



Evaluation of KIT-OUT the Park

A Report to Glasgow Caledonian University

January 2009

Contents

1.	Introduction	Page 1
1.1	<i>Background</i>	<i>Page 1</i>
1.2	<i>Study Objectives</i>	<i>Page 1</i>
1.3	<i>Methodology</i>	<i>Page 2</i>
1.4	<i>Report Structure</i>	<i>Page 3</i>
2.	Performance	Page 4
2.1	<i>Introduction</i>	<i>Page 4</i>
2.2	<i>Progress Towards SEEKIT Targets</i>	<i>Page 4</i>
2.3	<i>Revenue Generated</i>	<i>Page 7</i>
2.4	<i>Conclusions – Performance</i>	<i>Page 8</i>
3.	The Business Perspective	Page 10
3.1	<i>Introduction</i>	<i>Page 10</i>
3.2	<i>Company Characteristics</i>	<i>Page 10</i>
3.3	<i>Engagement with KIT-OUT</i>	<i>Page 12</i>
3.4	<i>R&D / Innovation Projects</i>	<i>Page 15</i>
3.5	<i>Value & Impact of Support</i>	<i>Page 15</i>
3.6	<i>Overall Views on KIT-OUT</i>	<i>Page 19</i>
3.7	<i>Conclusions – The Business Perspective</i>	<i>Page 22</i>
4.	The Stakeholder Perspective	Page 24
4.1	<i>University staff</i>	<i>Page 24</i>
4.2	<i>Other Stakeholders</i>	<i>Page 28</i>
5.	Conclusions	Page 31
	Appendix – List of Consultees	

1. Introduction

Slims Consulting was commissioned by Glasgow Caledonian University to carry out an evaluation of the KIT-OUT the Park project. The current funding for the project is coming to an end in April 2010 and, in the initial project plan, provision was allocated for an independent evaluation to be carried out at this stage.

1.1 Background

KIT-OUT the Park supports activities involving technology transfer from Glasgow Caledonian University's knowledge base to companies operating within the tourism industry. The overall aim of the project is to enhance the performance of existing tourism related businesses through the adoption of new technologies. It has a particular emphasis on engaging businesses that have not been involved with the HE sector before, nor have been actively engaged with investment in R&D technology. The initial geographical focus of the project was on the Loch Lomond and Trossachs National Park area, but this has since been rolled out across the whole of the West of Scotland. The five main streams of activity that the KIT-OUT has focussed on are:

- Sustainable construction
- Food technology
- IT / communications
- Green tourism / renewable energy
- Yield management.

The project offers companies and individuals working in these sectors:

- Up to five days of consultancy time;
- Advice on innovation, new technologies and project ideas;
- Access to scientists and researchers from within the university for collaborative projects;
- Assistance with R&D / innovation grant applications; and
- The opportunity to develop long-term relations with the university.

1.2 Study Objectives

The key objectives of this evaluation have been to assess the:

- Impact of the project in relation to the knowledge / technology transfer activities of Glasgow Caledonian University, particularly the academic and research staff of supporting academic departments.

- Impact of the project on companies (SMEs), organisations and individuals who have participated in events and activities organised or supported by the project.
- Success of the project in meeting its main objectives, aims and targets as specified in the original ERDF and SEEKIT applications.
- Scope for the future development of the KIT-OUT methodology in relation to:
 - The strategic vision of GCU, the Scottish Funding Council and the Scottish Government;
 - Capacity building of academic staff to engage in knowledge transfer activity; and
 - Engagement with the SME community.

The findings from this evaluation will help inform the future development and operation of the university's activities in relation to knowledge and technology transfer.

1.3 Methodology

There have been four key stages involved in carrying out this study:

- **Stage 1** – Review of performance data;
- **Stage 2** – Workshop with project staff;
- **Stage 3** – Survey and consultations with businesses that have engaged with KIT-OUT; and
- **Stage 4** – Consultations with university staff and other key stakeholders.

Stage 1 – Review of performance data

The first stage was a review of internal project performance data, which was provided by KIT-OUT staff. The focus of this stage was on assessing the extent of progress made towards the key project targets and the level of additional revenue generated for the university through the project.

Stage 2 – Focus group with project staff

A focus group session was held with the KIT-OUT project team in order to gain an understanding of the key issues and challenges associated with delivering the project. It also gave staff the opportunity to express their views on what they feel have been the key successes of the programme to date and how they think it could be further developed going forward.

Stage 3 – Survey & consultations with participating businesses

Companies that had engaged with KIT-OUT were invited to take part in an online survey, which included questions relating to:

- Company characteristics (e.g. size, industry);
- Engagement with KIT-OUT;
- Satisfaction with the services provided through KIT-OUT;
- Impact on businesses associated with KIT-OUT support; and
- Future development of the project.

The findings from the business survey were supplemented with a series of six in-depth consultations with participating businesses. The purpose of the consultations was to explore in more detail some of the key issues arising from the business survey.

Stage 4 – Consultations with academics & other key stakeholders

A series of telephone and face-to-face consultations were carried out with university staff and a range of other stakeholders that had engaged with KIT-OUT. Some of the issues explored during these consultations include the role of KIT-OUT in terms of promoting collaboration between tourism SMEs and academia, the key successes of the project to date and recommendations for the future development of the KIT-OUT concept.

1.4 Report Structure

The remainder of this document sets out the key findings from this work and is structured as follows:

- **Chapter 2** provides an assessment of the progress made by KIT-OUT towards its key performance targets;
- **Chapter 3** summarises the findings from the survey and consultations with participating businesses;
- **Chapter 4** contains a summary of the key themes emerging from the consultations with university staff and other key stakeholders; and
- **Chapter 5** provides conclusions and recommendations for the future development of the KIT-OUT concept.

2. Performance

2.1 Introduction

This section provides an assessment of the progress made by KIT-OUT towards its key performance targets during the period from **April 2007 to September 2009**. It is based on analysis of performance management information provided by project staff.

The Scottish Government's SEEKIT programme has been the main funder of KIT-OUT, accounting for 53% of the total running costs of the project. The analysis contained within this section is therefore focused on performance against the SEEKIT targets identified in the original grant funding application. These targets relate to the performance of the project in terms of:

- Outputs
- Results
- Impacts

2.2 Progress towards SEEKIT Targets

Output Targets

The original SEEKIT grant funding application identified a number of performance targets relating to the expected **outputs** from the KIT-OUT the Park project. These are listed in Table 2.1, which also shows the extent of progress made towards each over the period from April 2007 to September 2009. This analysis shows that:

- KIT-OUT the Park had met or exceeded the majority of the SEEKIT output targets six months ahead of the end of the funding period in April 2010;
- The project has performed particularly well in terms of the number of innovation / knowledge transfer networks supported and the number of SMEs attending events and receiving assistance;
- One of the areas of performance where KIT-OUT appears to be below target is the number of SMEs receiving High Level support. The SEEKIT definition of High Level support is that which amounts to more than five days of time. KIT-OUT offers SMEs is **up to a total of five days of consultancy time**. In some cases, this runs over which is why there has been some progress towards this target. However, overall, it would be beyond the scope of the provision currently available through KIT-OUT to meet this target.

- In terms of the number of SMEs undertaking innovation / R&D projects, the project again appears to be falling short of target. Progress is measured by the number of firms accessing specific funding sources. Several of the sources of funding that SMEs have accessed through KIT-OUT, such as that available from Scottish Enterprise, are not included in these. **Therefore, performance against this target is only a partial reflection of the overall number of SMEs that have gone on to undertake innovation / R&D projects as a result of their engagement with KIT-OUT.**
- Only one SME has been awarded a feasibility grant through engagement with KIT-OUT against a target of fifteen. However, it should be noted that, the budget allocated to this aspect of the project was recast into the consultancy budget midway through the project (expanding the provision available to deliver 5 days of consultancy time) following a review of performance. Progress towards this particular target can therefore no longer be considered relevant.
- **The project has exceeded its original targets in relation to the volume of businesses engaged with and supported, but appears to have fallen short of the original output targets relating to the number SMEs that have gone on to access additional funding or support for larger scale projects. This can be partly explained by the criteria used for measuring progress against these specific targets as outlined above.**

Table 2.1

Source: SEEKIT
Grant Claim Form -
Oct09

Outputs			
	Target	Achieved Sept-09	% of Target
Knowledge Transfer Capacity Building	1	1	100%
No of innovation/knowledge transfer networks supported	1	8	800%
No of events held	32	33	103%
No of SMEs attending events	203	298	147%
No of SMEs helped with advice/information	203	201	99%
No of new links between SMEs and research institutions	80	83	104%
No of SMEs assisted	40	77	193%
No of SMEs assisted with High Level support	24	13	54%
No of SMEs undertaking innovation/R&D projects	24	12	50%
No of SMEs awarded feasibility grants	15	1	7%

Results Targets

A further set of SEEKIT performance targets for KIT-OUT the Park related to the **results** of the project. These are listed in Table 2.2, which shows the extent of progress made towards each by September 2009.

This analysis shows that KIT-OUT has supported tourism SMEs to develop a total of 15 new products and 9 new processes. The project is therefore well on course to achieve the target relating to the introduction of new products and has already exceeded that for the introduction of new processes.

However, KIT-OUT the Park has made less progress towards several of the other results targets. In particular, the project appears to have struggled to link SMEs to wider innovation / R&D funding opportunities¹. The project also appears to have fallen some way short of the target of increased investment in innovation / R&D by SMEs.

Table 2.2

Source: SEEKIT
Grant Claim Form -
Oct09

Results			
	Target	Achieved Sept-09	% of Target
Increased investment in innovation/R&D by SMEs	£2,150,000	£536,751	25%
No of new products introduced	16	15	94%
No of new processes introduced	8	9	113%
No of new licensing deals between SMEs and science base	1	0	0%
No of KTPs	9	2	22%
No of SCOREs	8	2	25%
No of SCISs	3	2	67%
No of SMARTs	1	0	0%
No of SPURs	1	0	0%
No of Studentships	2	3	150%

Impact Targets

There were three **impact** targets identified for KIT-OUT the Park in the SEEKIT funding bid. Table 2.3 shows the progress made towards each of these by September 2009. Information relating to the extent of progress towards the increase in sales target is currently not available. In terms of employment impacts, a total of 10 gross jobs have been safeguarded as a result of project activities, meaning that this target has already been met. The project has also supported the creation of a further 6.5 gross new jobs, though this falls some way short of the SEEKIT target of 13 new jobs.

Table 2.3

Source: SEEKIT
Grant Claim Form -
Oct09

Impacts			
	Target	Achieved	% of Target
Increase in sales in assisted businesses	£5,400,000	n/a	n/a
Total number of gross new jobs	13	6.5	50%
Total number of gross jobs safeguarded	10	10	100%

¹ It should be noted that there have been some changes in the R&D funding landscape in Scotland meaning that several of the products listed in the table are no longer available.

Summary

The Slims Consulting team have evaluated a number of other SEEKIT funded projects across Scotland. Given the diverse nature of these projects, it is not possible to do a like-for-like comparison of KIT-OUT's performance in relation to them. However, our overall view is that KIT-OUT's performance compares favourably in relation to the other SEEKIT projects that we have evaluated. Furthermore, we have found the main areas in which KIT-OUT appears to have fallen short of target (particularly in relation to accessing other innovation / R&D funding opportunities) to have also presented challenges for other projects of this type.

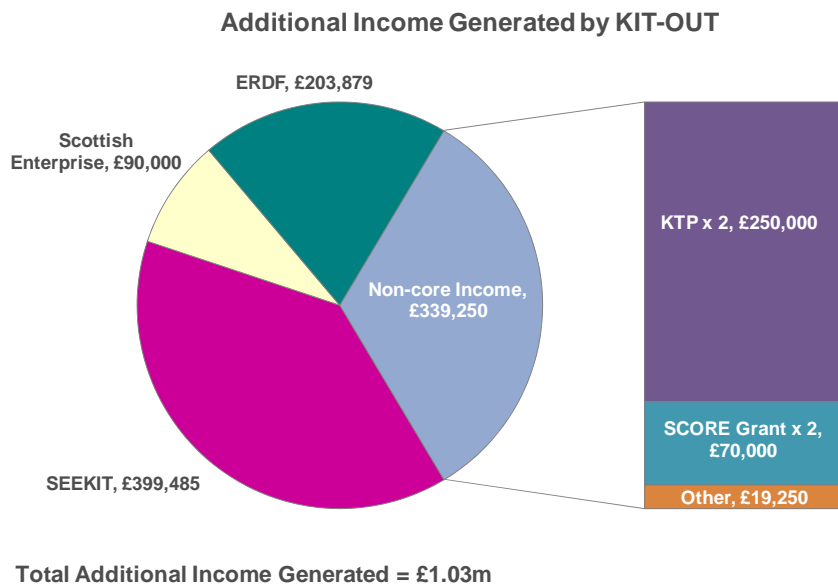
2.3 Revenue Generated

To date, KIT-OUT has brought in over £1m in additional revenue for Glasgow Caledonian University. Chart 2.1 shows the distribution of this income by source. Around two thirds was core funding from a combination of SEEKIT, ERDF and Scottish Enterprise grants. SEEKIT was the major core funder, accounting for 53% of the total.

The remaining third was non-core income and came from a range of other knowledge transfer funds accessed by KIT-OUT. The two Knowledge Transfer Partnerships (KTPs) combined generated a total of £250k. A further £70k came from SCORE grants, whilst the remaining £19k came from a combination of SFC Innovation Vouchers, a SEEKIT feasibility grant and Scottish Enterprise innovation products.

Chart 2.1

Source: KIT-OUT
Performance
Management
Information



It should be noted this total includes some income still to be drawn down. In particular, the two KTPs have only recently started and will run for a period of two years. **KIT-OUT will therefore continue to generate additional income for the university until at least 2011.**

There are several live R&D / Innovation projects that the KIT-OUT team are working on that they expect to generate further additional income for the university. As this income has yet to be secured, it has not been included in the figures above. However, the KIT-OUT team have provided an estimate of the probable value of this, as shown in Table 2.1.

Table 2.1

Source: KIT-OUT
Performance
Management
Information

Probable Future Income from KIT-OUT		Value
Probable before the end of March 2010		
1 x KTP		£120k
1 x SFC Innovation Voucher		£8k
Probable after the end of March 2010		
1 x KTP		£120k
1 x mini-KTP*		£30k
Total Probable Future Income from KIT-OUT		£278k

* lasts 3-12 months as opposed to 24 months in the case of a full KTP

KIT-OUT has therefore secured over £1m in additional income for the university and is expected to secure a further £278k up to and beyond the end of the current funding period in March 2010.

2.4 Conclusions – Performance

This chapter has provided an overview of the performance of KIT-OUT between April 2007 and September 2009. The key messages from this analysis are that:

- **The project has already met or exceeded the majority of the SEEKIT output targets** six months ahead of the end of the funding period;
- The project has performed particularly well in terms of **the volume of SMEs engaged with and supported;**
- KIT-OUT appears to have been less successful at linking SMEs to other funding opportunities linked to larger scale innovation / R&D projects;
- Looking at results of project activity, **KIT-OUT is well on course to achieve the targets relating to the introduction of new products and processes.** However, it is currently behind on the results targets related to linking businesses to other innovation / R&D finance and support;

- It is **difficult to make an assessment of the impact of the project in relation to employment and new sales**. This is partly as a result of the fact that some of the impacts will have yet to have come to fruition; and
- **KIT-OUT has so far secured over £1m in additional revenue for the university**. Around a third of this has been core funding for the project, whilst the remainder has come from a range of innovation and knowledge transfer funds. The project is expected to continue to generate additional income up to and beyond the end of the current funding period in March 2010.

3. The Business Perspective

3.1 Introduction

An online survey of companies that have actively engaged with KIT-OUT was carried out using Survey Monkey software. A total of 64 companies had actively engaged with the programme between **April 2007 and September 2009**². Of these:

- email addresses were available for a total of 60;
- 7 were removed from the survey distribution list to avoid double counting of results as they were consulted with separately;
- **the survey therefore went out to 53 participating businesses – 83% of the total.**

A total of 15 companies took part in the survey. This represents a response rate of 28%, which is above average for online surveys of this nature. A further six in-depth consultations were carried out with participating businesses, meaning that feedback was gathered from a total of 21 businesses. The remainder of this chapter sets out the key findings from the business survey and consultations across the following categories:

- Company characteristics
- Engagement with KIT-OUT
- R&D / Innovation Projects
- Value & Impact of Support
- Overall Views on KIT-OUT
- Future development

3.2 Company Characteristics

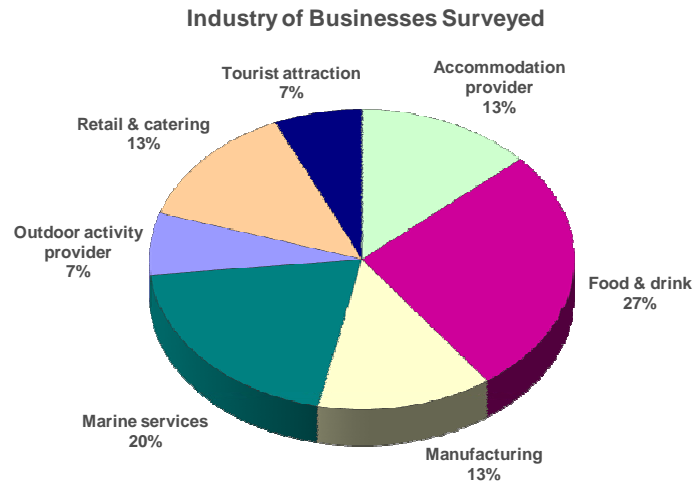
Industry

There was representation from across a broad range of tourism related industries within the business survey, as shown in Chart 3.1. Over a quarter of all respondents (27%) were in the food & drink industry, whilst a further 13% were involved in some other form of manufacturing and 20% were in marine services. The remaining 40% were in sectors more traditionally associated with tourism, such as accommodation, retail & catering and outdoor activities.

² In total, KIT-OUT has made contact with over 300 tourism firms across the West of Scotland since April 2007. The survey and consultations were focussed only on the 64 that have completed (or are about to complete) an R&D / Innovation project through engagement with the programme.

Chart 3.1

Source: Slims Consulting – KIT-OUT Business Survey

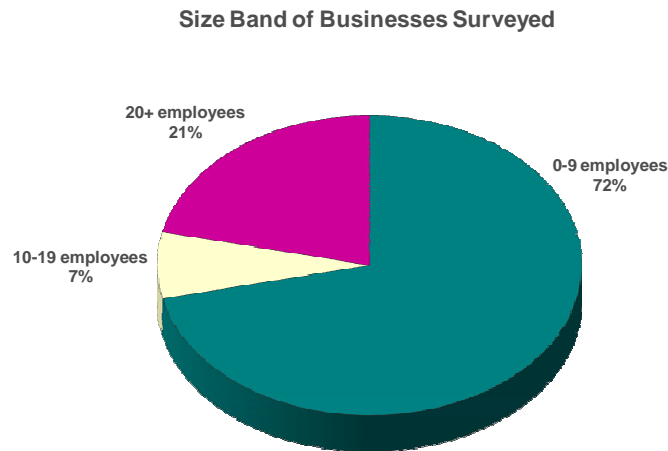


Size

The 15 businesses surveyed employed a combined total of 133 people. The majority (62%) of people working in these firms were employed on a full-time basis. Chart 3.2 shows a breakdown of the businesses surveyed by size band. Almost three quarters (72%) of the total were 'micro' businesses that employed fewer than ten people. Around a fifth (21%) had more than 20 permanent employees, though all of the companies surveyed were SMEs and none of them employed more than 30 people.

Chart 3.2

Source: Slims Consulting – KIT-OUT Business Survey



This analysis suggests that KIT-OUT has been mainly working with 'micro' businesses, but has also had some success in terms of engaging with larger firms with more than 20 employees.

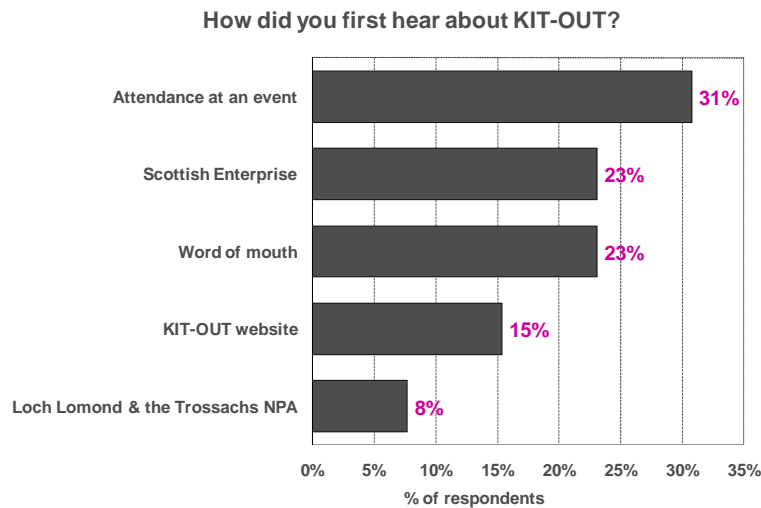
3.3 Engagement with KIT-OUT

Means by which businesses first heard about KIT-OUT

Businesses were asked how they first heard about KIT-OUT and the responses to this question are shown in Chart 3.3. This analysis suggests that the range of events organised and hosted by KIT-OUT have been successful in terms of raising awareness of their services and engaging businesses. The main external referrers to KIT-OUT appear to be Scottish Enterprise and the National Park Authority. The fact that a substantial proportion of businesses surveyed had heard about KIT-OUT through word of mouth suggests that the project is relatively well known (and well regarded) amongst the tourism business community in the West of Scotland.

Chart 3.3

Source: Slims Consulting – KIT-OUT Business Survey



Interestingly, several of the businesses that were consulted with on an individual basis could not remember how they first heard about KIT-OUT. They thought that it could have been from a number of sources including other public agencies, tourism magazines or attendance at events. **This would suggest that general awareness of the project is high as a result of a wide range of marketing and profile-raising activities – businesses are hearing about it through a number of different routes.**

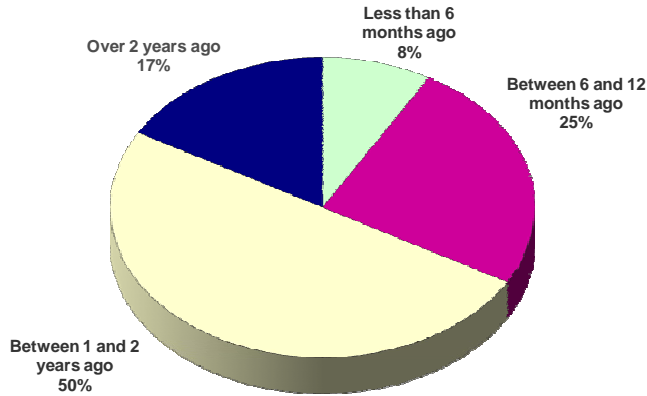
Length of engagement

Chart 3.4 shows that half of all businesses surveyed had first got involved with KIT-OUT between one and two years ago and a further 17% had been involved for over two years. The remainder of the respondents (33%) had been involved with the project for less than a year.

When did you first get involved with KIT-OUT?

Chart 3.4

Source: Slims Consulting – KIT-OUT Business Survey

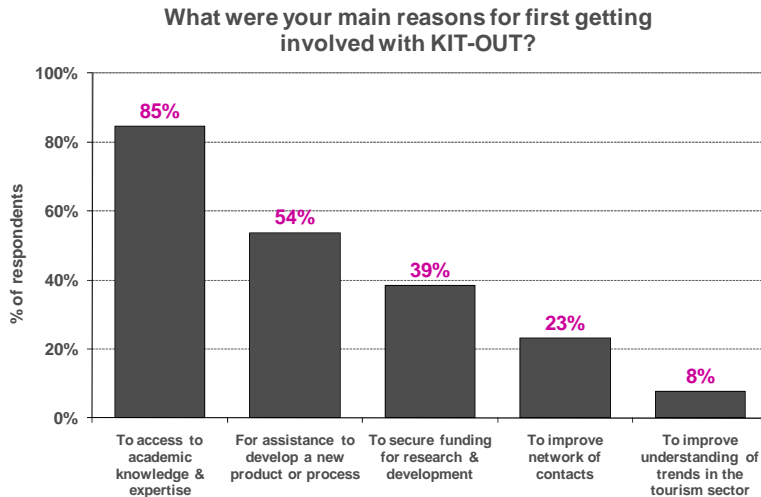


Reasons for getting involved

Businesses were asked to give their main reasons for first getting involved with KIT-OUT and the responses to this question are shown in Chart 3.5. It should be noted that respondents were able to give more than one answer. **This analysis suggests that the main draw of KIT-OUT for businesses is access to academic expertise and knowledge in order to develop new products and processes.** This provides evidence of demand for access to university expertise within the types of businesses that KIT-OUT works with.

Chart 3.5

Source: Slims Consulting – KIT-OUT Business Survey



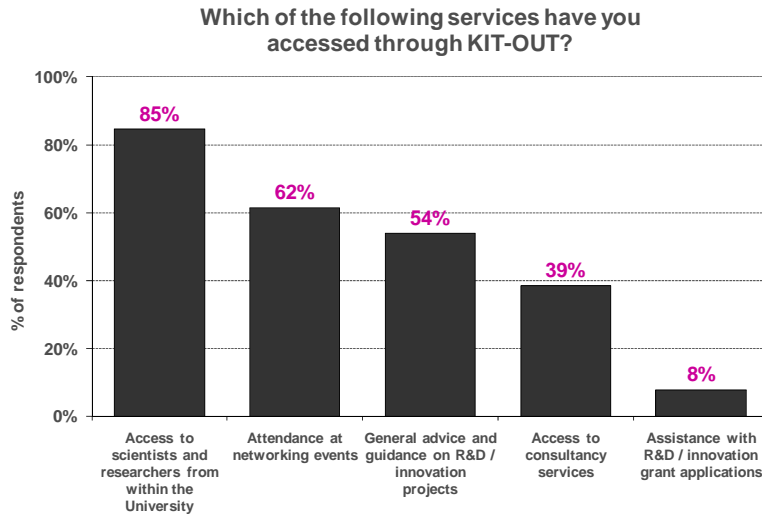
The findings from the individual consultations with businesses further substantiated this finding. In most cases, the businesses we spoke to had had a general idea of a new product or process that they were interested in developing. However, they needed access to technical expertise to further refine their idea and provide support for them to get it off the ground.

Services received through KIT-OUT

Chart 3.6 shows which services survey respondents had received through KIT-OUT. It shows that the majority of businesses surveyed had received access to expertise from within the university, had attended networking events and received general advice and guidance on R&D / innovation projects through engagement with KIT-OUT. A relatively small proportion reported that they had received assistance with R&D / innovation grant applications.

Chart 3.6

Source: Slims Consulting – KIT-OUT Business Survey



The services accessed through KIT-OUT were highly rated by all of the businesses surveyed. The majority (85%) of respondents ranked the quality of services they had received as ‘very good’ and the remaining 15% ranked them as ‘good’.

Access to additional funding

Four of the fifteen survey respondents reported that they had received support from KIT-OUT to secure funding for their R&D / innovation project from another source. Of these, two had successfully secured funding from the Scottish Government, one from Scottish Enterprise and one from Business Gateway. The value of these grants ranged from £1k – 14k. **This highlights the role of KIT-OUT as a conduit for businesses to access other funds.**

3.4 R&D / Innovation Projects

Types of projects

The businesses surveyed had been involved in a range of R&D / innovation projects in collaboration with KIT-OUT. These included:

- Investigation of Bluetooth as a means of advertising;
- The development of an eco-catering unit;
- Feasibility studies of 'green' energy sources;
- Shelf life testing of food products;
- IT system upgrades; and
- Plant testing.

The diversity of this list demonstrates the wide range of innovative projects that KIT-OUT has worked on with businesses. The emphasis on finding sustainable solutions for tourism firms is also apparent from this project list, as is the focus on the introduction of technologies to develop new products and processes.

Engagement with Higher Education Institutions

Prior to engagement with KIT-OUT, only two of the businesses surveyed (13% of the total) had previously undertaken work with a university partner. **This suggests that KIT-OUT has been successful in terms of one of their primary objectives, which was to engage businesses that have not worked with Universities before.**

None of the companies consulted with on an individual basis had any previous experience of working with a university partner. **They reported that it wasn't something they'd ever thought about doing before and that they would have been extremely unlikely to have done down this route in the absence of KIT-OUT.**

3.6 Value & Impact of Support

Impact on current and future turnover

One of the key measures of a project's impact is the extent to which it helps the businesses it supports improve performance. Survey respondents were asked the extent to which their turnover in the last financial year would have been different in the absence of the support they'd received through KIT-OUT. **The majority (87%) stated that support they'd received through KIT-OUT had made no difference to turnover in the last financial year.**

However, two companies did report that KIT-OUT had made a difference to their turnover. The details relating to these companies are shown in Table 3.1. It should be noted that companies were asked to give an estimate within a 10% range. **The impact on turnover (or gross sales) to date in KIT-OUT supported companies in the sample is between £29,000 and £40,000.**

Table 3.1

Source: Slims Consulting – KIT-OUT Business Survey

Impact of KIT-OUT on Turnover to Date				
	Turnover	% Change	Lower Impact	Higher Impact
Company 1	£100,000	20-30%	£20,000	£30,000
Company 2	£10,000	90-100%	£9,000	£10,000
Total			£29,000	£40,000

Given the long lead in times often associated with investment in R&D / innovation activity, it could be argued that a more appropriate measure of the impact of a Knowledge Transfer project such as KIT-OUT is its impact on the future turnover of businesses. Survey respondents were asked to estimate how different they thought their annual turnover would be in three years time as a direct result of the services they've received through KIT-OUT.

Over half (54%) of the thirteen companies who answered this question stated that **they expected their turnover to be higher in three years time as a direct result of the support they've received through KIT-OUT.** Table 3.2 shows details of those seven companies and shows that **cumulative gross turnovers within these firms are forecast to increase by between £148,500 and £337,900.** However, this is an underestimate as one of the companies declined to provide turnover figures for the last financial year, but did estimate that the impact of KIT-OUT would result in a 40-50% increase in turnover within the next three years.

Table 3.2

Source: Slims Consulting – KIT-OUT Business Survey

Projected Impact on Turnover in 3yrs				
	Turnover	% Change	Lower Impact	Higher Impact
Company 1	£49,000	0-10%	£0	£4,900
Company 2	£1,200,000	0-10%	£0	£120,000
Company 3	£15,000	10-20%	£1,500	£3,000
Company 4	£600,000	20-30%	£120,000	£180,000
Company 5	Not given	40-50%		
Company 6	£10,000	90-100%	£9,000	£10,000
Company 7	£20,000	90-100%	£18,000	£20,000
Total			£148,500	£337,900

The six in-depth business consultations that were carried out further substantiated the findings from the survey that the majority of impacts that will be attributable to KIT-OUT have yet to be realised. **However, all of the businesses consulted with reported that they fully expected to see future impacts.** In particular, several were still at a fairly early stage in the process and had not yet had the

opportunity to implement any of the project ideas that they had worked on with university and KIT-OUT staff.

These findings highlight the importance of the time-lag in deriving business benefits from a project such as KIT-OUT which puts a relatively low level of resources into a company at an early stage in the innovation cycle. As would be expected, the turnover impacts are skewed towards the future, which accounts for the time needed for longer term innovation/R&D projects to start generating an economic return for companies.

Impact on current and future employment

Survey respondents were asked to indicate the extent to which KIT-OUT support had increased employment in full-time equivalent (FTE) terms. **There were no employment impacts reported to date by survey respondents.** However, one business that did not participate in the survey has since reported to project staff an increase in employment of nine FTE jobs as a direct result of their collaboration with the university through KIT-OUT. This suggests that, although not picked up in this survey, there have been some employment impacts on supported companies through engagement with KIT-OUT.

Respondents were asked to estimate the projected future impacts on employment of their engagement with KIT-OUT. Thirteen respondents answered this question and six of these reported that they expected to see an increase in employment within the next three years as a result of services accessed through KIT-OUT.

Table 3.3 shows the projected increase in employment across each of these companies. **The support from KIT-OUT is forecast to result in a minimum additional 22 FTE gross jobs.** This represents an overall increase of a third in the total level of employment across these companies. **Indeed, employment is forecast to more than double in three companies as a result of KIT-OUT support.** This highlights the disproportionately positive impact R&D and innovation activity can have on micro businesses of less than 10 employees but, as with turnover, it takes time to generate returns.

Table 3.3

Source: Slims Consulting – KIT-OUT Business Survey

Projected Impact of KIT-OUT on Employment in 3yrs			
	Current Employment (FTE)	Projected Additional FTEs	% Increase
Company 1	2	1	50%
Company 2	2	3	150%
Company 3	1	3	300%
Company 4	34	5	15%
Company 5	23	5	22%
Company 6	4	5	125%
Total	66	22	34%

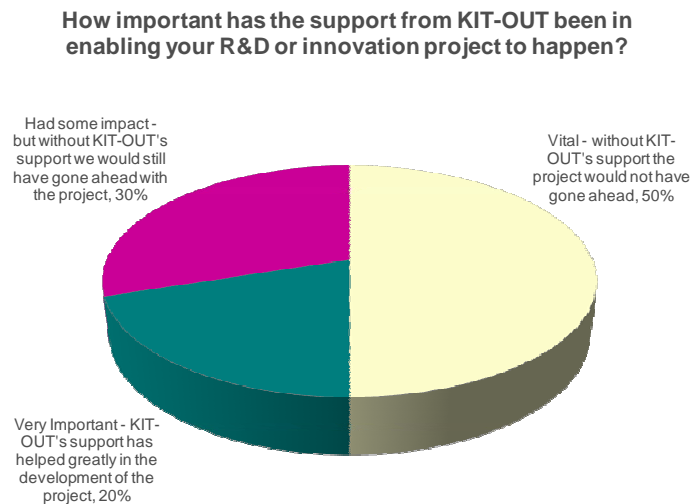
Additionality

Businesses were asked how important the support from KIT-OUT (both direct and indirect) had been in enabling their R&D or innovation project to happen. Ten of the businesses surveyed answered this question and the results are shown in Chart 3.7.

Half of all respondents to this question viewed KIT-OUT's support as 'vital' for enabling their R&D or innovation project to happen and a further 20% viewed it as 'very important'. This suggests very high levels of project additionality in terms of stimulating R&D and innovation activity within the businesses that the project has been working with.

Chart 3.7

Source: Slims Consulting – KIT-OUT Business Survey



The findings from the individual consultations with businesses provided further evidence of very high levels of additionality in terms of the R&D / innovation projects that they'd worked on with KIT-OUT. Several said that, prior to engagement with KIT-OUT, they'd attempted to access support to develop their projects through other routes with no success. **They were all of the view that the projects would not have happened in the absence of KIT-OUT support.**

Time Additionality

The concept of time additionality refers to the extent to which an intervention makes an activity happen earlier than would have otherwise been the case. Respondents were asked the extent to which working with KIT-OUT had impacted on the time taken for them to develop a new technology, product, or process. This question was deemed 'not applicable' by 15% of respondents. Of those for which it was applicable:

- 46% stated that KIT-OUT support had made no difference;

- 31% reported that KIT-OUT had accelerated technology, product or process development by up to two years; and
- 8% felt that KIT-OUT support had accelerated development by more than two years.

Quality Additionality

Quality additionality refers to the extent to which the quality of an output is impacted on by an intervention. Survey participants were asked what the impact of KIT-OUT services had been on the quality of the new technology, product or process they were developing. As with time additionality, 23% of respondents did not answer this question as it was not applicable. In terms of the other respondents:

- 46% reported that the quality was 'a lot better';
- 15% felt that KIT-OUT had made it 'moderately better'; and
- 15% said that KIT-OUT support resulted in it being 'no different'.

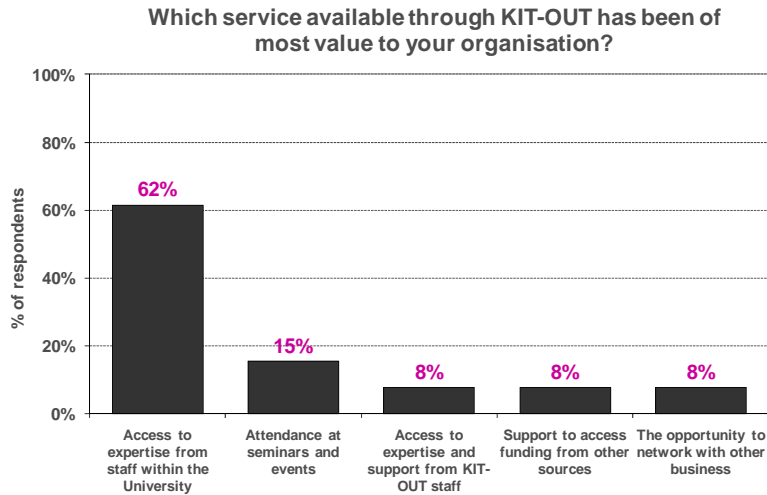
3.7 Overall Views on KIT-OUT

Services of most value

Survey respondents were asked to identify the services and support available through KIT-OUT that had been of most value to their organisation. As shown in Chart 3.8, **the majority (62%) identified access to expertise from staff within the university as being of most value.** Attendance at seminars and events was the second highest ranked service by respondents (15%). Interestingly, support to access funding from other sources was not a particularly highly valued service (8%), **reinforcing the earlier finding that money is not the main motivating factor for the majority of organisations getting involved with KIT-OUT.**

Chart 3.8

Source: Slims Consulting – KIT-OUT Business Survey



Support available elsewhere

Survey respondents were asked where else they could go for support if KIT-OUT wasn't there and just four of the fifteen businesses surveyed gave an answer. Two of these cited Scottish Enterprise, one said Business Gateway and another said Highlands & Islands Enterprise. In reality, most of the companies that KIT-OUT work with would be unlikely to fill the high growth criteria to be eligible to access support from these organisations. **The low response rate to this question could suggest a gap in public sector support available to small tourism firms looking to develop new products or processes, or a lack of knowledge amongst businesses of where to go to access it.**

Several of the businesses that were consulted with reported that they had previously attempted to access support to develop new products and processes from other public agencies, including Scottish Enterprise and Business Gateway. However, none of them had been successful in their attempts to access support through these routes. One consultee looking to access this type of support said that they had been extremely 'underwhelmed' by the response from a mainstream business development agency.

One of the consultees said that there were commercial organisations out there that could offer similar services. However, they were reluctant to go down this route as it was likely to be very expensive and they weren't confident that the solutions they offered would be truly 'independent'. **The non-commercial nature of KIT-OUT was identified as one of its most attractive features for businesses. They believed that KIT-OUT was there to support them to find the right solutions for them and not to 'sell' to them.**

Views on role of KIT-OUT

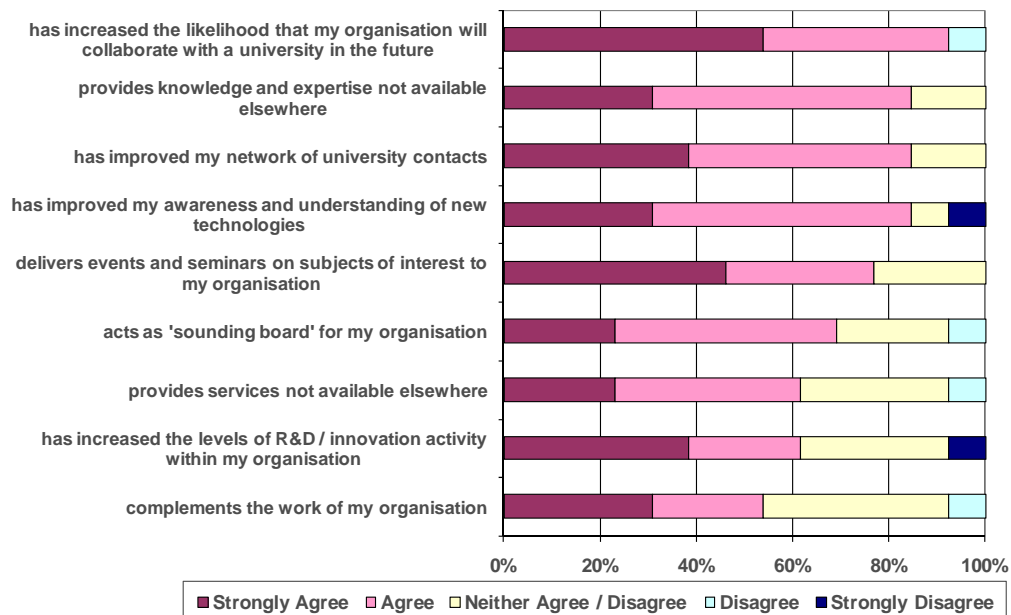
The survey tested the extent to which KIT-OUT plays a positive role with the companies it supports. This was done by posing a series of statements and asking respondents to indicate the extent to which they agreed or disagreed with each. The findings from this question are shown in Chart 3.9. The key messages from this analysis are that:

- 92% of organisations feel that KIT-OUT has increased the likelihood that their organisation will collaborate with a university in future;
- 85% consider KIT-OUT to provide knowledge and expertise not available to them elsewhere;
- 77% reported that KIT-OUT delivers events and seminars on subjects of interest to their organisation;
- Almost 70% consider KIT-OUT to act as a 'sounding board' for their organisation; and
- Over 60% reported that engagement with KIT-OUT has resulted in increased levels of R&D and innovation activity within their organisation.

Chart 3.9

Source: Slims Consulting – KIT-OUT Business Survey

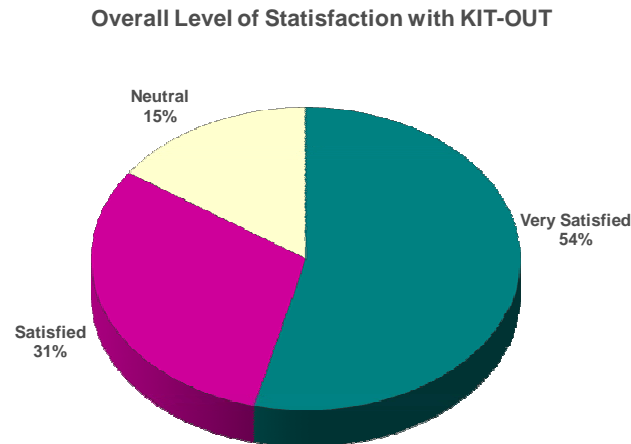
To what extent to you agree that KIT-OUT...



Finally, organisations were asked to rate their overall satisfaction with KIT-OUT. **The vast majority (85%) stated they were either 'very satisfied' or 'satisfied' with the support and services they had received from the project.** The remaining 15% reported that they were 'neutral' with regard to their level of satisfaction.

Chart 3.10

Source: Slims Consulting – KIT-OUT Business Survey



High levels of satisfaction with the services received through KIT-OUT were also reported in the business consultations. In particular, businesses felt that KIT-OUT staff took the time to fully understand their issues and requirements, which meant that the support offered was appropriate and relevant. The events organised by KIT-OUT were particularly highly regarded in terms of offering businesses the opportunity to network and to keep up to date with developments in their sector.

3.8 Conclusions – The Business Perspective

This chapter has provided an overview of the key findings from the survey and consultations with companies that have engaged with KIT-OUT. The key messages arising from this analysis are:

- KIT-OUT has engaged with a **broad range of tourism and tourism related businesses across the West of Scotland.**
- The **majority of firms that KIT-OUT has engaged with have been 'micro' businesses with fewer than 10 employees.** However, the project has also had some success in terms of engaging with slightly larger companies with upwards of 20 employees.
- **Attendance at events, referrals from Scottish Enterprise and word of mouth** have been the main ways in which businesses have found out about KIT-OUT.

- The main motivation for businesses to engage with KIT-OUT has been the **opportunity to access academic knowledge and expertise to develop new products and processes**. This indicates demand for these services amongst the firms that KIT-OUT has been working with.
- There are high levels of additionality associated with the support offered by KIT-OUT, particularly in terms of linking tourism SMEs to expertise from within the university. **The project appears to fill a 'gap' in terms of R&D / innovation support available to tourism firms in the West of Scotland.**
- Within the survey sample of businesses, KIT-OUT was found to have made only a **modest impact on turnover to date and no impact on levels of employment**. However, outwith the survey, substantial impacts on employment levels within one business in particular have been reported to project staff.
- Looking forward three years, more than half of all companies surveyed reported that they expect their turnover to have increased as a result of working with KIT-OUT. **This is forecast to generate an additional £149k to £338k in gross annual turnover for these companies.**
- In terms of employment, **KIT-OUT support is expected to generate a minimum of 22 additional FTE jobs** within the companies in the sample over the next three years, with employment forecast to more than double in three of the micro businesses surveyed.
- KIT-OUT has **accelerated technology, product or process development in 39% of businesses surveyed and improved the quality of the outputs from this development in 61%.**
- The vast majority of businesses surveyed reported that they either agreed or strongly agreed that KIT-OUT:
 - Had increased the likelihood that they will collaborate with a university in the future;
 - Provides knowledge and expertise not available to them elsewhere; and
 - Delivers events and seminars on subjects of interest to their organisation.

4. The Stakeholder Perspective

This section presents the key findings from a series of stakeholder consultations that were carried out with representatives from:

- Glasgow Caledonian University;
- Scottish Enterprise;
- West of Scotland KTP Centre;
- Loch Lomond & the Trossachs National Park Authority;
- Stirling Council; and
- UXL Ltd.

A detailed list of the names and organisations of consultees can be found in the Appendix to this report.

4.1 Consultations with University Staff

A series of six in-depth consultations were carried out with staff from Glasgow Caledonian University. The main areas explored during these consultations were:

- Engagement with KIT-OUT;
- The impact of KIT-OUT both on themselves and the university as a whole;
- Additionality associated with KIT-OUT; and
- Views on the future development of the KIT-OUT concept.

The remainder of this section sets out the key findings from this part of the research across these broad themes.

4.1.1 Engagement with KIT-OUT

The perception amongst consultees was that awareness of KIT-OUT amongst university staff was high. They had first heard about the project either through:

- Internal university communications (mainly email);
- Direct contact from KIT-OUT staff; or
- Word of mouth.

Most of the consultees had received information about KIT-OUT through the university email system. However, as so much information is sent to them in this way, they find it impossible to give it all their

full attention meaning that much of it doesn't get through. Therefore, as a means of engaging university staff, it does not work on its own but does help to raise awareness and familiarity with the brand. Several of the consultees reported that they'd heard the name KIT-OUT prior to being involved, but didn't really know much about it.

In some cases, university staff had been contacted directly by a member of the KIT-OUT team. The initial engagement took the form of a meeting during which they discussed their research interests and specialism and were given information about what KIT-OUT was able to offer. It was felt unlikely that many of the connections would have been made in the absence of this direct contact.

In terms of hearing about the project through word of mouth, some had heard about it from colleagues that had either worked with KIT-OUT or were involved in other business development activity for the university. There has been a notable increase in the level of awareness through the life of the project to the point that it is now very well recognised across the university.

The main reasons cited by university staff for first getting involved with KIT-OUT were that it offered the opportunity:

- To raise additional funds for their department;
- To work with businesses;
- To develop research ideas; and
- To link their students to practical research opportunities.

One of the main attractions was the fact that KIT-OUT offered an 'easy' route to accessing these opportunities as project staff did all the legwork involved in terms of establishing contacts and scoping out potential research projects. With so many competing time pressures, academic and research staff often do not have the capacity to do this themselves.

Overall, there appears to be a high level of awareness of KIT-OUT across the university. This has notably increased throughout the course of the project partly as a result of the proactive efforts of KIT-OUT staff. The consultations found that academic and research staff were attracted by the opportunity to engage in knowledge transfer activity that is facilitated for them.

4.1.2 Impact

University staff were asked to identify the impact of KIT-OUT both on themselves and the university as a whole. The key things identified were:

- The opportunity to link theory to practice;
- Access to a resource for industry knowledge, contacts and advice;

- The opportunity to gain additional funding for research and other resources; and
- Raising profile.

Linking theory to practice

University staff reported that they experienced personal satisfaction from seeing their research ideas being applied in *'real life'* situations. The problem solving aspect of the work they have engaged in through KIT-OUT has challenged them to link their theoretical ideas to practice. For some, this appears to have been quite a sobering experience which has challenged some of their preconceived ideas about the type of solutions businesses are interested in. Essentially, it was felt to have helped to inject a sense of realism into their academic work. The insight and learning gained by university staff through this has then fed back into their teaching and research practices.

Resource for knowledge, contacts and advice

The events hosted by KIT-OUT, as well as the range of contacts and industry knowledge held by the project team, were highlighted as a valued resource to university staff. The monthly newsletter was also mentioned by several of the consultees as a means for them to keep up to date with regional developments in the industry.

The KIT-OUT events were highlighted as being a particularly valued resource. Most of the university staff we spoke to had attended these and had used them to showcase the work of their department, network and to invite along clients. Others had benefited from the network of industry contacts and knowledge held by the KIT-OUT project team. Examples were given of instances where they had contacted the team for general advice on how to progress with a particular project or for industry knowledge. **The skills and expertise of the project team is therefore highly valued as a resource for tourism industry knowledge by university staff.**

Additional funding

Access to additional funding for their department did not appear to be the main motivation for university staff to get involved in KIT-OUT projects. However, the compensation generated did provide a welcome boost their research and resource budgets. One consultee said that they it had allowed them to hire an additional researcher within their department. The impact of these additional resources was therefore the opportunity to scale up their level of research activity.

Raising profile

The general consensus amongst university staff consulted with was that the work of KIT-OUT has helped boost the profile of the university amongst the business community. As one said:

‘the university needs a front facing organisation like KIT-OUT to work with businesses – academics generally do not have the time nor the inclination to find partners themselves’

One consultee reported that they felt KIT-OUT helps to support the social mission of Glasgow Caledonian University, which is based around:

“widening access to higher education for talented individuals regardless of their backgrounds and leveraging our intellectual and social capital for the benefit of the communities we serve in Scotland and internationally” GCAL website December 2009

KIT-OUT directly supports this mission by providing a conduit through which businesses can access university expertise that would have otherwise been unavailable to them. It takes the underlying objective of widening access to Higher Education and applies it to the business community.

4.1.2 Additionality

Consultees were asked to identify what they felt were the main **additional** benefits to the university associated with KIT-OUT. That is, what benefits does the project bring over and above that which is already available through other university resources.

The general consensus was that the majority of projects that university staff were given the opportunity to work on through KIT-OUT would never have happened in the absence of the project. The main reasons given for this were that:

- the profile of the companies that KIT-OUT work with (generally small tourism or rural) would have been unlikely to have ever accessed university expertise in the absence of KIT-OUT;
- even if they had decided to go down this route, they would have been unlikely to have gotten very far. For one thing, the initial consultancy costs are likely to have been prohibitively expensive to this type of firm; and
- the network of contacts and wealth of industry knowledge held by KIT-OUT project staff have been key to ensuring that projects can be moved forward.

4.1.3 Future Development

The importance to the university of having a resource like KIT-OUT was highlighted by all consultees and all expressed a desire to see the project continue in some shape or form. Several ideas were put forward as offering potential for the future development of the KIT-OUT concept:

- Creating groups / consortiums for projects
- Greater focus on tangible outputs
- Broadening remit

Groups / Consortiums of Companies

It was suggested that perhaps one of the reasons that many of the project proposals provided to business through KIT-OUT did not progress to the next stage was a lack of resources for one small organisation alone to invest. As many tourism firms are facing similar issues, it was suggested that it might be better to create groups / consortiums of companies to pool funding for the introduction of new technology. This is essentially an issue of matching demand to scale. However, one potential drawback with taking this approach is that some firms may feel that collaboration would result in them losing the competitive advantage associated with the introduction of the new product or process.

Tangible Outputs

The standard offer to businesses through KIT-OUT is five days of free consultancy time to be used by university staff to develop a solution to meet their identified requirements. The output of this is a project proposal report which is provided to businesses, with no obligation on them to progress with the recommendations. This free consultancy time was viewed as the key 'hook' to get businesses engaged in KIT-OUT. However, it was felt that there was potential for the service to be used more effectively.

The types of firms that KIT-OUT works with are generally small or micro businesses operating in an industry (tourism) not traditionally associated with R&D or innovation activity. It was felt that the proposed solutions were sometimes too high level or large scale for this type of client. It was suggested that the reports could be made more accessible and, rather than offering one solution, should offer a range of options requiring different levels of investment. This would increase the likelihood of companies progressing with at least one option.

Broadening Remit

Most of the consultees were confident that KIT-OUT had the potential to broaden its remit both geographically and in terms of its sector. However, most agreed that a focus should be retained on rural businesses as this is where the highest impact can be achieved.

4.2 Consultations with Other Stakeholders

A total of five in-depth consultations were carried out with other stakeholders that been involved with KIT-OUT in some capacity. These were mainly representatives from other public sector agencies with

an innovation, business development or tourism remit including Scottish Enterprise, local authorities and the Loch Lomond and Trossachs National Park Authority. The main areas covered in these consultations were:

- The extent to which KIT-OUT fills a 'gap' in the tourism sector;
- The way in which KIT-OUT fits with the policy priorities of other agencies;
- The role of KIT-OUT in promoting collaboration between SMEs working in the tourism sector and academia; and
- Views on how the KIT-OUT concept could be further developed in the future.

KIT-OUT addressing 'gap' in tourism sector

The consensus amongst stakeholders was that KIT-OUT addresses a gap in terms of business development support available to tourism SMEs. In particular, it was viewed as *'opening up research and innovation support to a whole business community that wouldn't have otherwise have had access to it'*.

The types of companies that KIT-OUT works with were viewed as *'falling through the gaps of mainstream public sector business development support'*. The view was that KIT-OUT has helped to address this gap by acting as a *'navigation service'* to support small tourism firms to access public sector funding and university expertise. The only comparable source of this level of business support identified was the Account Management Programme run by Scottish Enterprise. It was reported that the high growth criterion for accessing this programme excludes the vast majority of firms that KIT-OUT works with.

Policy Context

The key objectives of KIT-OUT were viewed as complementary to the policy priorities of a range of other public agencies, including:

- Scottish Enterprise;
- Business Gateway;
- Loch Lomond & the Trossachs National Park Authority; and
- VisitScotland.

However, the KIT-OUT offering was viewed as unique in that it specifically targets SMEs operating in the tourism sector. Furthermore, the criteria for accessing support from KIT-OUT is not based on projected growth or potential impact as is the case with many other public agencies.

Role of KIT-OUT in Promoting Collaboration

The view of stakeholders was that KIT-OUT has a key role to play in terms of promoting and facilitating collaboration between tourism SMEs and academia. One consultee commented that *'there are not enough people out there talking to businesses about how they can work with universities'*. The services offered by KIT-OUT were viewed as ideal 'tasters' for businesses to dispel any preconceived ideas they might have about working with a university partner. It was also viewed as a means to let them see how the expertise available through the university could help their business to become more competitive. **As well as introducing businesses to academia, the view was that KIT-OUT had a key role to play in terms of managing this relationship.**

Future Development

The general consensus amongst stakeholders was that the KIT-OUT concept has the potential to be rolled out nationally. It was felt that the project had probably gone as far as it could within its initial geographical focus of Loch Lomond & the Trossachs National Park. Several of the consultees highlighted the importance of KIT-OUT retaining a rural focus if this roll out was to occur.

One consultee viewed KIT-OUT's role as connecting and supporting businesses that are located in isolated areas with little or no access to business support or expertise. It was felt that it should retain its rural focus as that is what makes the project unique and would also help to ensure that it remains relevant to national rural development policy.

Other Comments

Several of the consultees had previous experience of working with other SEEKIT funded projects. In this context, they viewed KIT-OUT as having performed particularly well for a number of reasons:

- KIT-OUT matured at around the same time as the global recession started to take hold, meaning that they have been **operating in a particularly challenging economic climate**;
- The types of firms that KIT-OUT has engaged with are not traditionally associated with R&D or innovation activity – one consultee described a **'cultural' barrier between the tourism sector and academia that KIT-OUT has helped to break down**;
- There are no other knowledge transfer projects specifically focused on the tourism sector meaning that **KIT-OUT has been has been innovative in its own right**; and

- The KIT-OUT project team has been proactive at engaging businesses, university staff and other stakeholders and maintained a **clear focus throughout on what they're trying to achieve.**

One consultee admitted that they had originally been sceptical about KIT-OUT given the nature of the businesses they were attempting to engage with, but that they have been *'dumbfounded by the level of business engagement that the project has achieved'*. Each of the stakeholders consulted with made particular reference to the dedication, enthusiasm and competence of the project team.

5. Conclusions and Lessons Learned

In this final chapter, we bring together the evidence presented in this report to address the following three questions:

- Does KIT-OUT fill a 'gap' in terms of the support it provides to tourism SMEs?
- What has been the impact of KIT-OUT on businesses, the university and other stakeholders?
- What lessons can be learned from KIT-OUT?

Does KIT-OUT fill a 'gap' in terms of the support it provides to tourism SMEs?

There are a number of key conclusions to be considered in answering this question:

- KIT-OUT has successfully engaged with a large volume of tourism SMEs, **the majority of which have no previous experience of working with a university partner**. It has played a key role not just in terms of connecting these businesses to knowledge and expertise within the university, but also **managing this relationship**.
- This study has identified **demand within tourism SMEs for access to knowledge and expertise to develop new products and processes**. It also found that there is currently a lack of this type of support available elsewhere for these businesses.
- As well as acting as a conduit for businesses to access R&D and innovation support from within the university and elsewhere in the public sector, **KIT-OUT plays a wider business development role with tourism SMEs – it is a valuable resource for industry knowledge and networking opportunities**. Again, this type of support is currently unavailable from any other source.

It can therefore be concluded that KIT-OUT fills a gap in terms of support available to tourism SMEs, not just in terms of R&D / innovation support but also broader business development support.

What has been the impact of KIT-OUT on businesses, the university and other stakeholders?

The project has demonstrated impacts in a number of ways:

- KIT-OUT has introduced R&D and innovation support to a business community that would not have otherwise had access to it. The full impacts of this in terms of business performance have yet to be realised. **However, this study has found evidence that the support**

provided by KIT-OUT is likely to continue to generate impacts on turnover and employment in the business that it has worked with for some time.

- A less tangible impact that KIT-OUT has had on businesses has been the **breaking down of cultural barriers between tourism SMEs and academia**. Again, the impact of this is likely to continue to reap benefits for these businesses for years to come.
- **The impact of KIT-OUT on staff within the university has been the opportunity to engage in knowledge transfer activity that is facilitated for them.** This is highly valued, given the often competing demands on their time.
- One of the impacts of KIT-OUT on the university as a whole has been to help fulfil its social mission, which is based around *'leveraging our intellectual and social capital for the benefit of the communities we serve'*. This has in turn helped raise the profile of the university amongst the tourism business community in the West of Scotland.
- In terms of other stakeholders, **KIT-OUT offers business development agencies a resource into which to refer their clients that did not previously exist.** The key objectives of KIT-OUT fit with the policy priorities of a range of other public sector agencies with a business development / R&D remit.

What lessons can be learned from KIT-OUT?

Given the uncertainty around the strategic approach to knowledge transfer and commercialisation within the university, we offer no recommendations at this stage. However, there are a number of key lessons from KIT-OUT that can be taken to help inform future knowledge transfer activities across the university:

- **A focused approach, targeted on a specific sector and geography, can bear fruit in terms of engaging SMEs with no previous history of working with universities.**
- Given the size and scale of the companies that KIT-OUT works with, it is unlikely that the project will ever be in a position to generate huge returns in its current form. **It would need to move up the value chain in terms of the businesses it works with in order to achieve larger scale impacts. This could be achieved by actively targeting larger businesses.**

- The KIT-OUT project team have developed an expertise in engaging rural businesses. **Consideration should be given to retaining this expertise within the university given the lack of this type of business development activity currently happening in Scotland.**
- There is a long lead time associated with any R&D / innovation intervention, but this is particularly true in the case of small tourism SMEs that do not normally engage in this type of activity. **However, the impacts of this type of support on turnover and employment within individual tourism SMEs can be substantial.**

Appendix – List of Consultees

Name	Organisation / Department
Glasgow Caledonian University Staff	
Dr Andreas Komninos	MUCOM team
Dr Matt Frew	Division of Media, Culture and Leisure Management
Pauline Bell	Caledonian Business School
Prof Kofi Aidoo	School of Life Sciences
Prof Mike Smith	Pro Vice-Chancellor Research
Business Consultations	
Brendan Maguire	If Only
Douglas	Cookroom
Gary Gilmour	Blairdrummond Safari Park
Joanne Inglis	Briarlands Farm
Mark Shimidzu	Wheels Cycle Centre
Nic Beattie	Scotia Radio
Stakeholder Consultations	
Alasdair Cameron	West of Scotland KTP Centre
Anne-Michelle Ketteridge	Stirling Council
Charles Broadfoot	UXL Ltd
David Cross	Scottish Enterprise
Lesley Campbell	formerly Loch Lomond & the Trossachs National Park Authority
Paul McCafferty	Scottish Enterprise