Impact of GCDP on turnover (49 companies)

	Historic impact (limited to 3 years) [A]	All historic impact [B]	Future impact [C]	Total [A+C]	Total incl. all historic impact [B+C]
Gross turnover change	£122,316,348	£262,309,304	£9,016,283	£131,332,631	£271,325,587
Less deadweight (averages)	87%	87%	90%	89%	89%
	£17,355,041	£34,266,823	£882,127	£18,237,168	£35,148,950
Adjusted for:					
Leakage (average)	0%	0%	0%	0%	0%
	£17,355,041	£34,266,823	£882,127	£18,237,168	£35,148,950
Displacement (average)	22%	22%	22%	22%	22%
	£13,394,665	£26,616,382	£844,016	£14,238,681	£27,460,398
Substitution (average)	25%	25%	25%	25%	25%
Net additional turnover before multipliers	£10,135,496	£20,057,815	£710,116	£10,845,612	£20,767,931

Source: SQW

Attributable Gross Value Added

- 7.44 In order to determine the economic impact of the GCDP, it is necessary to convert the net attributable turnover into a Gross Value Added (GVA) figure. According to the Scottish Annual Business Statistics 2006, the ratio of turnover to GVA is 1:0.387²⁸. This means that for every pound of turnover that a Scottish firm generates, Scottish GVA of almost 39 pence is created. This ratio has been applied to the historic and future attributable turnover of all 49 companies in the sample to determine the net direct attributable GVA of each company.
- 7.45 **GVA generated for the Scottish economy by the net additional turnover for 49 GCDP companies is estimated to be between £4.2 million and £8 million (Table 7-13).**

Table 7-13: Attributable GVA (49 companies)

	Historic impact (limited to 3 years)	All historic impact	Future impact	Total	Total incl. all historic
Net additional turnover	£10,135,496	£20,057,815	£710,116	£10,845,612	£20,767,931
GVA	£3,922,437	£7,762,374	£274,815	£4,197,252	£8,037,189

Source: SQW

²⁸ <http://www.scotland.gov.uk/Resource/Doc/917/0064136.xls>

Multiplier effects

7.46 It is important that multipliers are applied to this GVA figure in order to determine the direct, indirect and induced impact of the GCDP on the Scottish economy. Scottish firms increasing their turnover overseas are likely to need an increase in inputs to production in order to meet the additional demand. This direct increase in overseas demand for the output of the GCDP companies has a number of knock-on effects through the Scottish economy:

- indirect impact: the companies that have been on the GCDP will respond to increased overseas demand by increasing their purchases of good and services to be used as inputs into their own goods and services. In turn the company's suppliers must increase their output to meet the increase in demand and so need further inputs from their suppliers and so on up the supply chain. This is known as the indirect (or supplier) multiplier.
- induced impact: as a result of the direct and indirect multiplier effects, the level of household income throughout the economy will increase as a result of increased employment and a proportion of this increased income will be re-spent on final goods and services. This is known as the induced or consumption multiplier.

7.47 Rather than calculate all of these impacts separately, the Type II GVA multiplier can be used. This multiplier includes the direct, indirect and induced effects of the increase in GVA attributable to GCDP. The Scottish Input Output tables 2004 provide the Type II multipliers for turnover, employment and GVA, broken down by industry group.²⁹ These multipliers have been applied to the 44 companies in the sample who identified which sector they predominantly operated in. The average Type II GVA multiplier of 2.2 has been applied to the other five companies which make up the sample.

7.48 **Therefore the GVA including multipliers for the sample of 49 GCDP companies increases to between £8.5 million and £15.7 million (Table 7-14).**

	Historic impact (limited to 3 years)	All historic impact	Future impact	Total	Total incl. all historic
GVA	£3,922,437	£7,762,374	£274,815	£4,197,252	£8,037,189
GVA including multipliers	£7,760,889	£14,993,575	£703,213	£8,464,102	£15,696,788

Source: SQW

7.49 It is important to note that this calculation assumes that the GVA generated in overseas markets is all repatriated to Scotland. In reality, a proportion of the added value may actually remain in that overseas market. However we would once again highlight that the GVA calculation is based on turnover figures of Scottish head-quartered companies. According to DIUS³⁰, the different ways in which Value Added can be used by a company and the proportion of created wealth (Value Added) that is assigned to each use can vary substantially

²⁹ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Input-Output/Multipliers> (e.g. the average GVA multiplier for the energy sector is 2.6 whereas for digital markets and enabling technologies it is 1.5)

³⁰ www.dius.gov.uk - Department for Innovation, Universities and Skills

between companies and sectors. Six uses are included in DIUS' Value Added Scoreboard and these are explained below.

- Cost of Funds (CoF) – rewards to the providers of capital (interest & dividends)
- compensation for operating employees who provide the skills. This is total employee costs less R&D, mainly the cost of R&D employees (which is included in the fourth bullet point)
- corporation taxes – taxes on company profits levied by governments in the countries the company operates in. This is not the total tax paid since it excludes taxes and social charges on employees, dividends, property, energy and other items
- investment to sustain and develop the business. This is taken as R&D (for new products, processes and services) plus depreciation (the equipment “used up” during the year and usually more than replaced by capital expenditure). The R&D investment is the cash spending on R&D which includes any R&D that has been capitalised. Revenue investment in developing other intangibles is not, however, identified separately in accounts
- amortisation & Impairment includes impairment of goodwill, depreciation of capitalised development and amortisation & impairment of other intangible assets
- retained Value Added is the balance remaining after the first five uses. It may be either positive or negative (if the company has not created enough wealth to cover the first five demands on Value Added).³¹

7.50 The specific ways that each GCDP participant chooses to use the Value Added that has been created with the assistance of the Programme may result in variations over time in the degree to which it is used directly within and captured by the Scottish economy. In the case of internationalising companies, it may be used to enhance assets overseas, albeit still to the longer term benefit of the Scotland-based company.

Estimating the total GVA impact for all GCDP companies

7.51 In order to calculate the total net additional GVA for all of the firms on the GCDP, the historical and future net impacts of the sample have been divided by the relevant number of companies in the sample to give average historical and future additional GVA attributable to GCDP per firm figures of £168,429, £325,662 and £70,321. Table 7-15 also shows the average attributable GVA figures.

³¹ Department for Innovation, Universities and Skills (2008), *The 2008 R&D Scorecard – Appendix A*

Table 7-15: Total and average GVA impact on sample companies

	Total GVA attributable	Number of companies	Average GVA attributable	Average annual GVA attributable
Historical GVA (3 years)	£7,760,889	46 (excludes 2008 cohort)	£168,429	£56,143
All historical GVA (average company has been on programme for 4 years)	£14,993,575	46 (excludes 2008 cohort)	£325,662	£81,415
Future GVA (3 years)	£703,213	10 (excludes 2000 – 2005 cohorts)	£70,321	£23,440

Source: SQW

- 7.52 In order to determine the impact of the GCDP on the total population of companies who have been on the Programme, these averages have been applied to the 36 companies who have been through the Programme but for which we do not have sufficient data to include in the analysis.
- 7.53 To ensure a consistent logic throughout the economic impact assessment, the average historic GVA figures (one for the three year calculation and another for all historical change) have only been applied in full to those remaining companies who have been on the Programme for at least three years. A proportion of the impact has been applied for firms who have been on the Programme for less than this. Similarly, when applying the average future GVA attributable to the GCDP, only firms who have been on the Programme since 2006 have been considered. For example, a company that joined the Programme in 2007 would have one third of the average historical GVA applied and two thirds of the average future GVA to ensure that only three years of attribution was applied to that firm. This can be seen in Table 7-16.

Table 7-16: Breakdown of impact for rest of population

Year of entry	Number of firms	Years of historical attribution	Years of future attribution	Total years of attribution
2000-1 to 2005-6	29	3	0	3
2006-7	4	2	1	3
2007-8	3	1	2	3
Total	36			

Source: SQW

- 7.54 It is now possible to identify historic and, where relevant, future net GVA attributable to the GCDP for all 85 of the companies that have completed the Programme. **The total GVA impact including multipliers for all 85 GCDP companies is estimated to be between £14.2 million and £28.4 million.** The full calculations are shown below (Table 7-17).

Table 7-17: Impact of GCDP on turnover and GVA

	Historic impact (limited to 3 years) [A]	All historic impact [B]	Future impact [C]	Total [A+C]	Total incl. all historic impact [B+C]
Gross turnover change	£122,316,348	£262,309,304	£9,016,283	£131,332,631	£271,325,587
Less deadweight (averages)	87%	87%	90%	89%	89%
	£17,355,041	£34,266,823	£882,127	£18,237,168	£35,148,950
Adjusted for:					
Leakage (average)	0%	0%	0%	0%	0%
	£17,355,041	£34,266,823	£882,127	£18,237,168	£35,148,950
Displacement (average)	22%	22%	22%	22%	22%
	£13,394,665	£26,616,382	£844,016	£14,238,681	£27,460,398
Substitution (average)	25%	25%	25%	25%	25%
Net additional turnover before multipliers	£10,135,496	£20,057,815	£710,116	£10,845,612	£20,767,931
turnover to GVA ratio	0.387	0.387	0.387	0.387	0.387
Net additional GVA before multipliers (sample)	£3,922,437	£7,762,374	£274,815	£4,197,252	£8,037,189
Multiplier effect (averages)	2.2	2.2	2.2	2.2	2.2
Net GVA (sample)	£7,760,889	£14,993,575	£703,213	£8,464,102	£15,696,788
Net GVA (population)	£13,262,911	£27,450,128	£937,617	£14,200,528	£28,387,745

Source: SQW

Note: the adjustment factors are the averages based on the individual responses and can not be directly applied to the preceding turnover figures

Employment impact

- 7.55 As part of the online survey, we also asked participants for a geographic breakdown of employment (Scotland, rest of the UK and overseas) and a question on how much of the gross change in employment could be attributed to participation in the GCDP. Unlike the turnover data, we only gained responses to the geographic breakdown of employment question from 13 companies and could not use company accounts or other secondary sources to identify a geographic breakdown of employment.
- 7.56 In terms of employment attribution, we gained useful responses from eight of the 13 companies. In Table 7-18 below, we have used the same process for calculating net additional employment (adjusting for leakage, displacement and substitution) and included employment multipliers for the relevant sectors. **Our analysis shows that for these eight companies between 30 and 34 jobs have been created in Scotland. In addition, between 78 and 86 jobs have been created overseas.** Due to the size of the sample, it is not appropriate to extrapolate to the larger population of 85 companies.

Table 7-18: Employment impact of GCDP

	In Scotland		In the rest of the world		Total	
	Historic	Future	Historic	Future	Historic	Future
Gross change	35 - 43	90	33 - 42	133	68 - 85	223
Less deadweight	91%	88%	77.5%	82%		
	6 - 9	9	12 - 34	16	18 - 43	25
Adjusted for:						
Leakage	0%	0%	0%	0%		
	6 - 9	9	12 - 34	16	18 - 43	25
Displacement	17%	17%	17%	17%		
	6 - 8	9	20 - 25	16	26 - 33	25
Substitution	17%	17%	17%	17%		
	3 - 5	7	15 - 18	13	18 - 23	20
Multipliers (averages)	2.1	2.1	2.1	2.1	2.1	2.1
Net additional employment (sample)	9 - 13	21	41 - 49	37	50 - 62	58

Source: GCDP Web Survey

Attribution of GCDP & all SE support

- 7.57 When asked about the impact of not only GCDP on their turnover but also all SE support (including GCDP), only six companies could provide the two sets of estimates. With all GCDP companies being account managed, one would assume that the attribution figure for all SE support that they have received during the same period would be higher than the figure for GCDP.
- 7.58 Three companies have included the same percentage, two stated that attribution is slightly higher and one company said that 50% of its overseas growth could be attributed to all SE support, within which GCDP contributed to around 15% (Table 7-19).

Table 7-19: Attribution for GCDP and all SE support

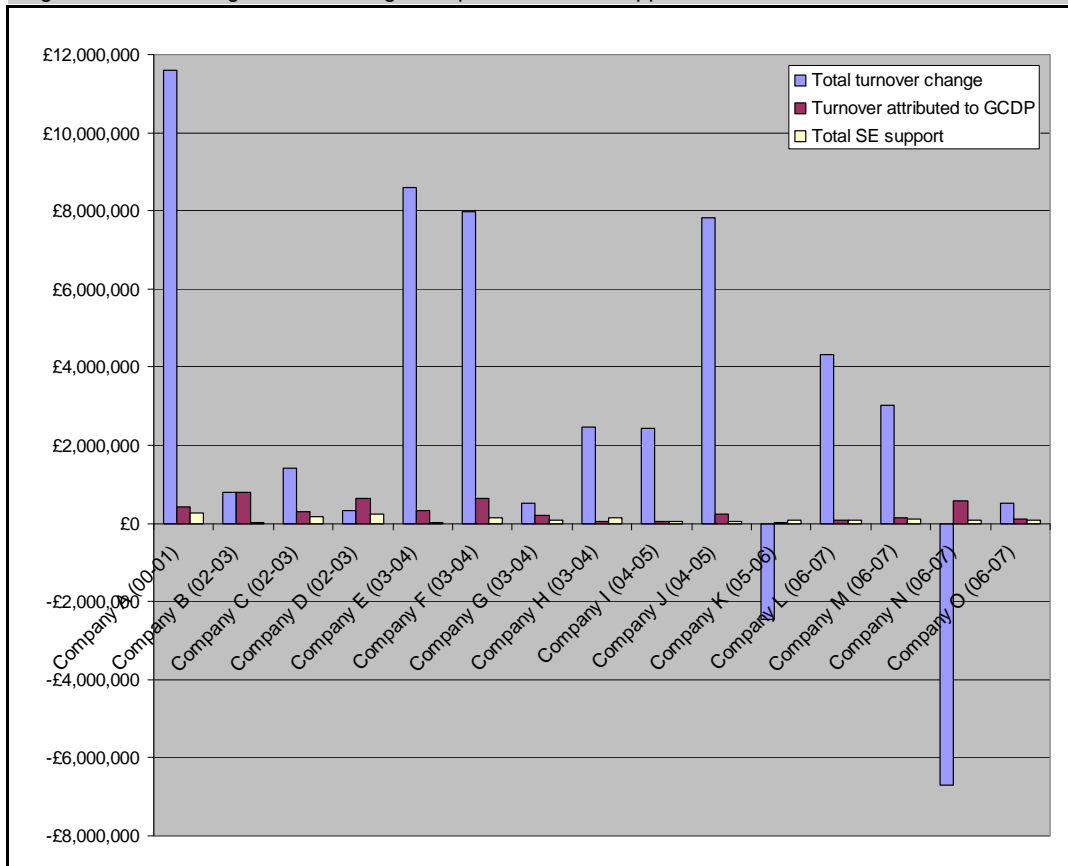
	Turnover attributed to GCDP support			Turnover attributed to all SE support		
	Scotland	UK	Outside UK	Scotland	UK	Outside UK
Company A			12.5%			15%
Company B		10%	20%	10%	10%	20%
Company C	0%	0%	20%	0%	0%	25%
Company D			10%			10%
Company E			20%			20%
Company F	0%	0%	15%	0%	0%	50%

Source: GCDP Web Survey

7.59 The fact that companies have clearly found this distinction difficult to answer is not surprising. In fact, some stakeholder consultees made the point that if SE was providing a seamless service to companies, it should not be possible for companies to attribute change in performance to individual products.

7.60 From other data provided by SE, we know that over the last eight years, around £40 million has been spent on support for GCDP participant through other products and services. It should be noted that half of this amount was actually spent on the HEIs that have been involved in GCDP. However, these figures demonstrate the level of other support that companies receive. For those companies that have provided actual historic attribution figures in our online survey, we have plotted the amount of turnover change, the turnover that have attributed to GCDP and the total amount of SE support (including GCDP costs). This is shown in Figure 7-8 below.

Figure 7-8: Assessing turnover change compared to all SE support



Source: SQW

Summary of economic impact

7.61 For the reasons highlighted earlier, our analysis of the economic impact of GCDP has concentrated on the change in companies' turnover since participating in the Programme. Due to the timescale of the evaluation, we have made an allowance for the diminishing effect of the Programme and applied attribution to a maximum of three years, either historic or future.

7.62 Using this calculation, GCDP has generated around £10.8 million in net additional turnover for the 49 companies used in the analysis. This is likely to have generated direct GVA of £4.2 million which increases to £8.5 million when the multiplier effect is included. **Scaled up to the full population of 85 companies, the direct GVA impact of GCDP is estimated to be £7 million which increases to £14.2 million with multipliers.**

7.63 If we are to consider all the historic impact for the 49 companies in the sample (which for some companies can include up to eight years), the Programme has generated £20.7 million in additional turnover. Direct GVA is estimated to be £8 million, increasing to £15.7 million with multipliers. For all 85 companies the direct GVA impact of GCDP is estimated to be around £15.5 million, increasing to £28.4 million with the multiplier effect.

7.64 **Therefore, the total GVA impact of GCDP ranges from £14.2 million to £28.4 million. It is our view that the lower value within this range is the more realistic estimate of economic impact of GCDP.** The different figures are summarised in Table 7-20.

Table 7-20: Economic impact summary

	Impact limited to 3 yrs	Impact incl. all historic change
Sample of 49 companies		
Net additional turnover	£10.8 million	£20.7 million
Direct GVA	£4.2 million	£8 million
GVA including multipliers	£8.5 million	£15.7 million
Total population of 85 companies		
Direct GVA	£7 million	£14.5 million
GVA including multipliers	£14.2 million	£28.4 million

Source: SQW

8: Learning and development

- 8.1 This section discusses the main learning issues highlighted in discussions with stakeholders, in terms of how the Programme is being delivered and managed. The two main issues that are discussed in more detail here are the referral process and how GCDP fits with other SE products.

Referral process

- 8.2 By mainstreaming GCDP within SE in 2005, it was hoped that the product could be promoted to companies by their Account Managers. As a company's main point of contact with SE, it is considered that the Account Manager is the best person to refer a company on to GCDP. This would seem to be a logical approach. However the effectiveness of this approach does depend on the following factors:

- that the Account Manager has a good relationship with the company's management team, and most importantly the company's CEO (who is the person that needs to drive the process and who's involvement on GCDP is vital)
- that the Account Manager is fully aware of all SE products, including the GCDP.

- 8.3 Discussions with SE and SDI stakeholders have indicated that the awareness and understanding amongst Account Managers of GCDP and the benefits that it can bring is the main issue that is currently slowing down the referral process. The benefits have been confirmed by the companies themselves during this evaluation.

- 8.4 We understand that Priority Industry teams have been more involved recently in trying to assist in identifying companies that would be appropriate for this Programme. However in order for Priority Industry teams and Account Managers to be able to refer companies on to the Programme, there needs to be clearer information available on what the benefits of GCDP are and how it compares to other SE and SDI products.

- 8.5 In addition to getting sufficient numbers on to the Programme, care should also be taken to ensure that the right companies are being referred. Stakeholder consultations also highlighted that some companies involved in GCDP needed quite a lot of management development support before even considering international development. This suggests that some companies are perhaps being referred on to the Programme before they are ready to consider internationalisation.

Fit with other products

- 8.6 Some of the internal stakeholders were either unclear about the benefits of GCDP or believed that there was some degree of duplication with other SE products that have been introduced in the last few years.

8.7 There is now a list of 50 SE and SDI products that Account Managers can draw down to assist their client companies' development. This in itself presents a challenge to ensure that Account Managers are not only fully aware of all products but to ensure that products are drawn-down in an appropriate and timely way for each client. One SE consultee highlighted the ongoing Account Manager Continuing Professional Development Programme which will ensure a more consistent application of SE products in future.

8.8 These products are shown Table 8-1 listed under seven intervention frameworks.

Table 8-1: SE products		
Intervention Framework	Products	
Business Improvement	<ul style="list-style-type: none"> Business Improvement & e-business/ICT Flexible Financial Product Business Mentoring Scotland Environmental Management Initiative 	<ul style="list-style-type: none"> Graduates for Business Lean Management Thinking Manufacturing Review Profit Without Subsidy
Innovation	<ul style="list-style-type: none"> Specialist Engagement – EES Electronic Design Support Services (EDSS) Special Engagement – ICT Special Engagement – Industry/Projects Innovation Flexible Financial Product Special Engagement – Innovation 	<ul style="list-style-type: none"> Innovation Support Proof of Concept Programme R&D Grant Scottish Proposal Assistance Fund (SPAF) SE/RSE Enterprise Fellowships Winning Through Innovation
Investment	<ul style="list-style-type: none"> Scottish Co-Investment Fund Scottish Seed Fund 	<ul style="list-style-type: none"> Scottish Venture Fund South of Scotland Loan Fund
Market Development	<ul style="list-style-type: none"> Exhibitions, Missions and Learning International Business Partnering Opportunities International Market Presence International Mentoring 	<ul style="list-style-type: none"> Market Development Flexible Financial Product Overseas Market Support Readiness to Internationalise Sales and Marketing Programme
Organisational Development	<ul style="list-style-type: none"> Tourism Development Programme: 100k Welcomes Investors in People Leadership for Growth Management Development Programme for Inventors Network Training Needs Analysis (TNA) 	<ul style="list-style-type: none"> Talentscotland.com Training Plus Workforce Development Flexible Financial Product Workforce Development Seminar Programme
Start-Up	<ul style="list-style-type: none"> Network High Growth Start Up 	
Strategy	<ul style="list-style-type: none"> Business Property Feasibility Support General Strategy Workshop 	<ul style="list-style-type: none"> Investor Readiness Support Life Sciences Business Advisory

Intervention Framework	Products
	<ul style="list-style-type: none"> • Global Companies Development Programme Service (LSBAS) • Growing Business Review (GBR) • Sirius Healthcheck • International Strategy Workshop • Strategy Flexible Financial Support

Source: Scottish Enterprise

8.9 The programmes or products that were identified by some consultees as having similar aims to GCDP were:

- Companies of Scale – this programme was mentioned by many stakeholders primarily because it aims to develop ambitious companies that will have a disproportionate impact on the Scottish economy. It is however an *approach* to business support characterised by a more intensive form of Account Management. It is therefore very different from GCDP which is a product that can be drawn down by Account Managers. Some consultees stated that the more flexible criteria for entry onto Companies of Scale (it was initially aimed at companies with £50 million turnover – this has now been reduced to £20 million) has also contributed to less clear differentiation from GCDP.
- International Strategy Workshop – this is described as ‘*a workshop to assist companies to develop their business strategy and action plan to internationalise...delivered by third party strategy development consultants*’.³² However some internal stakeholders highlighted that this product does not have the same emphasis on management development as GCDP. It was also described as being more externally focused – looking at specific international markets whilst GCDP deals more with internal issues. The main differentiating factor is that the workshop takes place over a day and as a result can only be considered as an introduction.
- Growing Business Review – another product identified by some internal stakeholders as having some of the same aims as GCDP. SE’s product information states that this is a ‘*standard diagnostic tool for use by Account Managers*’. A company development plan is the outcome of this review process. Although international development will clearly be included in this type of review, it may give less emphasis to reviewing international management capabilities and strategic appreciation.

8.10 Account Managers also have the opportunity to organise tailored consultancy support for ICT development, innovation, market development, workforce development and strategy development. This type of support, known as a Flexible Financial Product, is meant to be used as ‘a last resort’ but based on discussions with internal stakeholders, it would appear that this product is being used more often than anticipated. Therefore this product would appear in principle at least to offer Account Managers the opportunity to obtain GCDP-type inputs customised for a specific client on a one-off basis.

8.11 It is not possible, based on this evaluation, to state how many companies that could be appropriate for GCDP are being referred instead to these other products. Nor is it possible to

³² Internal SE product information

compare and contrast client satisfaction with the GCDP (which is high) with levels of satisfaction with these other products. However, if the uptake of the GCDP is to be sustained or enhanced, it is clear that knowledge of the GCDP needs to be increased significantly within SE and SDI.

Promotion of GCDP as a management development programme

- 8.12 The development of the management team to become more professional, strategic and better organised was consistently highlighted as one of the main strengths of the Programme. For some companies the Account Manager will be able to provide the necessary support by accessing some of the products listed earlier. However, for other companies that have the potential and ambition to grow internationally, this support will require the more in-depth approach that is being provided by GCDP.
- 8.13 Increasingly, young companies with high growth aspirations need to be able to operate in international markets almost immediately. If there are fundamental problems with the capabilities, attitude or structure of the management team at the start of the process then it will be difficult for the company to succeed: it will for example hamper its ability to attract equity finance. It is interesting to note that based on the age profile of GCDP participants highlighted earlier, it would appear that the Programme has not penetrated to any great extent SE's young growth company market.
- 8.14 Table 8-1 illustrates the range of products that are available to support the internationalisation of Scottish companies. These products address the practical issues of accessing information on new markets, developing overseas marketing programmes and implementing an international strategy. Arguably, GCDP provides support for the stage before this – ensuring that the company has the capacity and capability to develop and then implement an international strategy.

Evaluation learning

- 8.15 Although very positive about the Programme, participants made a number of suggestions on how the Programme could be improved in the future. These included better allocation (matching) of consultants to ensure that they have the necessary industry knowledge, more support during the implementation of the international strategies and more flexibility in the location of peer group events.
- 8.16 From the perspective of internal SE stakeholders, improvements need to be made to the referral process and to increase Account Managers' awareness of GCDP. In order to increase the profile of the Programme, there needs to be more effective promotion and more specific information on what it delivers. More support for the Programme within SE management would also help to increase its profile.
- 8.17 The continuing importance of internationalisation is clear. In the context of all the SE products which support management development, strategy development and then implementation, it may be helpful to position GCDP as a step on a management/company development 'escalator' consisting of SE's suite of complementary products.

- 8.18 External stakeholders (consultants and Global Scots) are aware of the ongoing pressures for SE to prioritise the support that they are providing to business. There is some disappointment at an apparent lack of buy-in to GCDP from some parts of SE, especially when there is such positive feedback from the companies. The main suggested improvements from external stakeholders are making sure the right companies are recruited in the future and ensuring the quality and flexibility of peer group events to facilitate networking.
- 8.19 One final issue that we would highlight in relation to learning from this evaluation is the evaluation process itself. In the evaluation we have managed to include the feedback from participants that were involved in the early years of the Programme. However GCDP started eight years ago and as was highlighted during some of our interviews, it is difficult for some companies to recall events that took place such a long time ago. Consequently, it is recommended that in future evaluations should be undertaken over a shorter time period.
- 8.20 It has also proven to be difficult for companies to distinguish and quantify the benefits relating to GCDP, separate from the benefits of all SE support. This is highlighted in the Section 7 and is a common issue for all evaluations of SE products. However, we are aware that a client-centred rather than an intervention-centred approach is being considered by SE for the future.

9: Conclusions and recommendations

- 9.1 The final section of the report sets out our conclusions under the headings used in the project brief. We also provide some recommendations for the future delivery of the Programme.

Strategic fit and rationale

- 9.2 There was a clear rationale for this type of intervention, identified by the Global Companies Enquiry. Supporting the internationalisation of Scottish SMEs remains a key priority for economic development in Scotland. As highlighted earlier, Scottish Enterprise's current Business Plan is aligned with the Government Economic Strategy and aims to increase Scottish productivity through support for enterprise, innovation and investment. Under the enterprise theme, supporting the internationalisation of Scottish businesses is highlighted as a key activity.
- 9.3 All of those consulted as part of this study agreed that SE should be supporting companies both in terms of developing an international strategy and developing the capacity to implement it. It was highlighted that many companies do not have the time or contacts that are required to grow their business overseas. Alternatively they do not see the business benefits of setting aside time and resources to undertake this work.
- 9.4 'Market failure' is the main justification for public sector intervention and is a description of a situation where, for one reason or other, the market mechanism alone cannot achieve economic efficiency.³³ The main type of market failure in relation to companies wanting to internationalise is 'imperfect information' where companies have limited knowledge about how to access new international markets.³⁴
- 9.5 The evaluation evidence suggest that there are the same challenges for companies wanting to go global today as when the Programme was set up eight years ago. It is yet to be seen how the recent economic events will affect companies' willingness to go global. However many consultees believe support to help companies become more strategic is required now more than ever.

GCDP performance

- 9.6 The Programme was set up to help create more Scottish global companies. The definition of a global company was established in the Global Company Enquiry with set criteria that included operating in at least two continents. However since the original objectives were never clearly defined (and there remains different interpretations of what these were), it is quite challenging to assess the overall performance of GCDP.

³³ HM Treasury (2003), *The Green Book, Appraisal and Evaluation in Central Government*

³⁴ Other examples of market failure highlighted in the Green Book are public goods, externalities, and market power.

- 9.7 Since the Programme was launched in 2000, 111 companies and six HEIs have received support to develop international strategies and more importantly develop the capacity to grow internationally. Only 13 companies did not finish the Programme. The same number of companies are no longer trading and 14 companies have been acquired (with some companies actually becoming more 'global' as part of a larger group).
- 9.8 In terms of GCDP performance against targets, this again is quite difficult to assess. Two different sets of three year targets were included in approval papers from 2002 and 2006. Measuring the number of participants against a three year target (for 2003-04 to 2005-06) of 90, the Programme managed to recruit 50 participants. Against a revised target of 54 participants for 2004-05 to 2006-07, the Programme fared significantly better with 47 participants (87% of target).
- 9.9 Over the last couple of years (2006-2008), fewer referrals have been made to the Programme. However, in relation to the current financial year we understand that the GCDP team is in discussion with around 30 companies and up to a third of these are likely to join the Programme in the near future.
- 9.10 Although the number of new global companies has not been monitored, based on our evaluation, two thirds of GCDP companies have increased their level of international activity since being involved in the Programme and half of these companies have increased their involvement significantly, five opening up new premises overseas.
- 9.11 In terms of attribution, again nearly two thirds of the 32 companies interviewed stated that GCDP has had either a significant impact (seven companies) or some impact (11 companies) on their development overseas. While the companies may not yet meet all the criteria as set out in the Global Companies Enquiry (for example they may not have a presence on two continents but have significantly increased overseas sales), it would appear that the Programme is having an influence on the internationalisation of Scottish SMEs.
- 9.12 Turnover data were available for 49 GCDP companies. Since they became involved in the Programme their domestic turnover has increased by £146 million and a significantly larger increase of £262 million was achieved in overseas sales. These figures would also suggest that companies involved in GCDP that are aiming to increase their international activity are achieving their aim.

Economic development benefits

- 9.13 Based on the sample of 49 companies, GCDP generated £4.2 million direct GVA for the Scottish economy, all from additional overseas turnover. GVA including multipliers generated by these 49 companies is estimated to £8.5 million.
- 9.14 Scaling up to the full population of 85 companies that completed the Programme, this equates to £7 million direct GVA and £14.2 million total GVA including multipliers. This is a conservative estimate, taking into account a maximum of three years impact (historic or future depending on when the companies joined GCDP).
- 9.15 Incorporating all historic change for the full population, it is estimated that the Programme has generated £14.5 million in direct GVA and up to £28.4 million in total GVA including the

multiplier effects. **This means that the overall impact of GCDP ranges from £14.2 million to £28.4 million (Table 9-1). However, it is our view that the lower value within this range is the more realistic estimate of economic impact.**

Table 9-1: Economic impact summary		
	Impact limited to 3 yrs	Impact incl. all historic change
Sample of 49 companies		
Net additional turnover	£10.8 million	£20.7 million
Direct GVA	£4.2 million	£8 million
GVA including multipliers	£8.5 million	£15.7 million
Total population of 85 companies		
Direct GVA	£7 million	£14.5 million
GVA including multipliers	£14.2 million	£28.4 million

Source: SQW

- 9.16 Even using the more conservative estimate of £14.2 million GVA, this represents a respectable return of over 3:1 based on SE's investment of £4.6 million. Using the higher value, this would represent a return of just over 6:1.

Contribution to SE's measures and targets

- 9.17 This evaluation has demonstrated that GCDP can continue to make an important contribution to SE's overall measures and targets. In particular, it can directly contribute to the two following objectives stated in the recent Business Plan³⁵:
- help more companies to realise their growth potential
 - accelerate internationalisation of Scottish businesses and attract foreign direct investment.
- 9.18 Assisting more companies through the GCDP is likely to improve the effectiveness of other products designed to assist the implementation of international development.

Wider economic benefits

- 9.19 Wider benefits have been generated through the peer group networking events. The Programme has facilitated the creation of a group of more internationally savvy business leaders.
- 9.20 Discussions with GCDP participants and the consultants responsible for delivering the Programme have indicated that many companies have retained the services of the GCDP consultants in assisting the development of their international strategy and management team. This in itself is a positive outcome of the Programme which demonstrates some level of market adjustment.

³⁵ Scottish Enterprise (2008), *Business Plan 2008-2011*

External & internal views of the Programme

- 9.21 Overall the feedback from participants on GCDP has been very positive. The Programme has provided valuable support to management teams to become more focused and strategic in terms of their international aspirations. For some companies the Programme is regarded as the best example of public sector support that they have received and some companies even maintain that without the Programme they may not have survived. Two thirds of companies stated that the Programme has been either extremely helpful or vital for their business.
- 9.22 External stakeholders have included the Global Scots, involved primarily through the peer group events, and the consultants responsible for delivering the Programme. Both groups of stakeholders are very positive about GCDP, and believe that this is the type of initiative that SE should be prioritising. Two of the consultants stated that based on their experience, GCDP is one of the best business support programmes in the UK. External stakeholders highlighted the benefits to management teams from taking time out from running the business to think more strategically and also to be able to learn from other like-minded companies at the networking events.
- 9.23 This evaluation has highlighted the range of views on the Programme from internal stakeholders based in SE and SDI. On the one hand, there are those that believe it is one of their best products that although sometimes difficult for companies, can make a real difference to strategic capabilities of Scottish SMEs aiming to grow their overseas markets.
- 9.24 On the other hand, there are some stakeholders who believe that SE should be assisting companies to develop their international strategies but are sceptical about what GCDP can deliver and how much it actually adds to the other products that are also available. Bearing in mind the positive feedback from the companies that have been involved (even those from a number of years back), it would seem that this scepticism may be due to a lack of awareness about the benefits of GCDP rather than the effectiveness of the Programme itself.
- 9.25 All groups of consultees agreed that the delivery of the Programme needs to be more effective with a smoother referral process and increased awareness of the product so that Account Managers can make more referrals. Most of the internal and external feedback suggested that the Programme could not be facilitated by Account Managers (instead of the GCDP team). The main reasons were lack of sufficient time and knowledge about the Programme.
- 9.26 For an evaluation, it is quite rare that whilst the majority of participants have been very positive about the Programme and believe that it should continue, some internal stakeholders remain unconvinced. It is our view that internal uncertainties about GCDP stem from a lack of knowledge and insufficient clarity in how the Programme is promoted and in the ways that objectives are expressed.

Recommendations

- 9.27 Based on our evaluation we would make the following recommendations:
- **review aims and objectives of the Programme** – the Programme remains closely associated to the Global Companies Enquiry and its definition of a ‘global’ company and associated criteria. SE should decide whether this is still appropriate, or whether

the Programme should be redesigned (or renamed) as an International Management Development Programme for companies aiming to develop overseas. Although there has been agreement across the board that there is a strong rationale for supporting management teams' capacity to develop internationally, there needs to be greater clarity on the specific objectives of this Programme and how these fit with other SE products. As part of this process it will also be important for SE to review the resources being allocated to each of its internationalisation products.

- **establish clear performance indicators/measures** – once Programme objectives have been decided, a set of activity, output and outcome measures need to be developed so that SE can monitor how the Programme is performing. At the moment, the only real monitoring that takes place is the number of recruits (and some qualitative research through longitudinal work). There has been limited evidence on Programme targets – it is recommended that future approval papers should clearly set out SMART objectives with targets across a range of measures.
- **ensure up-to-date monitoring information for all Programme participants** – due to the nature of this Programme, there was a requirement to assess how participants performance overseas had changed since their involvement on the Programme. Accessing basic performance data for some companies has proved to be problematic. In future, there should be annual data collated on the participants' performance (turnover, employment and profits) broken down by geography (Scotland, other UK and overseas). This could also be an opportunity to collect qualitative feedback from the company on their experiences of the Programme. This will be achieved by working closely with the companies' Account Managers who are involved with the company on an ongoing basis.
- **review referral process and ensure the right companies are selected for GCDP** – we are aware that the GCDP team, Account Managers and Priority Industry teams have started to review whether there are other companies that could be appropriate for the Programme. It is possible that some companies that could benefit from this type of support are not currently Account Managed. A more 'macro' or pro-active 'top-down' approach to identifying companies, including the suggestions of consultants, would ensure that the Programme is targeting support at companies that genuinely have the capacity and ambition to grow overseas (as was initially anticipated when the Programme was initially developed). SE also needs to decide whether it is appropriate to select HEIs for this Programme especially since they are no longer part of Account Management.
- **improve profile of Programme internally** – SE is committed to maintaining Account Managers as the main contact for companies and the person responsible for referring a company onto the Programme. However, since GCDP is one of 50 products available from SE and SDI, it needs to increase its profile and distinctiveness so that Account Managers and colleagues within the organisation as a whole are clear about what benefits the Programme can deliver. There is strong evidence from the companies themselves on how the Programme has assisted them – this message needs to be clearly conveyed in internal marketing.

- **improve management of GCDP delivery** – we are aware from our research that there have been some occasions where the delivery relationship between Account Manager and consultant has not been as effective as one would hope. It is the job of the GCDP team to ensure that this relationship is well managed and that Account Managers are fully engaged at all stages of GCDP delivery. Similarly, the GCDP team needs to ensure companies receive the outputs that they have expected from their consultants. Although the allocation of consultants to companies has worked very well, there have been some cases where a consultant has not had sufficient understanding of a particular sector – consultants to be offered to a company should be more carefully screened by the GCDP team and Account Managers.
- **strengthen the networking element of the Programme** – the research has found that companies have valued the opportunity to network with other companies and also learn from event speakers that have included Global Scots. More flexibility in the time and location of these events is likely to increase attendance levels. The creation of more formalised mentoring relationships between GCDP companies and Global Scots will also improve the effectiveness of the Programme.
- **consider a more formalised approach to aftercare** – this would involve a greater focus on reviewing how the GCDP participant is progressing in implementing the GCDP action plan. This could be carried out by either the consultant or the Account Manager 12 months after completing the Programme.
- **undertake any future evaluations over a shorter time period** – this would help to ensure that the experience of the Programme will still be relatively fresh in the corporate memory of participants and thus provide more detailed feedback on the Programme. It will also ensure a more accurate economic impact assessment (with companies only attributing impact to recent changes in business performance – this is something that we had to make an allowance for in our calculations).

9.28 Overall we would recommend that SE support for international business management capability building and international business strategy development/implementation should continue in some form. The precise formulation needs to take account of the changes in SE's product portfolio and business support functions since the inception of the GCDP. This recommendation is based on the qualitative and quantitative evidence from the participants themselves who believe that GCDP has had an important impact on developing a more strategic approach to internationalisation, strengthened the management team and provided the confidence to invest in new markets.

9.29 This recommendation is subject to the improvements suggested above. The Programme is not sustainable with the level of referrals from the last couple of years. The key to increasing the levels of referrals is, in our view, to increase its profile internally.

Annex A: References

A.1 The following documents have been referenced in the report.

- Scottish Enterprise (1999), *Global Companies Enquiry: Research Findings*
- Raines, P & Brown, R (2001), *From International to Global: The Scottish Enterprise Global Companies Strategy and New Approaches to Overseas Expansion – Regional Studies Vol. 35.7*
- European Commission (2007), *Final Report of the Expert Group on Supporting the internationalisation of SMEs*
- SE Internal Paper (1999), *Global Companies Development Process Pilot – Project Paper*
- SE Internal Paper (2002), *Global Companies Development Programme: Programme Approval Paper*
- Scottish Enterprise (no date indicated), *Scotland: Making International Connections*
- Scottish Executive (2000), *The Way Forward: Framework for Economic Development in Scotland*
- Scottish Executive (2001), *A Smart Successful Scotland: Ambitions for the Enterprise Network*
- Scottish Executive (2001), *Scotland: A Global Connections Strategy*
- Scottish Government (2007), *The Government Economic Strategy*
- Scottish Enterprise (2008), *Business Plan 2008-2011*
- Scottish Enterprise (2008), *Additionality and Economic Impact Assessment Guidance Note*
- HM Treasury (2003), *The Green Book, Appraisal and Evaluation in Central Government*
- Department for Innovation, Universities and Skills (2008), *The 2008 R&D Scorecard*

Annex B: Business interview & questionnaire

Introduction

Name of interviewer:	Date:
Name of company:	Company contact:

Review of online questionnaire

1. Do you have any questions regarding the online survey?
2. Were there any questions that you could not answer? (offer to go through questions if necessary)

Company profile

3. How would you best describe the business when you first participated in GCDP? <ul style="list-style-type: none">• New start – less than 18 months,• Established business – 18 months or older• University spin-out• Corporate spin-out
4. How would you best describe the business now? <ul style="list-style-type: none">• Options as above
5. How many years has the business been trading?
6. What sectors does your business operate in? <ul style="list-style-type: none">• Energy• Textiles• Life Sciences• Digital Markets & Enabling Technologies• Aerospace, Defence and Marine• Tourism• Chemical Sciences• Construction• Food & Drink• Financial Services

<ul style="list-style-type: none">• Forest Industries• Manufacturing• Other (please specify)
7. Please describe the nature of your business in terms of main product and/ or service.
8. How would you describe the growth prospects of your business over the next 5 years? <ul style="list-style-type: none">• We will grow rapidly• We will grow gradually• We will stay about the same size• We will reduce in size• Don't know
9. To what extent was your company involved in international markets before joining the GCDP? (ask for nature of involvement and the countries/regions where they were operating) <ul style="list-style-type: none">• Rest of UK• Europe• North America• South America• Asia• Australia/ Oceania• Africa• Middle East• Other (please specify)
10. To what extent has this changed since you have been involved in GCDP?

Before GCDP involvement

11. What do you understand to be the original aims and objectives of the GCDP?
12. When you joined the Programme did you perceive there to be any barriers for companies wanting to become global? If yes, what were these barriers?
13. Do you think these barriers still exist today?

14. What were your expectations of the Programme?
15. Have these expectations been met? If no, explain why..
16. How did you first hear about the GCDP? How did you get on to the Programme?
17. Was your company involved in any other SE intervention prior to starting GCDP (e.g. High Growth Start-Up, SDI export programme)? If yes, which interventions?
18. When did you become an Account Managed company?
19. Who invited your company to become involved? (prompt if required- Account Manager, GCDP team)

Level of GCDP involvement

20. What activities have you been involved in as part of the GCDP? <ul style="list-style-type: none">• Meetings with GCDP executives• Meetings with LEC advisors• Meetings with Account Managers• Consultants strategic review• Preparation of action plan• Implementation of action plan• Peer group events• Other
21. Which three activities have been the most useful to your business?
22. What criteria did you use to select the consultant that has delivered the Programme?
23. How effective has this consultancy-based approach been in delivering the Programme? <ul style="list-style-type: none">• GCDP consultants performance – very poor/poor/satisfactory/good/excellent

24. Have you completed the Programme and developed a GCDP action plan? (if yes, go to Q27)
25. If no, is your involvement on the Programme still ongoing? (If yes, go to Q28)
26. If you withdrew from the Programme, what were your reasons? (then go to Q31)
27. From when you started the Programme, how long did it take to finalise your GCDP action plan?
28. If you are still involved in the Programme, when do you expect to complete the Programme?
29. How much of your time and your colleagues' time has been required to be involved in the Programme? (estimate in days per month / per year)
30. After finalising your GCDP action plan, did you receive any more support from SE or the consultants in implementing your action plan?

Impact of GCDP

31. How has the Programme contributed to the internationalisation of your company?
32. How important has the GCDP been for your business overall? <ul style="list-style-type: none">• not helpful/ marginal/moderately helpful/extremely helpful/vital
33. Has your company received support from other public sector bodies (non-SE) since you have been involved in the Programme (e.g. Local Authority, Scottish Government)? If yes, what kind of support, what value and for what purpose?
34. How does the Programme fit with other SE support / other public sector support? (Check with responses to Q9 and Q19 of online survey – explore extent to which achieving objectives and economic impact can be attributed to GCDP or other SE support)

35. Has participation in GCDP resulted in your company becoming involved in any other SE intervention? If yes, which intervention(s)?

Learning and development

36. What are the main strengths of the Programme?

37. What are the main weaknesses of the Programme?

38. What changes to the Programme would you like to see implemented in the future?

39. How effectively has the Programme been managed by SE?

- GCDP staff performance – very poor/poor/satisfactory/good/excellent
- Account Manager performance – very poor/poor/satisfactory/good/excellent

40. Do you think that the Programme could be facilitated by your Account Manager instead of the GCDP team? Please explain..

(i.e. could the Account Managers do the job of the GCDP team?)

41. How does GCDP compare with other SE interventions that you have been involved in?

42. If the GCDP was not delivered by SE, would you be willing to pay the full consultancy costs?

If no, up to what % would they pay?

(Note: companies with turnover £5-25m currently pay 30%, companies with turnover over £25m pay 40% and universities pay 66%)

(Following questions are supplementary and dependant on time and company's willingness to talk)

43. Do you think that involvement on this Programme should be based on application or should companies continue to be selected by SE (as is currently the case)?

44. Do you think that there should be clear criteria on how companies are selected? Please explain..

45. Do you think that the Programme is delivering additional economic benefits for Scotland? If yes, what are these benefits?
46. Do you have any other comments on the Programme?

END OF QUESTIONNAIRE - Thank you for participating in this evaluation.

.....

Evaluation of the Global Companies Development Programme

Survey conducted on behalf of Scottish Enterprise

SQW Consulting has been commissioned by Scottish Enterprise to conduct an independent evaluation of the Global Companies Development Programme (GCDP). As part of the evaluation, we are interested to receive feedback of the benefits to your business of participating in the Programme. Your input will be important in considering the future shape of the Programme.

We would be grateful if you could spare some time to complete this online questionnaire. It should take no longer than 20 minutes. Please submit your response by 20th October 2008. All responses will be treated in the strictest confidence and will not be made attributable to you when we report our findings. As indicated in the email from Scottish Enterprise, this will be followed by a short telephone interview to discuss more qualitative issues.

Section 1: Business profile

Q1. Your name:	
Q2. Your position :	
Q3. Name of business:	
Q4. Postcode (of business)	

Q5. When did you first get involved in the GCDP?

	Please mark with an x
2008	
2007	
2006	
2005	
2004	
2003	
2002	
2001	
2000	
Don't know	

Section 2: Reasons for participation in GCDP

Q6. What were the reasons for you participating in the GCDP? Please rank the following reasons on a scale of 1 (not important) to 5 (very important) in terms of how much they influenced your decision to participate in the GCDP.

[Please mark with an x]

		Not important (1)	Of little importance (2)	Moderate importance (3)	Important (4)	Very important (5)
	To develop and implement a strategy to grow internationally					
	To develop and implement an action plan to grow internationally					
	To develop a new business model for international operations					
	To develop the management team					
	To enhance the organisational structure					
	To improve access to overseas market information, networks and overseas contacts					
	To gain overseas market exposure					
	To access new markets					
	To make international acquisitions and/ or disposals					
	To exploit R&D and technology on a global level					
	To create a global outlook amongst senior managers					
	To change the way you perceive risk					
	To become more willing to develop or modify products for international markets					
	To increase knowledge, learning and skills of staff					
	To improve business processes and systems					

Q7. Please state any other reasons, not mentioned above, for participating in the GCDP, and rank from 1 to 5 as above.

Section 3: Benefits to GCDP participants

Q8. What progress has been made in developing and implementing a GCDP strategy and action plan?

[Please mark with an x]

		Some progress (1)	Substantial progress (2)	Fully achieved (3)
	Developed and implemented a strategy to grow internationally			
	Developed and implemented an action plan to grow internationally			

Q9. What progress has been made in achieving these objectives as a result of your developing and implementing your GCDP strategy and action plan? For each of the objectives, please rank from 1 (not relevant) to 3 (fully achieved). PLEASE NOTE – this question only relates to the support from GCDP and not other SE support.

[Please mark with an x]

		Not relevant (1)	No progress (2)	Some progress (3)	Substantial progress (4)	Fully achieved (5)
	Developed a new business model for international operations					
	Developed the management team					
	Enhanced the organisational structure					
	Improved access to overseas market information, networks and overseas contacts					
	Increased overseas market exposure					
	Accessed new markets					
	Enabled international acquisitions and/ or disposals					
	Exploited R&D and technology on a global level					
	Created a global outlook amongst senior managers					
	Changed the way you perceive risk					
	Became more willing to develop or modify products for international markets					
	Increased knowledge, learning and skills of staff					
	Improved business processes and systems					

Q10. Please specify any other progress that has been made and rank from 1 to 5 as above.

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Section 4: Impact on GCDP participants

The next questions ask about your business performance in the year previous to joining the GCDP, the last complete financial year and projected performance in 3 years time. We also ask to what extent the GCDP has assisted in achieving your current turnover, profit and employment levels.

Q11. What were the turnover and profit figures of your business in the...?

	...year previous to joining GCDP		...last complete financial year	
	£	Don't know	£	Don't know
Turnover...				
In Scotland				
Rest of UK				
Outside UK				
Profit...				
In Scotland				
Rest of UK				
Outside UK				

Q12. What are your projected turnover and profit figures for 3 years time?

	£	Don't know
Turnover...		
In Scotland		
Rest of UK		
Outside UK		
Profit...		
In Scotland		
Rest of UK		
Outside UK		

Q13 & Q14. How many staff were employed at your business in the...?

[Please insert figures]

		...year previous to joining GCDP			...last complete financial year		
		In Scotland	Rest of UK	outside UK	In Scotland	Rest of UK	outside UK
	Full time						
	Part time						

Q15. How many staff do you expect to employ in 3 years time?

[Please insert figures]

	In Scotland	Rest of UK	outside UK
Full time			
Part time			

Q16. Thinking about the change in your turnover and employment levels from when you started GCDP, to what extent has this support brought forward, delayed or made no difference to the achievement of these figures?

[Please mark with an x]

	Turnover	Employment
Delayed by over 2 years		
Delayed by between 1 and 2 years		
Delayed by up to 1 year		
No difference		
Brought forward by up to 1 year		
Brought forward by between 1 and 2 years		
Brought forward by over 2 years		
Don't know		

Q17. Thinking about changing business performance *since starting on the GCDP*, how much different do you think the following would have been without GCDP support?

[Please insert figures]

	Lower (%)	Higher (%)	Don't know
Turnover			
In Scotland			
Rest of UK			
Outside UK			
Profits			
In Scotland			
Rest of UK			
Outside UK			
Employment			
In Scotland			
Rest of UK			
Outside UK			

Q18. Thinking about changing business performance over the *next 3 years*, how much different do you think the following would be without GCDP support?

[Please insert figures]

	Lower (%)	Higher (%)	Don't know
Turnover			
In Scotland			
Rest of UK			
Outside UK			
Profits			
In Scotland			
Rest of UK			
Outside UK			
Employment			
In Scotland			
Rest of UK			
Outside UK			

Q19. Providing your best estimate, how much different do you think the following would have been without *all SE support (including GCDP)*, since starting on the GCDP?

[Please insert figures]

	Lower (%)	Higher (%)	Don't know
Turnover			
In Scotland			

	Rest of UK			
	Outside UK			
	Profits			
	In Scotland			
	Rest of UK			
	Outside UK			
	Employment			
	In Scotland			
	Rest of UK			
	Outside UK			

Q20. Thinking about the main competitors your business faces, approximately what percentage of your main competitors are based in Scotland?

%

Q21. If sales in your business were to grow, to what extent would this be at the expense of your competitors in Scotland?

		Please mark with an x
	None of your sales would be at the expense of other firms	
	Less than half of your sales would be at the expense of other firms	
	Half of the sales would be at the expense of other firms	
	More than half of your sales would be at the expense of other firms	
	All of your sales would be at the expense of other firms	
	Don't know	

Q22. Thinking about the market conditions in your main area of business since starting on the GCDP, would you say that market conditions have...

		Please mark with an x
	Declined strongly	
	Declined moderately	
	Are about the same	
	Improved moderately	
	Improved strongly	
	Don't know	

Q23. To what extent has your participation in GCDP resulted in the business replacing one activity for a similar one to take advantage of the support received? (For example if you were not involved in GCDP would you have spent your time on marketing, new product development etc?)

		Please mark with an x
	None of this has replaced another similar activity	
	Some of the resources spent on GCDP has replaced another activity	
	Around half the resources spent on GCDP has replaced another activity	
	Most of the resources spent on GCDP has replaced another activity	
	All of the resources spent on GCDP has replaced another activity	
	Don't know	

Q24. If you indicated a change in business performance in terms of turnover, profits or employment, can you indicate the proportion (%) of the benefits which are likely to accrue...

[Please insert figures]

	...within Scotland	...outside Scotland
Turnover		
Profits		
Employment		

Q25. Thinking about the main suppliers for your business, approximately what percentage of the total value of these comes from Scottish-based suppliers?

%

Q26. Has the support from GCDP made the quality of employees and management...

	Please mark with an x
A lot worse	
Moderately worse	
No different	
Moderately better	
A lot better	
Don't know	

Section 5: Impact on other financial measures

The next section asks a number of questions about the company's published financial data over the last complete financial year and the year previous to joining GCDP. These are important measures that when combined with employment and turnover will help us to calculate the overall impact of the GCDP.

Q27. What has the level of depreciation been at this establishment in each of the last complete financial years? *By depreciation we mean the decline in price of an asset over time and recorder in your annual accounts as depreciation.*

	...year previous to joining GCDP	...last complete financial year
£		£

Q28. What was your total wage bill in the last complete financial year? *By wage bill we mean wages and salaries for your annual accounts. This does not include associated costs such as social security or pension costs.*

	...year previous to joining GCDP	...last complete financial year
£		£

Q29. What was your amortisation in the last complete financial year? *By amortisation we mean the writing off or depreciation of goodwill and other intangible asset wages as stated in your accounts.*

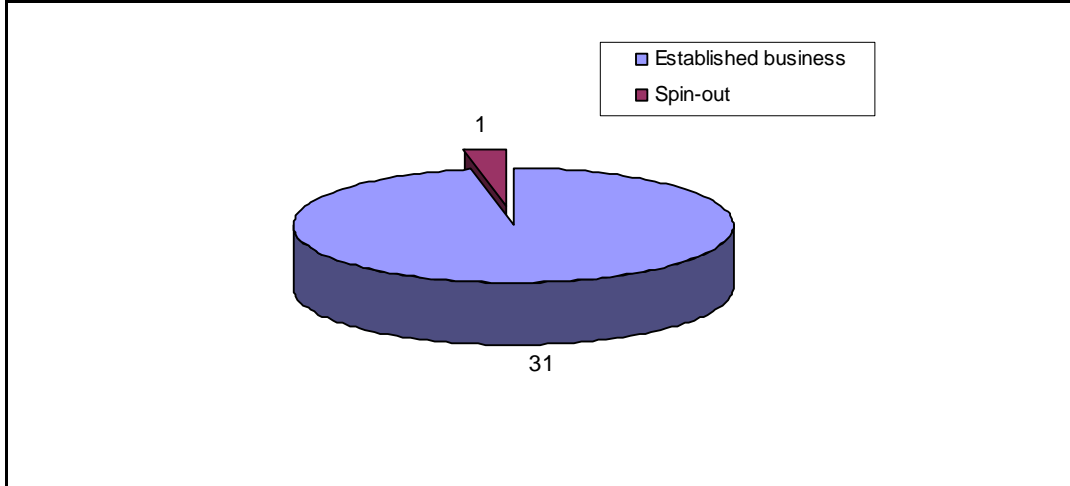
	...year previous to joining GCDP	...last complete financial year
£		£

Thank you for completing this questionnaire.

Annex C: Business survey results

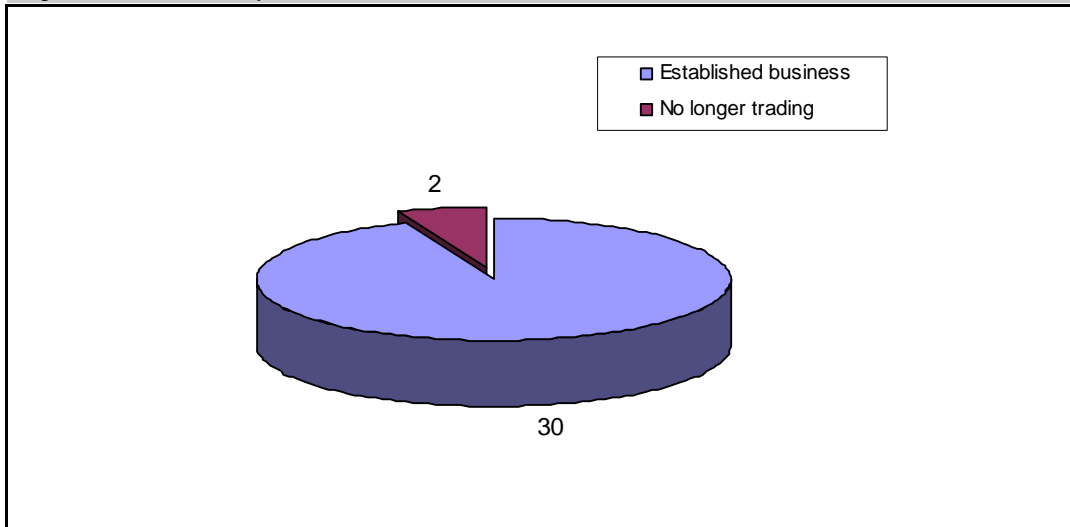
C.1 This Annex highlights the responses to the business interview and online questionnaire.

Figure C-1: How would you best describe the business when you first participated in GCDP?



Source: Telephone interview – 32 respondents

Figure C-2: How would you best describe the business now?



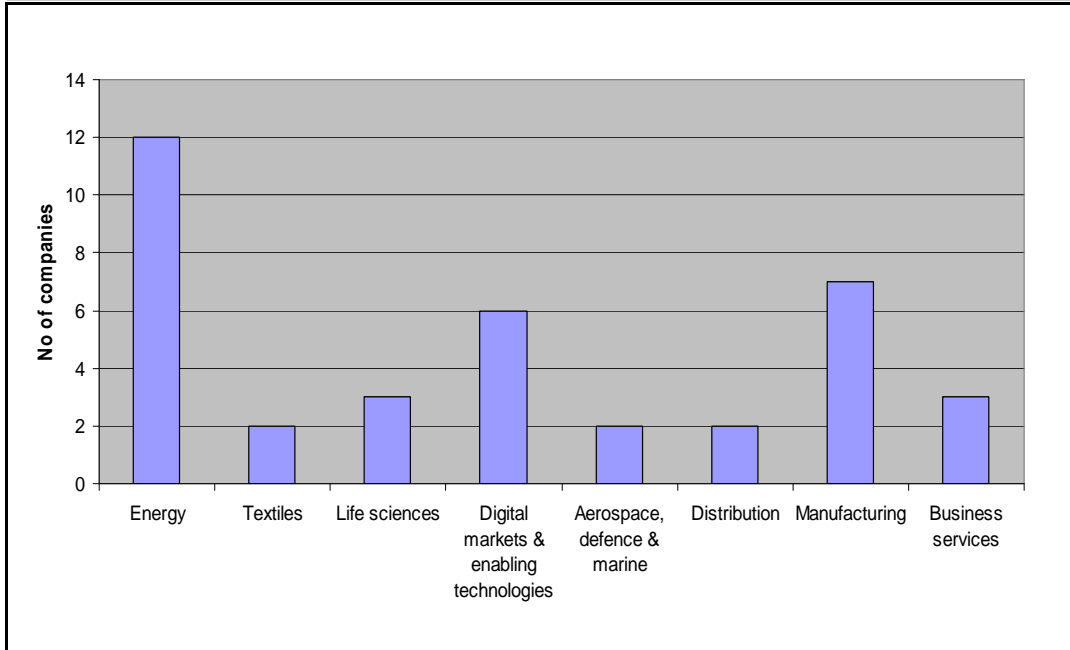
Source: Telephone interview – 32 respondents

Figure C-3: How many years has the business been trading?



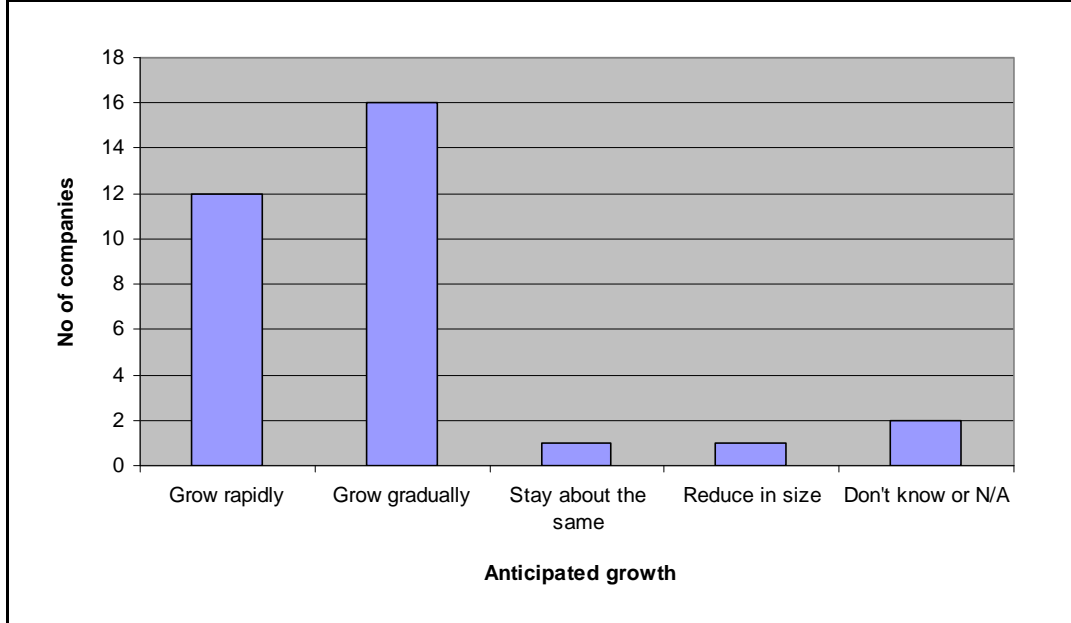
Source: Telephone interview – 32 respondents

Figure C-4: What sectors does your business operate in?



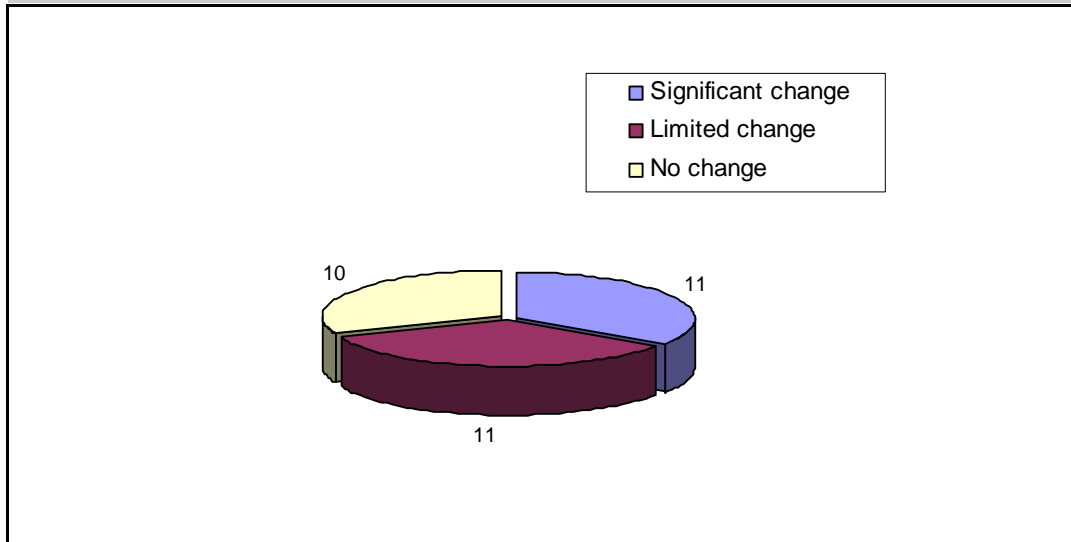
Source: Telephone interview – 32 respondents but some involved in more than one sector

Figure C-5: How would you describe the growth prospects of your business over the next 5 years?



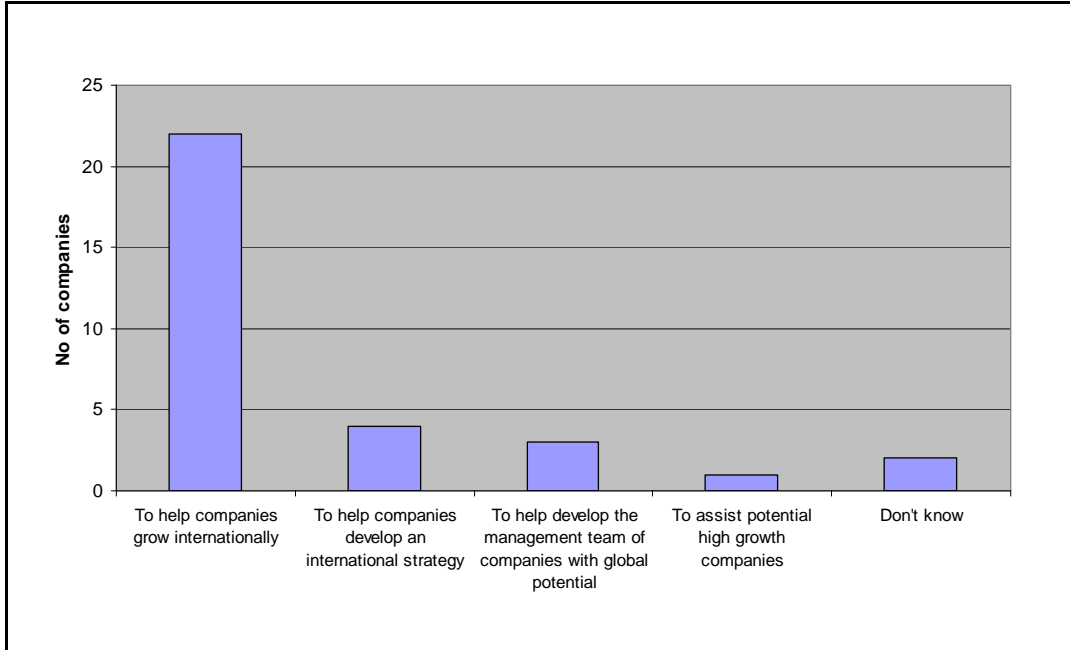
Source: Telephone interview – 32 respondents

Figure C-6: To what extent has your involvement in international markets changed since you have been involved in GCDP?



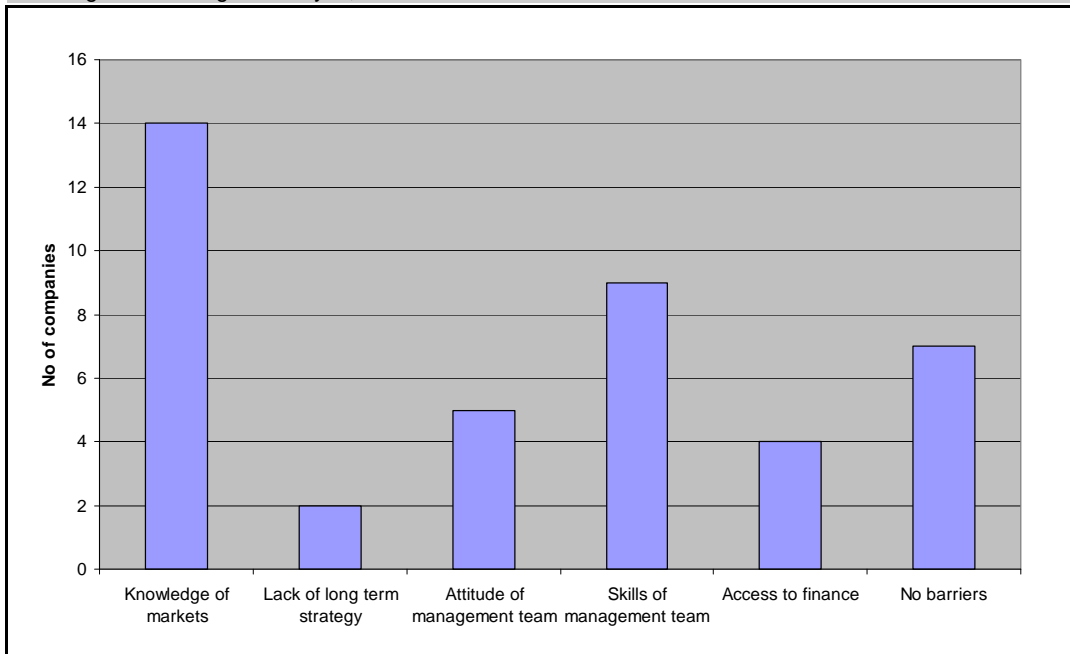
Source: Telephone interview – 32 respondents

Figure C-7: What do you understand to be the original aims and objectives of the GCDP?



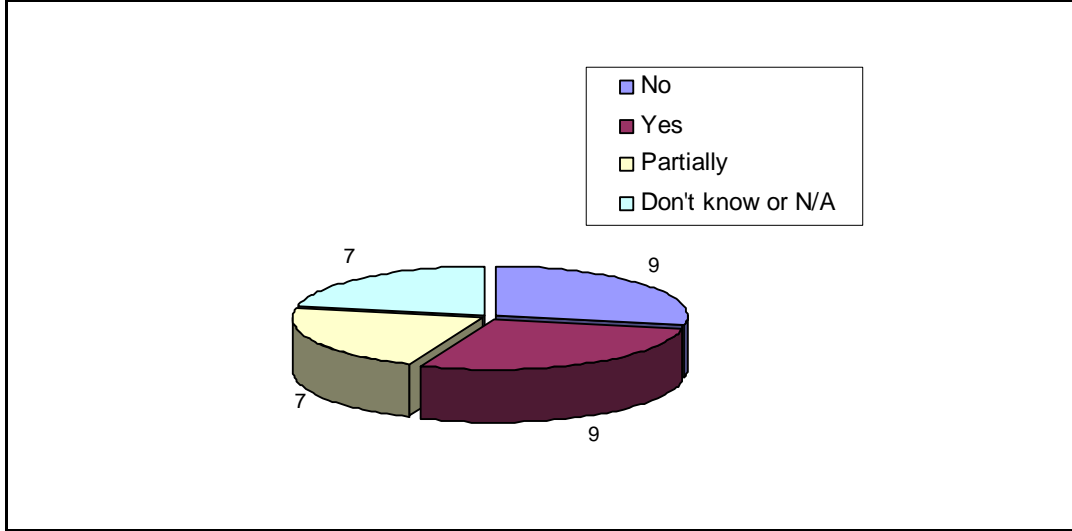
Source: Telephone interview – 32 respondents

Figure C-8: When you joined the Programme, did you perceive there to be any barriers for companies wanting to become global? If yes, what were these barriers?



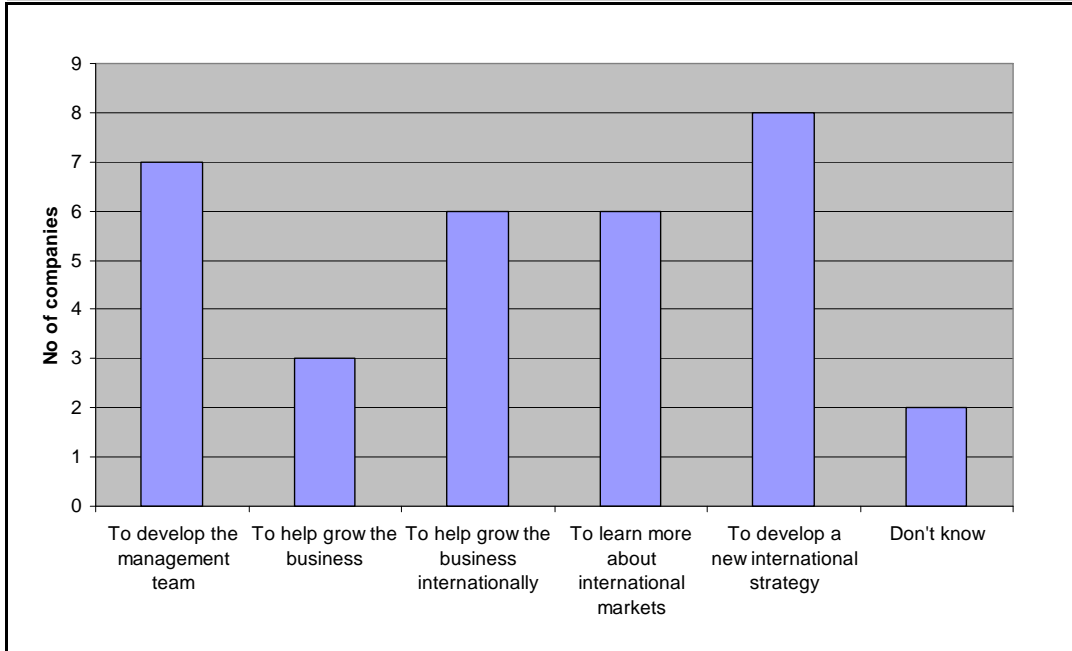
Source: Telephone interview – 32 respondents but some suggesting more than one barrier

Figure C-9: Do you think these barriers still exist today?



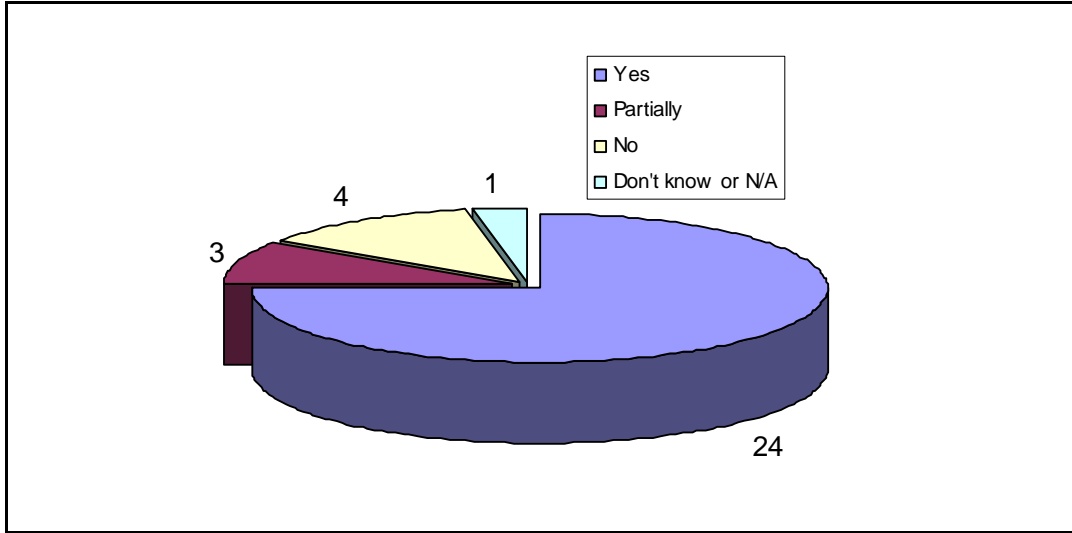
Source: Telephone interview – 32 respondents

Figure C-10: What were your expectations of the Programme?



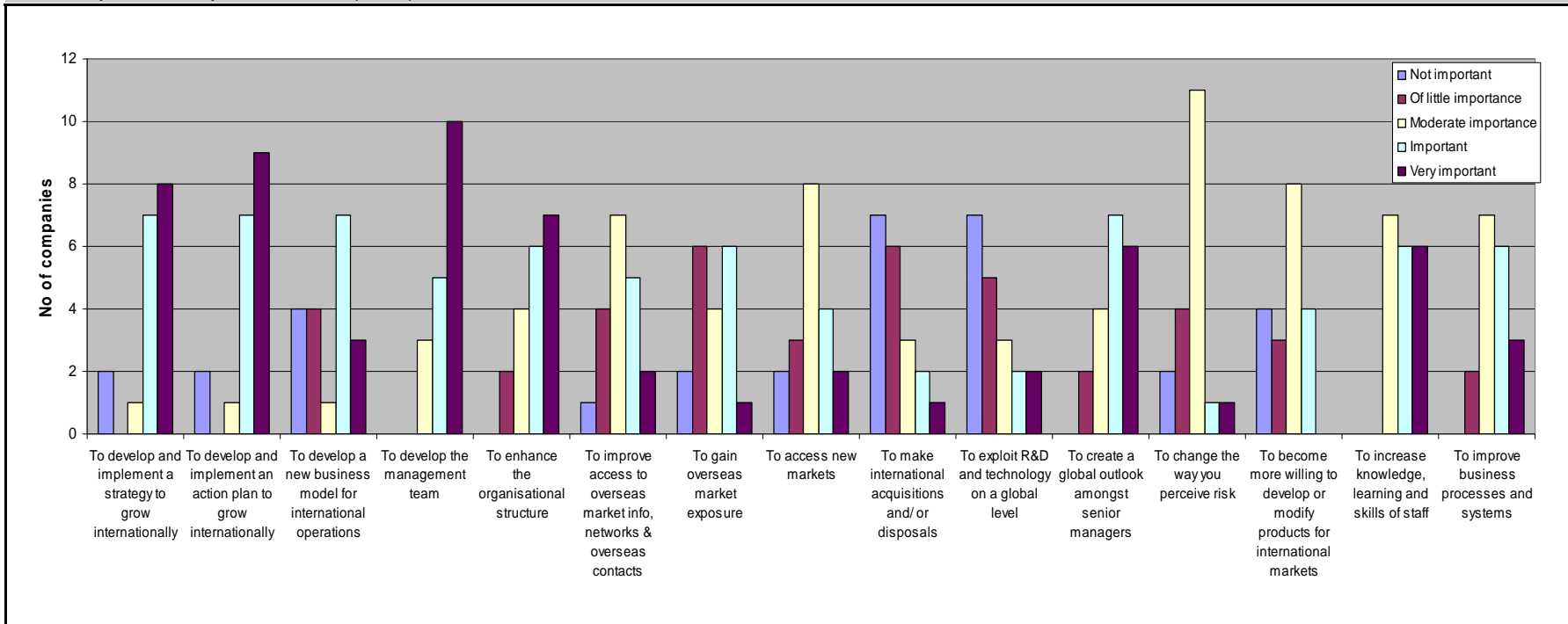
Source: Telephone interview – 32 respondents

Figure C-11: Have these expectations been met?



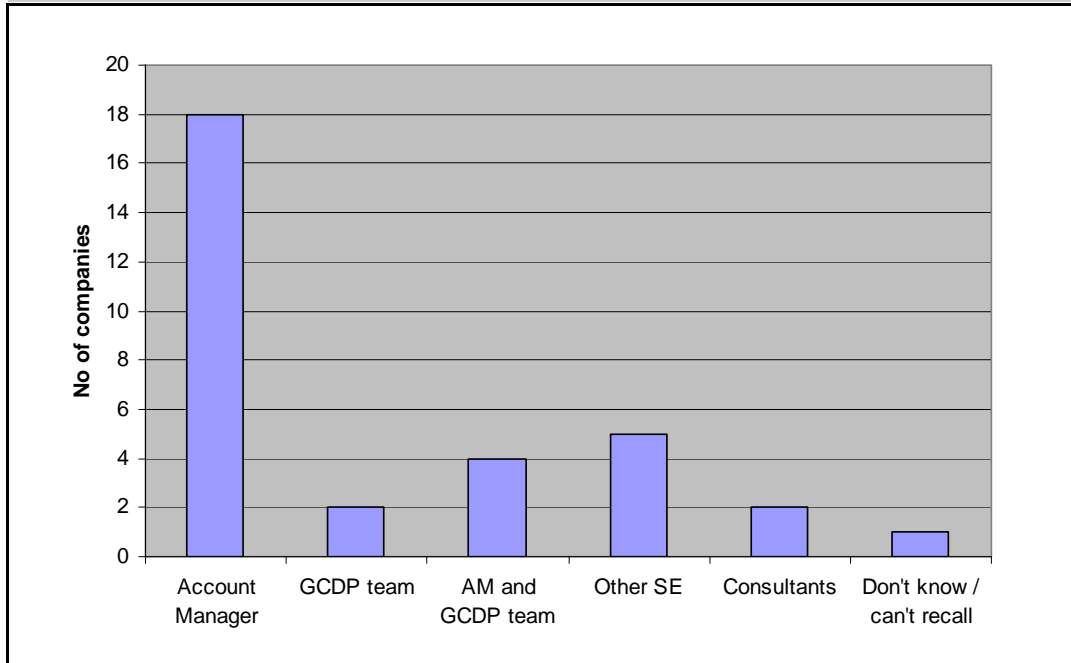
Source: Telephone interview – 32 respondents

Figure C-12 What were the reasons for you participating in the GCDP? Please rank the following reasons on a scale of 1 (not important) to 5 (very important) in terms of how much they influenced your decision to participate in the GCDP



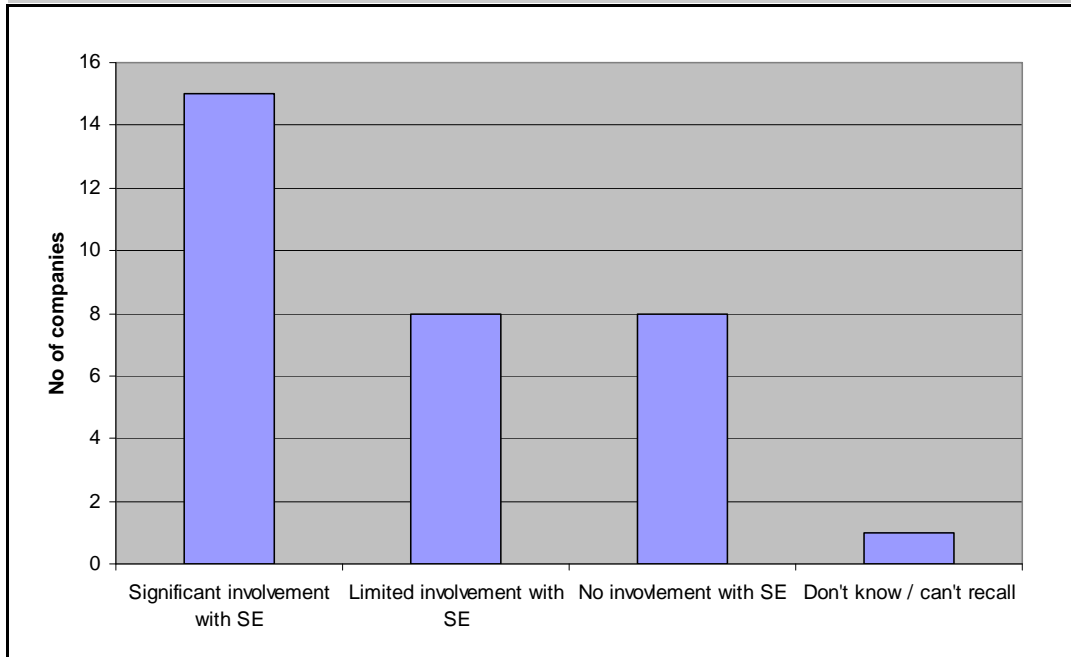
Source: Web Survey – 19 respondents

Figure C-13: How did you first hear about GCDP? How did you get onto the Programme?



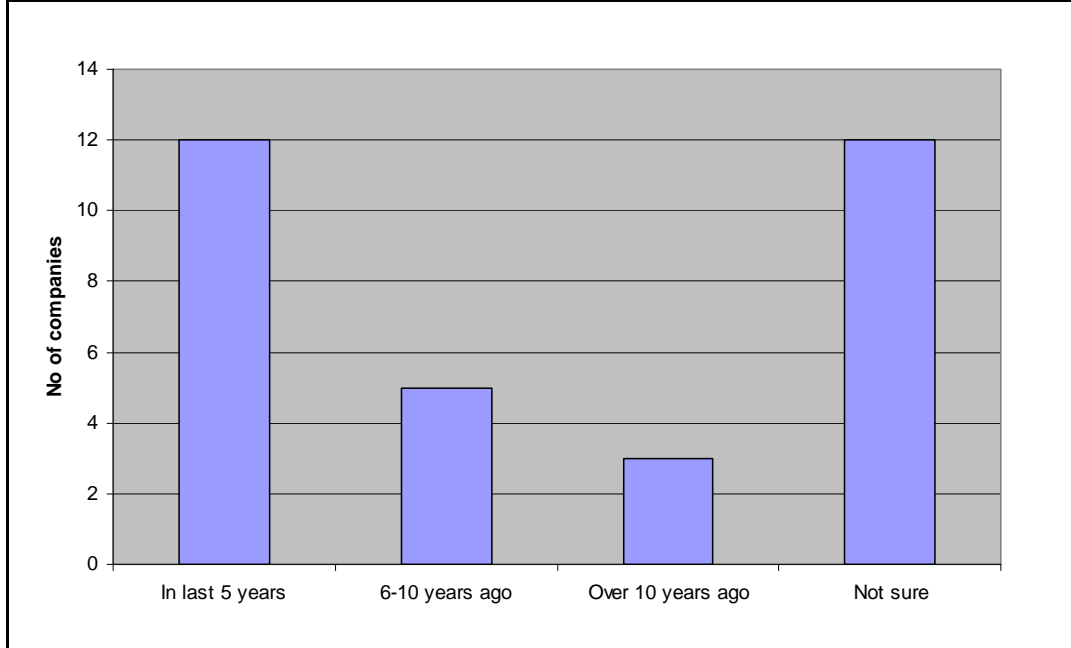
Source: Telephone interview – 32 respondents

Figure C-14: Was your company involved in any other SE intervention prior to starting GCDP? If yes, which interventions?



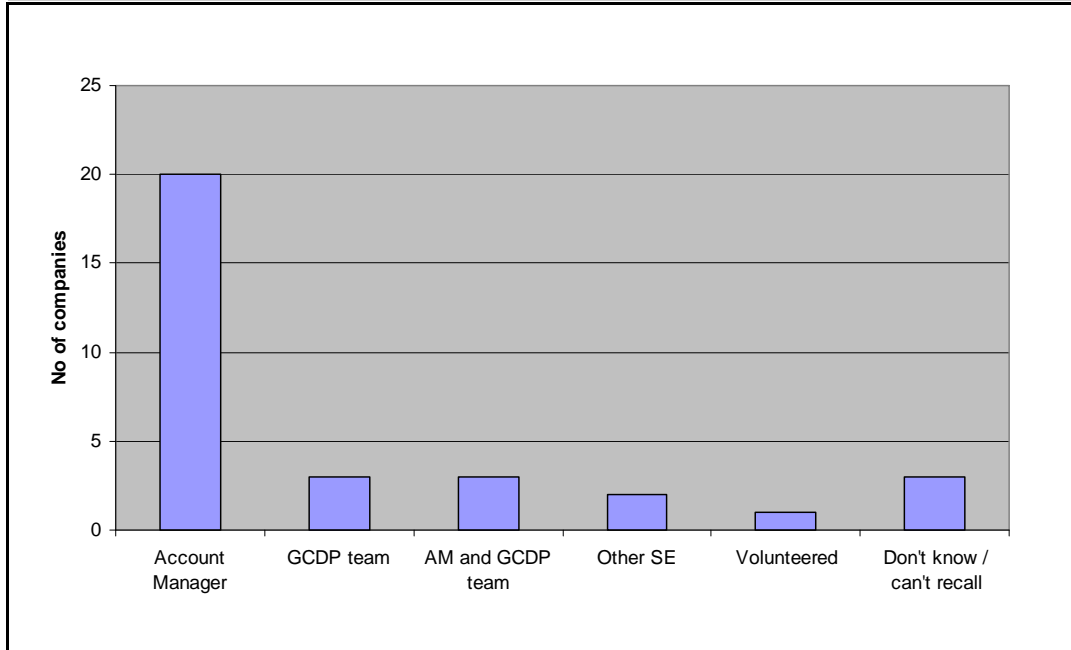
Source: Telephone interview – 32 respondents

Figure C-15: When did you become an Account Managed company?



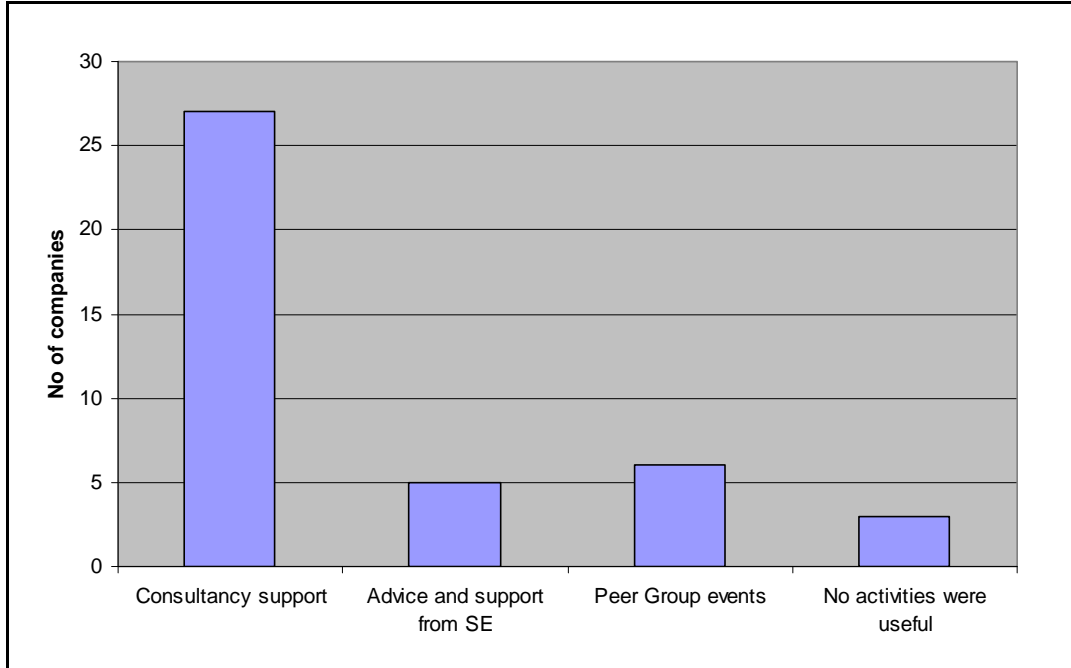
Source: Telephone interview – 32 respondents

Figure C-16: Who invited your company to become involved?



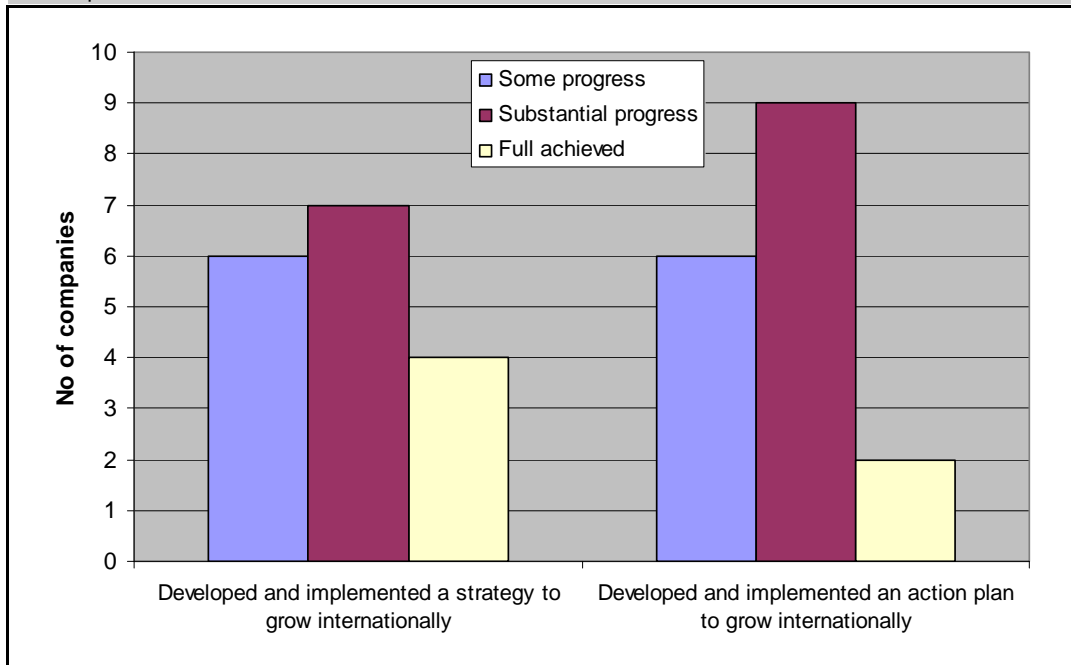
Source: Telephone interview – 32 respondents

Figure C-17: Which three activities have been most useful to your business?



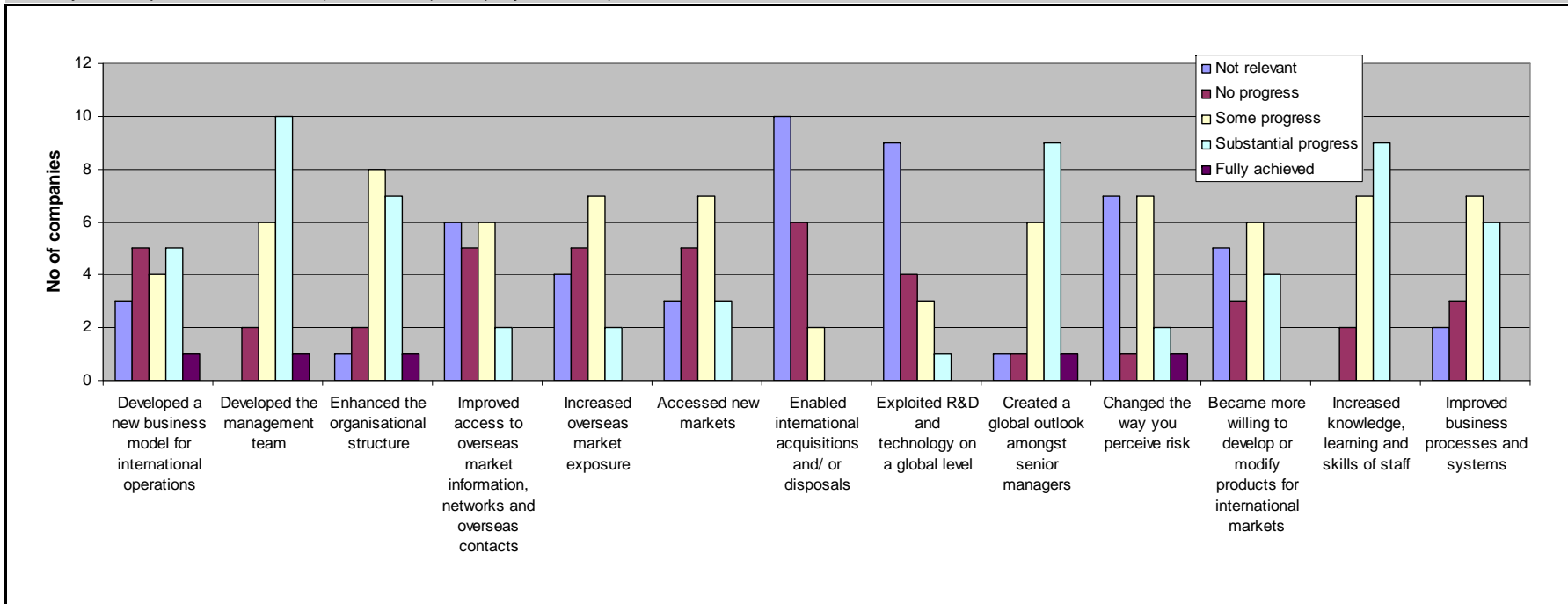
Source: Telephone interview – 32 respondents but some suggesting more than one activity

Figure C-18: What progress has been made in developing and implementing a GCDP strategy and action plan?



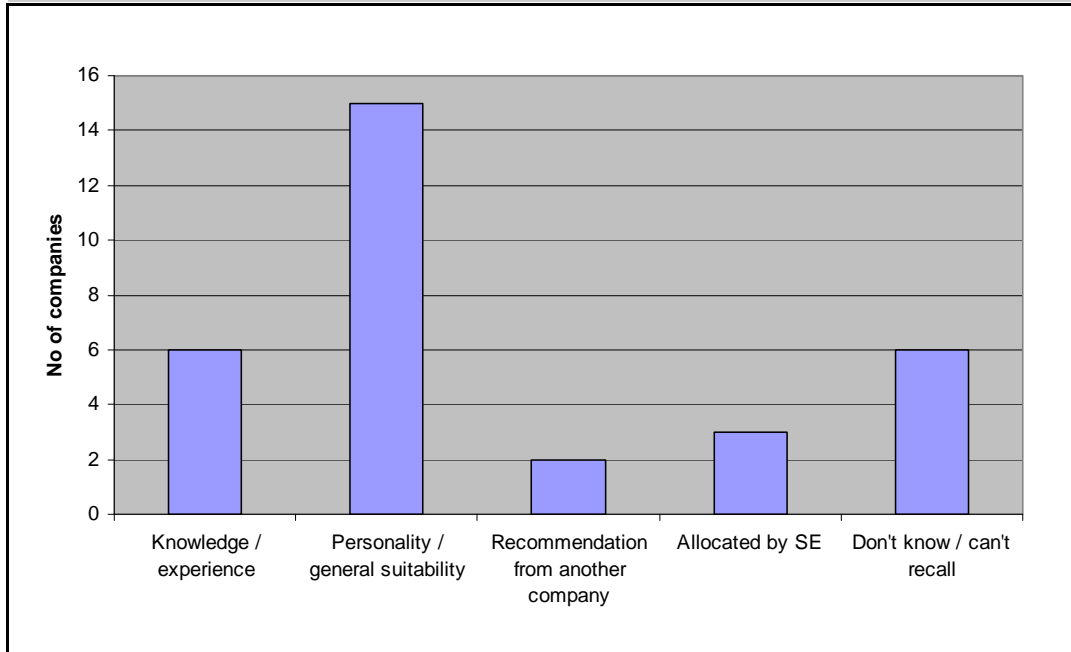
Source: Web Survey – 17 respondents

Figure C-19: What progress has been made in achieving these objectives as a result of your developing and implementing your GCDP strategy and action plan? For each of the objectives, please rank from 1 (not relevant) to 5 (fully achieved).



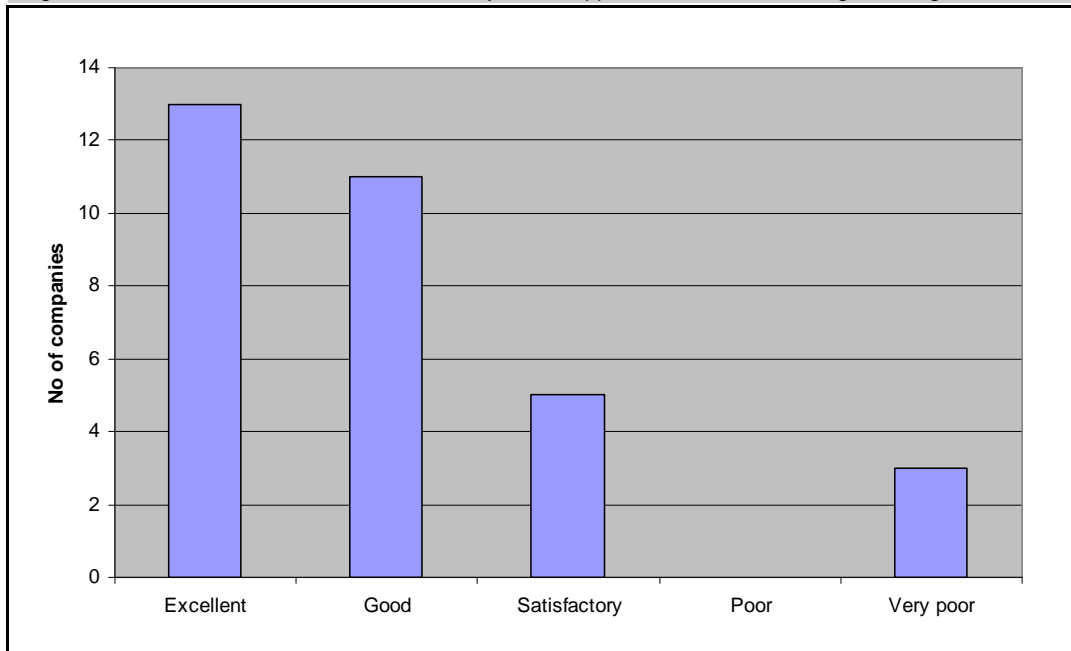
Source: Web Survey – 19 respondents

Figure C-20: What criteria did you use to select the consultant that has delivered the Programme?



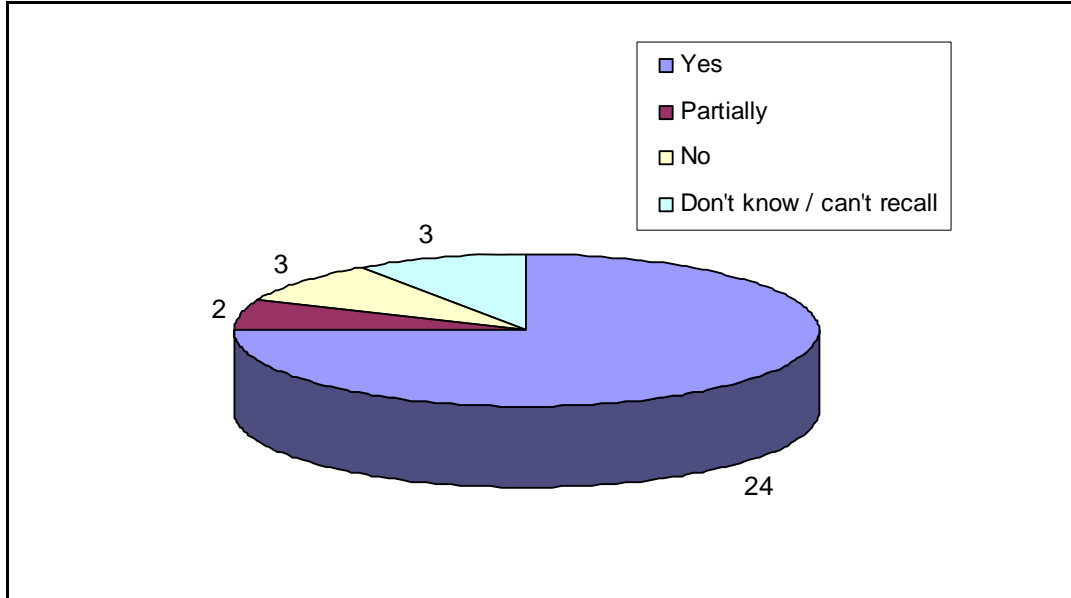
Source: Telephone interview – 32 respondents

Figure C-21: How effective has this consultancy based approach been in delivering the Programme?



Source: Telephone interview – 32 respondents

Figure C-22: Have you completed the Programme and developed a GCDP action plan?



Source: Telephone interview – 32 respondents

Table C-1: If no, is your involvement on the Programme still ongoing?

Response	No of companies
Yes	1
No	2

Source: Telephone interview – 3 respondents

Table C-2: If you withdrew from the Programme what were your reasons?

Responses

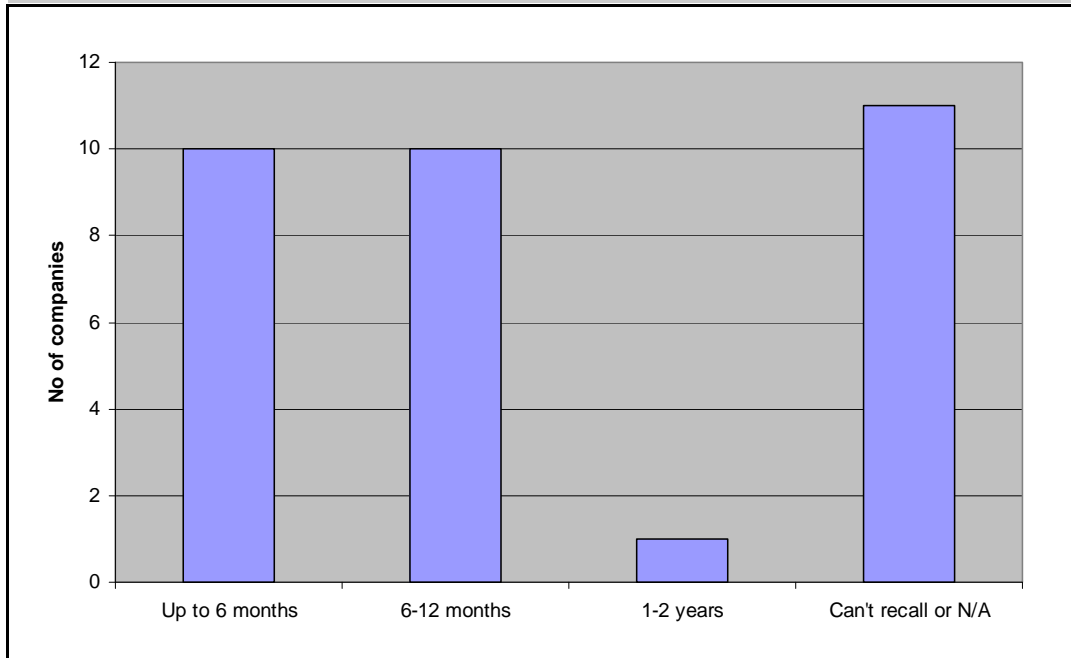
1. The programme was not developed fully. There was no clear structure, a lack of goals other than trying to globalise companies. 2. Felt that there was a lack of substance and very little practical learning. 3. Rather than concentrate on the specific situational examples that the company needed in order to understand how to do business in a particular country, there was a lot of 'consultancy talk' and buzzwords which added very little to the companies knowledge of trading abroad.

Withdrew from the programme because it did not help the business in indentifying appropriate international markets for our product. There were no markets to which we could export our packaging material.

Not happy with the consultant

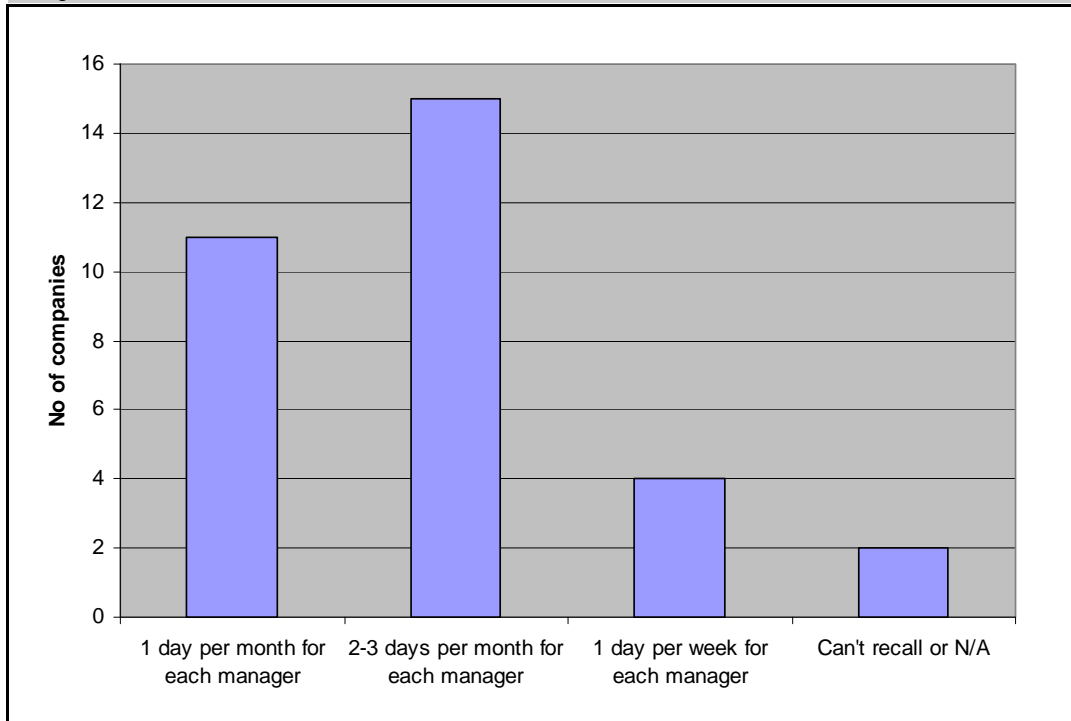
Source: Telephone interview – 3 respondents

Figure C-23: From when you started the Programme, how long did it take to finalise the GCDP action plan?



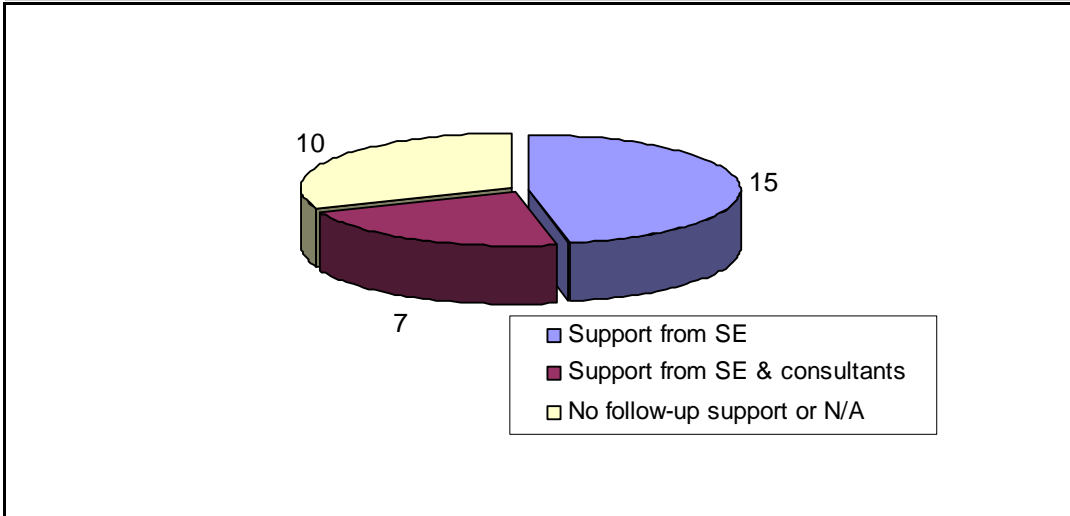
Source: Telephone interview – 32 respondents

Figure C-24: How much of your time and your colleagues' time has been required to be involved in the Programme?



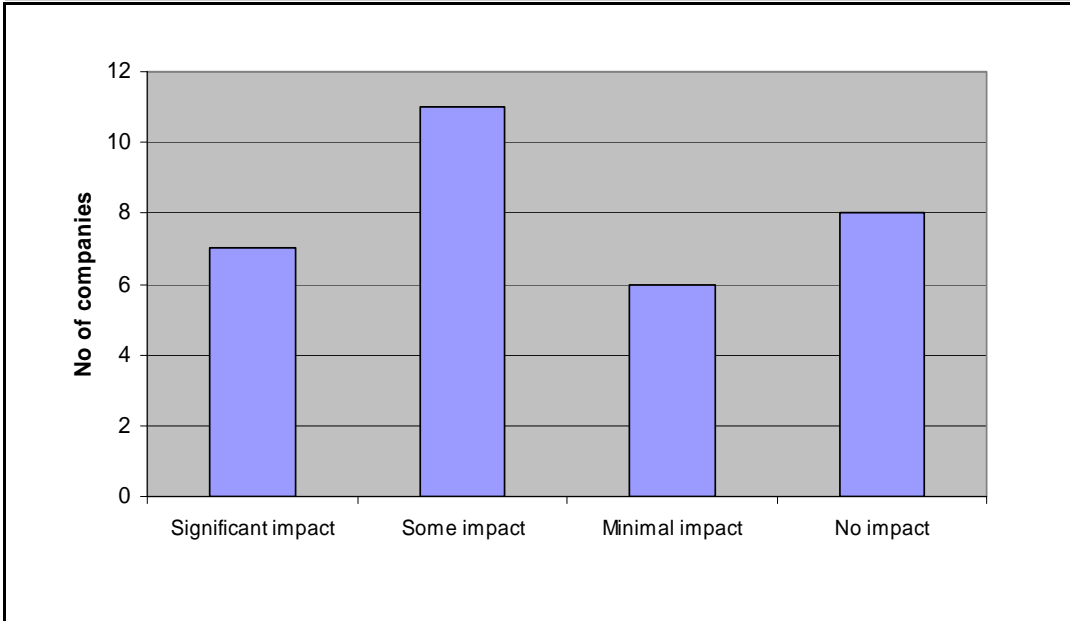
Source: Telephone interview – 32 respondents

Figure C-25: After finalising your GCDP action plan, did you receive any more support from SE or the consultants in implementing your action plan?



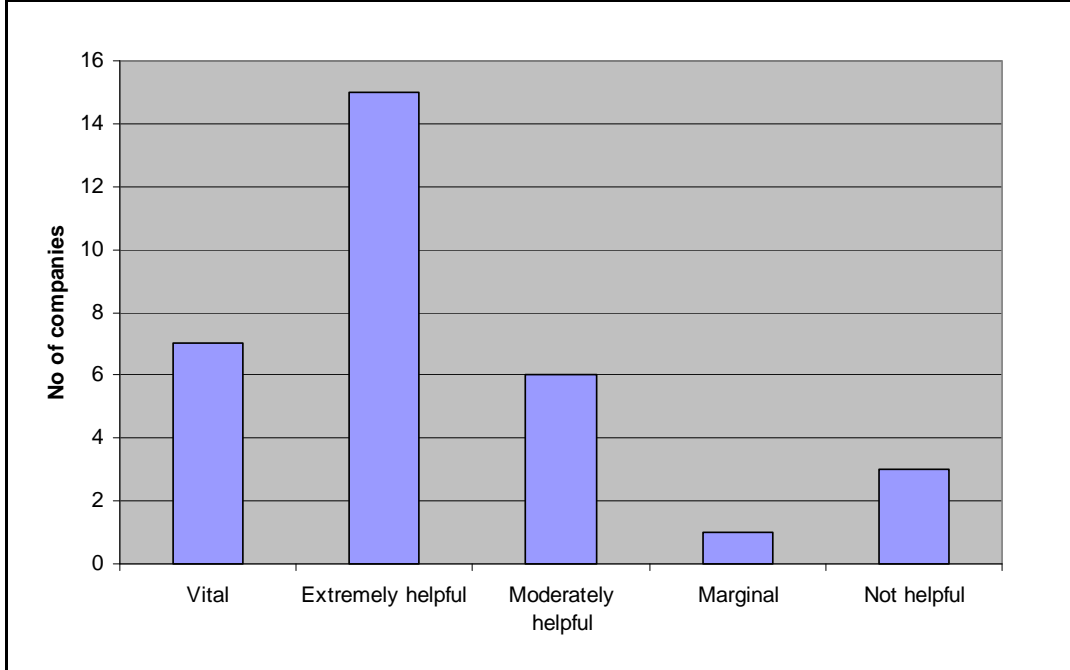
Source: Telephone interview – 32 respondents

Figure C-26: How has the Programme contributed to the internationalisation of your company?



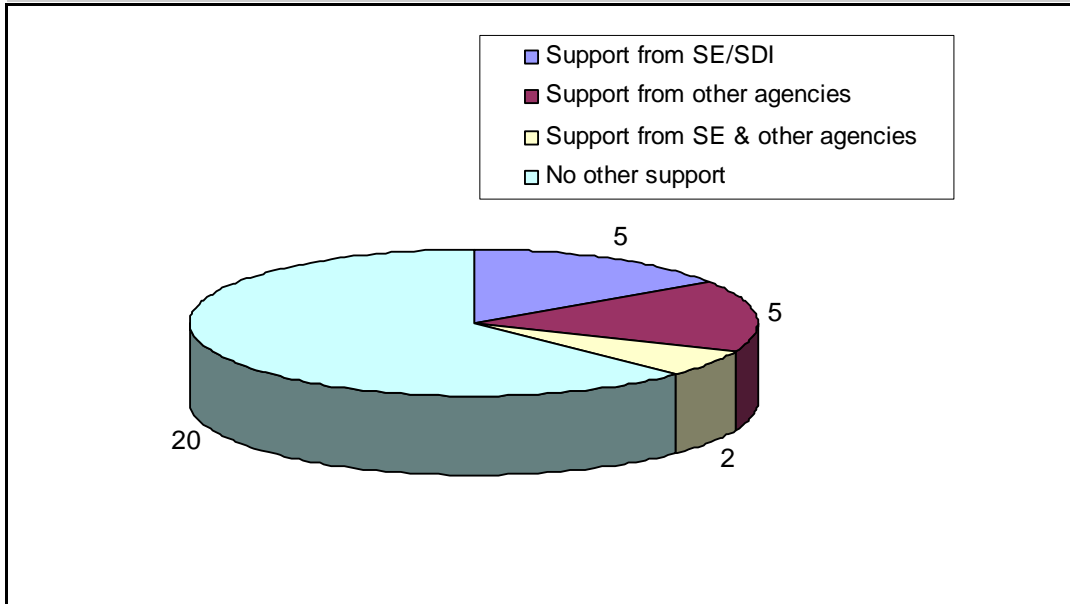
Source: Telephone interview – 32 respondents

Figure C-27: How important has the GCDP been for your business overall?



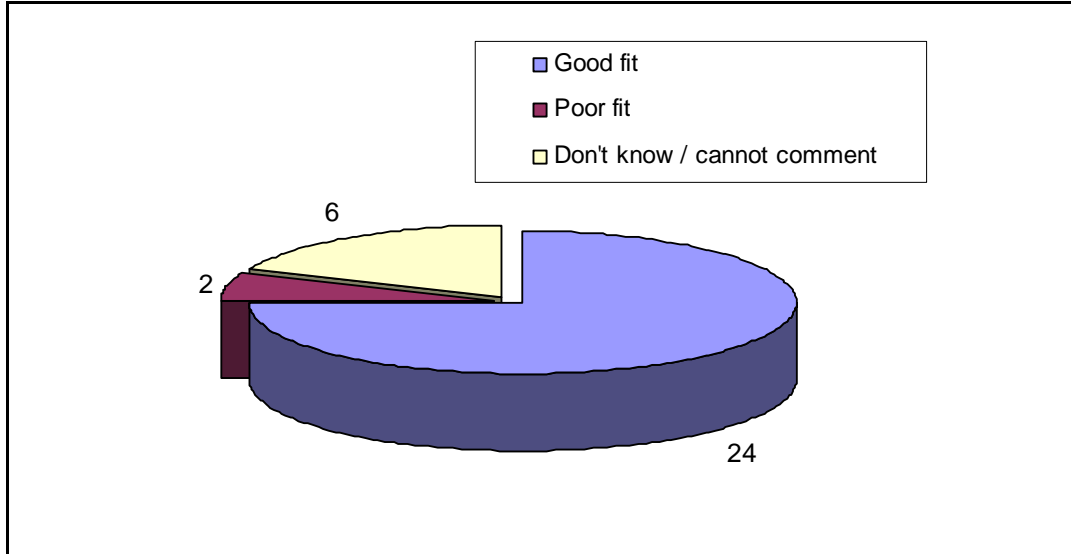
Source: Telephone interview – 32 respondents

Figure C-28: Has your company received support from other public sector bodies since you have been involved in the programme



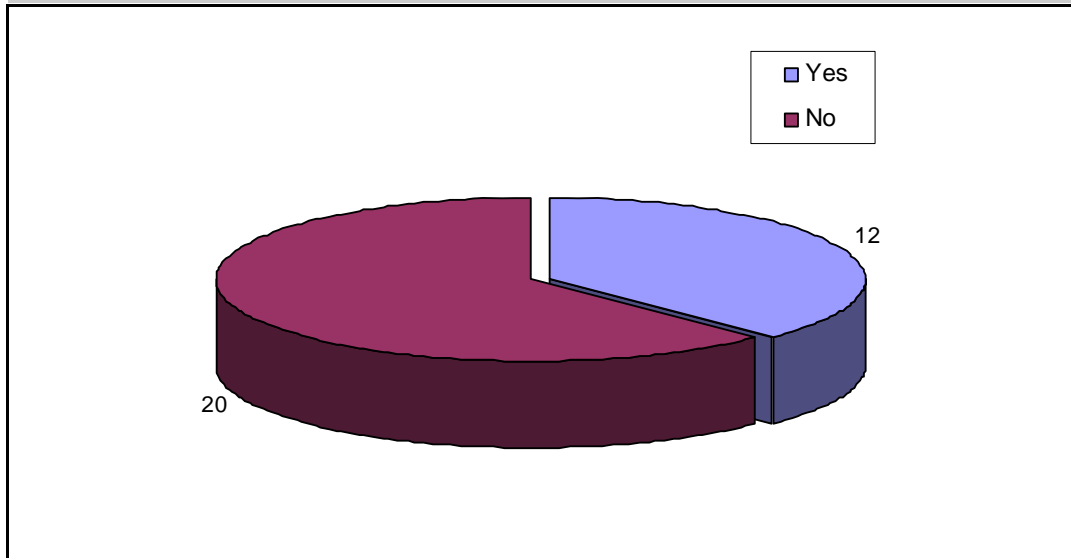
Source: Telephone interview – 32 respondents

Figure C-29: How does the Programme fit with other SE support / other public sector support?



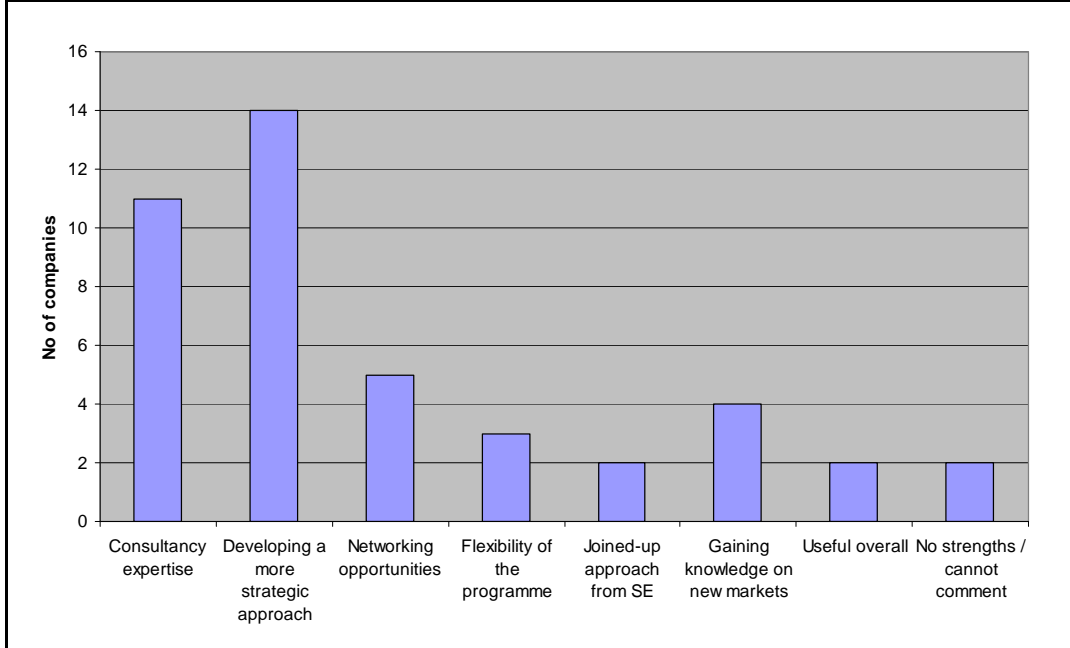
Source: Telephone interview – 32 respondents

Figure C-30: Has participation in GCDP resulted in your company becoming involved in any other SE intervention?



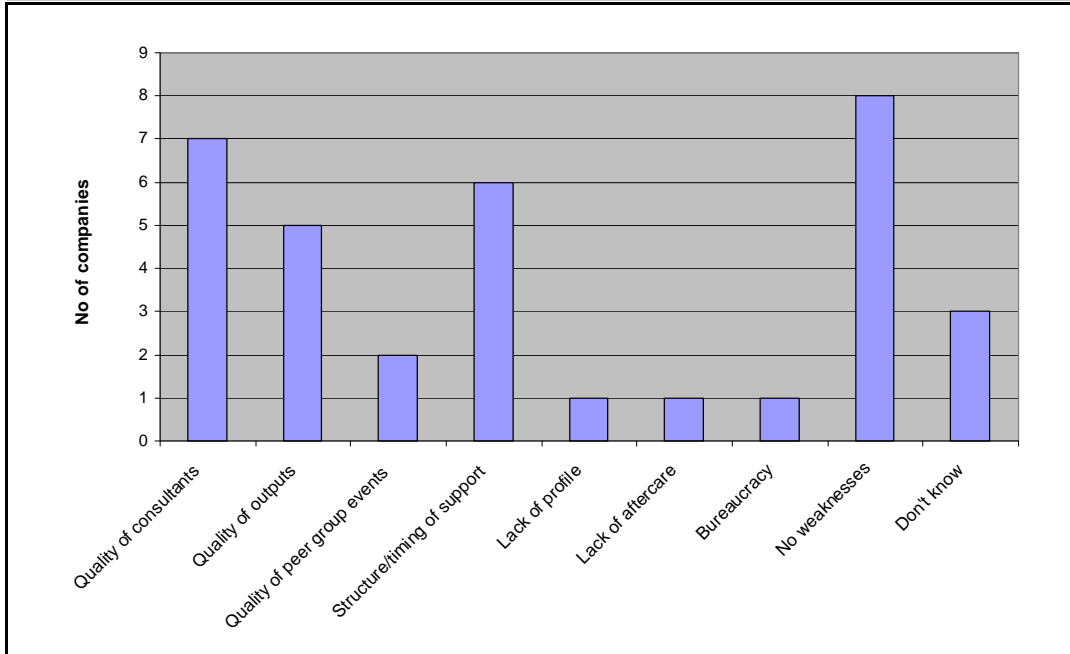
Source: Telephone interview – 32 respondents

Figure C-31: What are the main strengths of the Programme?



Source: Telephone interview – 32 respondents but some suggesting more than one strength

Figure C-32: What are the main weaknesses of the Programme?



Source: Telephone interview – 32 respondents but some suggesting more than one weakness

Table C-3: What changes to the Programme would you like to see implemented in the future?

Responses

More flexibility to choose your own consultant that is suited to the company

A formal close-off session and a 1 year review of how things are being implemented

Could maybe better link GCDP into other initiatives

The market research could be done better by us. There could be a stronger follow-up process by the consultants after the programme is finished.

A better geographic spread for the peer group events. If it's just an evening meal this is not worthwhile travelling from Aberdeen. A day long event with a particular theme would be better.

Perhaps bring in a second level. 'move from honours to masters' in terms of intensity of the programme for companies who have had initial success and need further assistance in moving even further ahead.

Consultants should know more about exporting, international markets and have more practical experience. They are also potentially also over-committed.

More time spent with the company and a more structured approach – e.g. using templates that have been successful with other companies. The consultant could also be supported by a junior consultant to take care of all the administration.

It should be more focused on capability assessment with more analysis/diagnosis of a company's ability to go global at the earliest opportunity.

More trade missions involving the consultant to take some of the actions through to fruition. The company would pay for their own flights though.

Really important that the programme doesn't just finish at a certain point and the company then left to get on with it. Consultant and AM involved right from start through implementation.

Wouldn't change the programme at all.

Described GCDP as a junior level product rather than the professional product that it should have been. The course should be tailored to the companies individually. Rather than having meetings with a lot of people from completely unrelated companies at the meetings, it should be 'sectorised' or companies selected by the region which they intend to target so that the course can be more customised.

Continued involvement with other companies, more continuity with Genesis. Less of a clean break at the end of the programme – instead lower the support gradually.

Follow up in terms of monitoring the company performance against the agreed targets outlined in the action plan. Should be meetings with consultant and GCDP team every 6 months or annually after action plan is complete.

Should try to facilitate trips/trade delegations etc to particular markets. There is a feeling that having meetings in hotels in Edinburgh is quite remote, 'it could be made more real'. Has an 'ivory tower' feeling about it – there needs to be practical traction on the ground to help companies get into new markets. There is low awareness of the programme among Scottish businesses. Only 1 other firm in their sector has been on the programme. Good from company's perspective as gives them a competitive advantage but from a Scottish perspective, it should be promoted much more to more companies.

Broadly happy with the way it is although some of the events could be in Edinburgh which would make it easier to get to.

We were pretty happy with what we got.

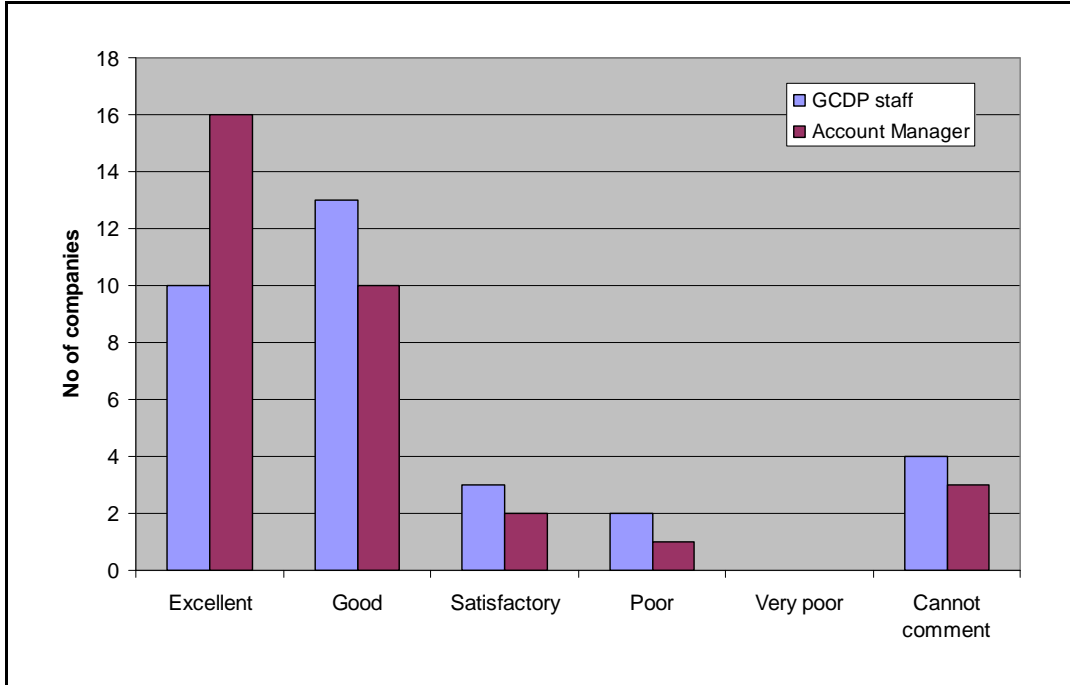
The consultant meetings could perhaps be organised off-site – maybe have 3 meetings over 2 days.

None really – appropriate length of time at the moment.

If companies involved are not achieving internationalisation then real pressure should be put on them to succeed. If it is clear that they are not going to internationalise for whatever reason, they should be retired from this programme.

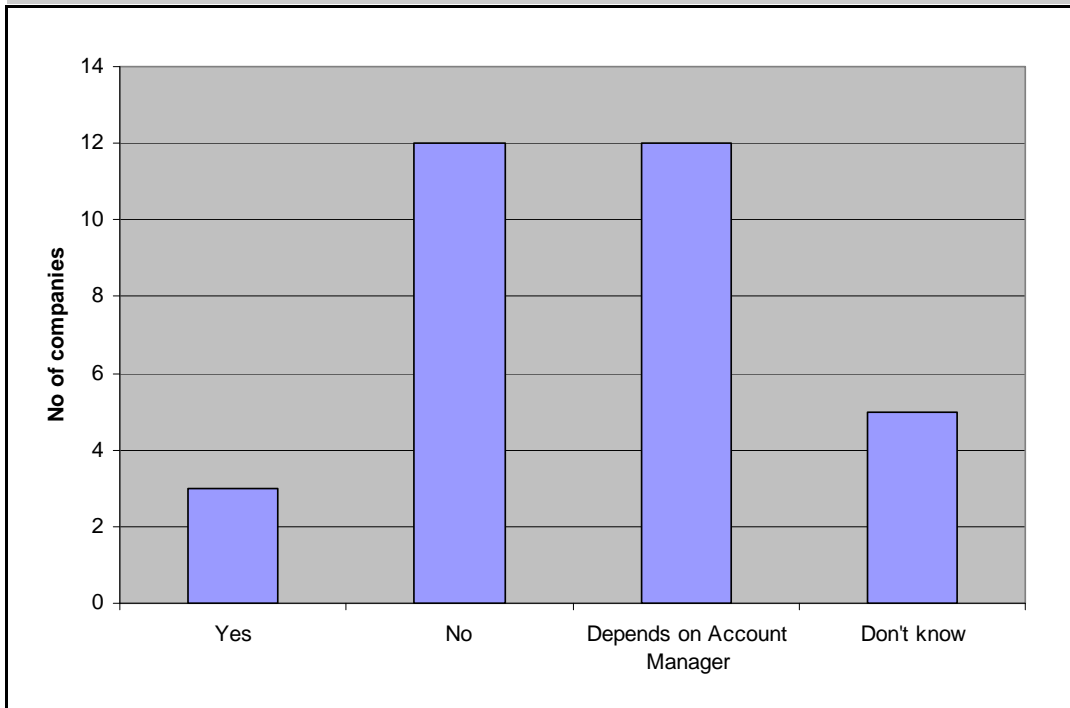
Source: Telephone interview – 21 respondents with suggestions – 11 with no comments

Figure C-33: How effectively has the Programme been managed by SE?



Source: Telephone interview – 32 respondents

Figure C-34: Do you think that the Programme could be facilitated by your Account Manager instead of the GCDP team?



Source: Telephone interview – 32 respondents

Table C-4: How does GCDP compare with other SE interventions that you have been involved in?

Responses

It is more active and strategy led rather than other more operational type interventions.

A good product helping good companies grow instead of what SE has done in the past of supporting declining industries with grants.

It is the best yet.

It is a good programme.

SE initiatives have all been positive influences. They are consistently good.

One of the most successful SE products.

Most/all SE products and interventions are good.

It is hard to compare as it's not similar.

One of the worst based on the experience so far.

Better than most SE products as it is more in-depth and intensive.

Worse than others. Attitude towards SE is one of frustration. Over the 6 years they've been involved with them the turmoil within the organisation has impacted on the service to companies.

Probably one of the best organised – knowledge of the consultants, quality of event speakers etc.

Much more valuable than other support and the timing has been right for the company. It is more holistic – the other support is mainly to do with cash flow problems.

By far the highest quality intervention and key to the companies' survival.

It is the best SE product they have used (marketing courses were also good).

The best.

Most disappointing SE experience.

Best, more professional.

As good a model as you could get but it is really up to the company to implement the suggestions.

Biggest programme and biggest change.

Top programme

One of the few global products available from SE and useful peer element which allows companies from different sectors to bounce ideas off each other ('company on company interaction'). Much better than some of the training related projects that they were previously involved in.

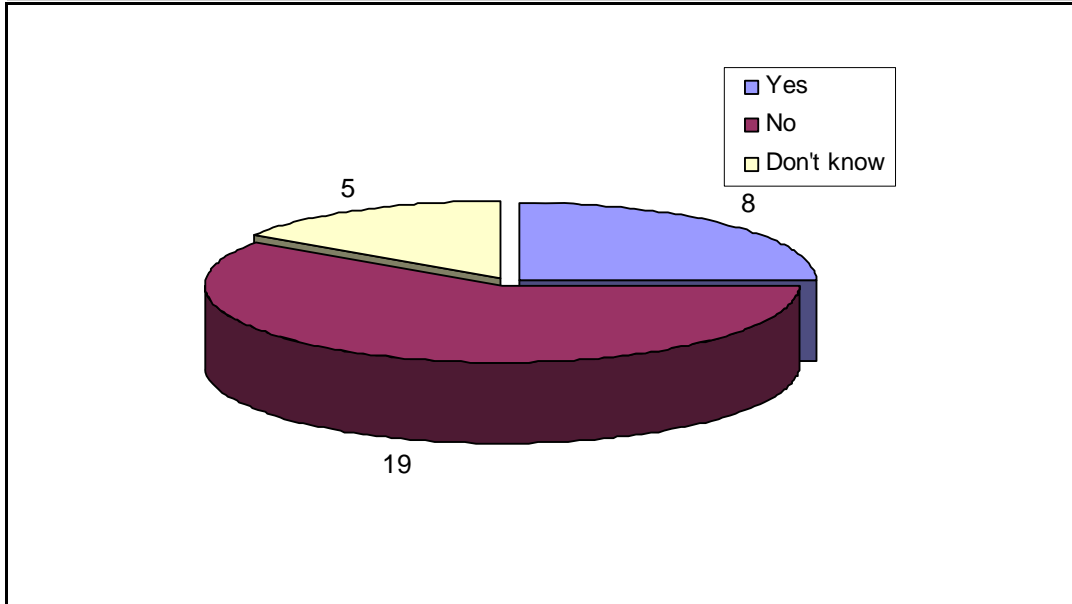
The programme was of a different class because we access to consultants.

We have not been involved with other SE interventions so cannot comment.

Good and fit for purpose.

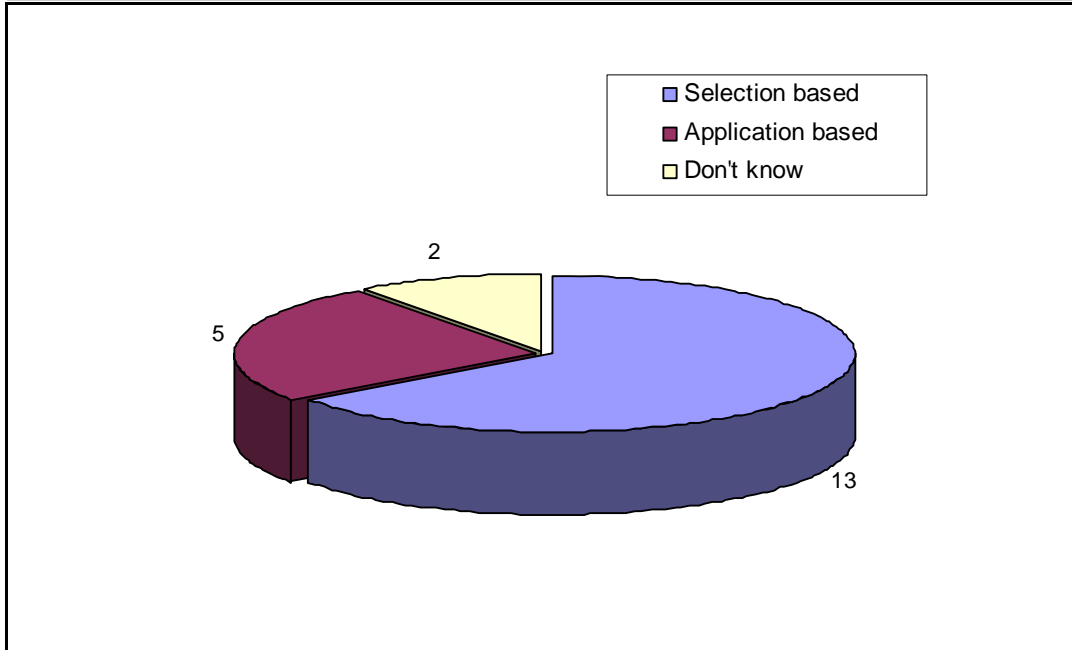
Source: Telephone interview – 25 respondents with comments

Figure C-35: If the GCDP was not delivered by SE, would you be willing to pay the full consultancy costs?



Source: Telephone interview – 32 respondents

Figure C-36: Do you think that involvement on this Programme should be based on application or should companies continue to be selected by SE (as is currently the case)?



Source: Telephone interview – 20 respondents

Table C-5: Do you think that there should be clear criteria on how companies are selected?

Responses

Yes – demonstration of track record of growth (and potential future growth), Make sure company is in a market with strong opportunities.

Should be put forward by AM then assessed against a set of criteria as per current format.

The strength of the business, particularly in terms of its management team.

Yes – companies' time and public money will be wasted if companies don't realise the commitment needed.

AM assessment.

Difficult for blanket criteria as the programme covers all sectors.

No – depends on the company and AM knows them best.

Said that they did not reach the official criteria for going on the programme but have reaped the benefits of participation.

Make sure the company is already robust – the company must have at least the potential to react to overseas opportunities which are identified on the programme.

Yes - Company size, ambitions, goals. Felt that there needed to be more of an appraisal process for each company which was potentially to go on the programme to determine suitability.

Careful judgement, assessed by qualitative not purely quantitative measures.

Yes – should be clear criteria so that companies understand what is needed from them. Of particular importance is having a strong management structure in place.

Criteria might be useful but there needs to be flexibility. Going global is a huge step and the most important criteria is that companies understand the level of intensity/time in attempting to go global.

Source: Telephone interview – 13 respondents

Annex D: Summary of DVD Testimonials

Table D-1: GCDP testimonials

GCDP participant	Comments on GCDP
Alan Cantle President and CEO - Nallatech	<ul style="list-style-type: none"> The Programme has had a major effect – we now have a more focused strategy and it helped us to articulate our strategy to the staff It has helped us focus on certain customers and also learn how to say no to some other customers It has been very beneficial and we would recommend it to other companies.
Stephane Sallmard CEO - Optos Plc	<ul style="list-style-type: none"> The first benefit of the Programme has been to help our strategic planning – the second benefit has been to help with the expansion to China and Western Europe Taking part in the GCDP was extremely profitable for Optos.
John Wardlaw Business Development Manager - Caledonian Alloys	<ul style="list-style-type: none"> We already had a global presence and were an exporting company but we joined the Programme to take our growth to the next level. We undertook a full strategic review involving all of the management team and redefined our strategy, set harder targets and identified new markets to help grow the company We have taken a lot from the GCDP and it has helped us to clarify what we are doing overseas and how we are trying to grow the business on a global basis.
Erick Davidson Chief Executive - Tayburn Ltd	<ul style="list-style-type: none"> We joined the Programme because the company wanted to generate more opportunities overseas I think it's a fantastic idea that SE is assisting indigenous SMEs to expand internationally in addition to encouraging inward investment The impact of the Programme on Tayburn has been to help us develop clearer and more disciplined goals, to raise the bar and increase the company's horizons We owe a big debt of gratitude to Scottish Enterprise for doing this.
Bob Low MD - J&D Wilkie	<ul style="list-style-type: none"> We joined the Programme because we realised that if we didn't do something differently, then the company was likely to go into decline We found that having external people asking difficult questions, helping them to set targets and push them along was a great help It has helped the business into new markets, involving the whole management team who have all bought into the Programme. The action plan which was developed is referred to on a daily or weekly basis, is mentioned in all board reports and is shaping the future of the company It has had a major effect on the company. If you come back in three years time you would find a completely different company to what we are now and we are different to where we were when we started on the GCDP.
Douglas Craig Group MD - Cairn Energy Service	<ul style="list-style-type: none"> GCDP has had a large impact in two ways. Firstly it has helped company to develop a focused strategy and action plan which has been fundamental. It has also helped the company to fully develop and exploit their existing joint ventures. Secondly, the GCDP has helped us with our strategy development,

GCDP participant	Comments on GCDP
	networking (particularly with the Global Scot network) and has also provided a lot of support and ideas to develop a training academy for in-company training.
Tom Smith MD - Nesscolnvsat Telecommunications	<ul style="list-style-type: none">• GCDP participation has had a very interesting effect on the company• After being involved, we realised that we needed critical mass. As part of the company evaluation process, we decided to acquire a competitor, doubling the size of the company. GCDP was certainly a factor in bringing that [strategic] thinking to the acquisition process and what we needed to do as an organisation• The Programme was very positive and I have recommended it to other companies.
Steve Brannagan CEO - 10BaseCom Ltd	<ul style="list-style-type: none">• The Programme has helped with discipline and organisation• Phase 1 involved developing an action plan and phase 2 was attending peer group events• Phase 1 worked well; it made the company become more formalised and also made us look critically at the business – it made us question who we are, what we did and consider where we were going as a business• Phase 2 was also good. The peer group events were very positive, useful to meet other senior team members from companies at different stages of the GCDP and different stages of development more generally.• If, as a company, you want to be global, then the GCDP is something that will help.

Source: GCDP Promotional DVDs - 2004 & 2007

Annex E: Consultees

Table E-1: Consultees

Name	Organisation
Keith Fulton	Scottish Enterprise
Dennis Taylor	Scottish Enterprise
Linda Hanna	Scottish Enterprise
Terry Currie	Scottish Enterprise
Barclay Low	Scottish Enterprise
Ros Forrest	Scottish Enterprise
Pamela Bain	Scottish Enterprise
Lilian Smith	Scottish Enterprise
John Kane	Scottish Enterprise
Bill Cook	Scottish Enterprise
Fiona McDonald	Scottish Enterprise
Raey Currie	Scottish Enterprise
Jocelyn McLuckie	Scottish Enterprise
John Cargill	Scottish Enterprise
Danny Cusick	Scottish Enterprise
Jan Reid	Scottish Enterprise
Maggie McGinlay	Scottish Enterprise
Brian Nixon	Scottish Enterprise
Rhona Allison	Scottish Enterprise
Andy McDonald	Scottish Enterprise
John Viola	Scottish Development International
Jonathan Slow	Scottish Development International
Eric Simpson	Scottish Development International
John Moon	Blue Moon Consultants
Rakesh Sondhi	BMC Global Services
Malcolm Macdonald	Macdonald Bradenlaw
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