EVALUATION OF THE MARKETING ADVANCE PROGRAMME

A Report to:
Scottish Enterprise Grampian

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CONTENTS

Executive Summary

This is the report of a study undertaken by SQW Limited on behalf of Scottish Enterprise Grampian (SEGr) to evaluate the Marketing Advance Programme (MAP). It was carried out during October to December, 2004. The study forms one of a series of 13 evaluations commissioned from SQW as part of SEGr's Evaluation Plan 2004-5.

The purpose of the study was to provide a full *ex post* evaluation of MAP. The effectiveness of MAP was assessed and the outcomes and impacts derived from the Programme were considered. The study was also concerned with assessing value for money issues and the presence or otherwise of market failure as justification for public sector intervention.

In addition, the report sought to inform SEGr's decisions on tendering for a contractor to deliver the Programme in future.

The study obtained feedback on MAP from 16 clients (35% of the client population contacted). This was obtained from a postal survey and telephone interviews with companies. Face-to-face interviews were conducted with key stakeholders. A review of contextual documents, monitoring records and prior evaluation information was also carried out.

The main conclusions and findings from the study are as follows:

- overall, MAP has proved to be a successful intervention, resulting in substantial benefits in terms of company activity and capability, as well as bringing net business and economic impact

- the content of MAP and its delivery by the staff of Brilliant Red Consulting are regarded highly by most participating companies responding to our request for feedback and by those Account Managers consulted within SE Grampian

- the Programme objectives and content are aligned well with the expectations and priorities of the respondents

- the influence of MAP on respondents' marketing strategies has been substantial. MAP has played a substantial role in encouraging and enabling respondents to develop a marketing plan for the first time. Also, a substantial number of respondents have received their first external support on marketing via MAP. These are significant indicators of the influence of MAP on the participating businesses

- the kinds of things being done differently by respondents as a result of MAP - notably the development of new or revised marketing plans and implementing these-demonstrate the positive, strategic significance for companies of participating in MAP

- a good level of additionality has been achieved by public sector intervention in support of MAP with respect specifically to influence on business activities and "soft", but important business outcomes

- some respondents indicated a lack of information on where they would go for support in the absence of MAP, thus providing some confirmation of an element of market failure

- the majority of respondents believe participating in MAP has had some form of positive effect on sales, productivity, employment and reducing costs, albeit to varying degrees. None of the respondents stated that MAP had a negative effect. A substantial minority stated that participating in MAP had no effect on these parameters

- there is a very high level of satisfaction among respondents on operational matters concerning timing, location and duration of workshops

- when asked for any additional comments companies wished to make on MAP, their responses are overwhelmingly positive

- MAP is fulfilling its prime objective of improving respondents' strategic marketing know-how

- on tendering, in the absence of other information, we see no justification for continuing with Single Tender Authorisation next time around.

The cost per job, including the outlying case of one high performing company, is £9,400 at Grampian level. This is based on actual sales made to date. If the forecast sales are realised, the cost per job would fall to around £3,500.

Excluding the single largest case, the increase of repeat sales is estimated to generate around £0.9m of additional output, with expected repeat sales of £6.7m. Including the outlying case increases output to £10.7m and £26.3m respectively.

It is estimated that new repeat sales have supported 32 jobs in Grampian and 36 in Scotland with the potential, if expected sales are achieved, to support 85 and 95 FTE jobs respectively.

Following on from these findings and conclusions, we would recommend action in the following areas:

- SEGr should keep under review the significance of Account Managers' workload as a potential factor in Account Managed companies being put forward to programmes such as MAP

- the content of the course around promotion, selling and cost accounting should be reviewed for quality and sufficiency

- the potential for a more customised approach to the course material for different companies should be examined

- given the spread and in some cases a marked polarity in ratings of "usefulness", the possibility of companies selecting from a menu of workshops or a more customised approach to workshop content and delivery should be explored for the future, particularly on basic level content

- however, we caution against simply adding more content to a single course whose content is already regarded as substantial

- attention should be given to ensuring that companies do not drop out of attending Programme workshops before receiving support and encouragement with respect to implementation of their marketing plan.

1 Introduction

1.1 This is the report of a study undertaken by SQW Limited on behalf of Scottish Enterprise Grampian (SEGr) to evaluate the Marketing Advance Programme (MAP). It was carried out during October to December, 2004. The study forms one of a series of 13 evaluations commissioned from SQW as part of SEGr's Evaluation Plan 2004-5.

Purpose of study

1.2 The purpose of the study is to provide a full *ex post* evaluation of MAP. We assess the effectiveness of MAP and consider the outcomes and impacts derived from the Programme. The study is also concerned with assessing value for money issues and the presence or otherwise of market failure as justification for public sector intervention.

1.3 In addition, the report seeks to inform SEGr's decisions on tendering for a contractor to deliver the Programme in future

Background

1.4 The Marketing Advance Programme was launched as a pilot in Grampian between February and June 2002. Scottish Enterprise Edinburgh and Lothian, SE Glasgow and SE Borders have also used the same programme, dating back as far as 1998.

1.5 The Marketing Advance Programme was developed for the SE Network by Brilliant Red Consulting (BRC; formerly QMcD Consultants) to "provide a way of filling the gap in SMEs' understanding of strategic marketing". Brilliant Red own the intellectual property associated with Programme material and brand.

1.6 The Programme has now been run five times across the Grampian area - five "waves" - each lasting around 18 weeks. A sixth wave has been run in the Buchan area. Each wave has around 10 participating companies.

1.7 The Programme objectives have been recently expressed[1] as:

[1] Presentation to SE Grampian Board, November, 2004

- to encourage a customer-led philosophy among SMEs
- to establish a pragmatic approach to their strategic marketing based growth
- to develop objective led marketing plans linked to focused implementation strategies
- to enhance marketing skills
- to increase sales profitability and customer satisfaction
- to increase participants' understanding of their business capabilities
- to increase confidence - to sell, negotiate and present.

1.8 The Programme contributes to the Growing Business theme in the Smart Successful Scotland strategy and with SEGr's objective of developing internationally competitive businesses.

1.9 The SEGr budget for MAP is £46,900 per wave according to information supplied to SQW. Companies each contribute £1,400 to cover costs.

Outputs and impacts

1.10 The Programme aims to enable participating companies to achieve a number of specific outputs and outcomes:

- a fully costed marketing plan with a clearly defined action plan
- increase in effective, planned sales and marketing activities
- enhanced marketing skills and knowledge
- a pragmatic approach to growth through strategic marketing.

Description of MAP

1.11 Five elements of MAP can be identified:

- ***identification and recruitment*** of participating companies

- ***delivery of Programme content*** through a series of nine workshops

- ***customer survey*** - undertaken by the participating company before the start of MAP or undertaken by BRC on behalf of the company if no survey exists

- ***one-to-one company support*** - including two progress meetings with individual companies plus a day of additional help with the implementation of action plans

- ***SEGr Account Manager support -*** where a company does not have an SEGr Account Manager, a member of BRC performs this role during the period of the firm's participation in the Programme.

1.12 A dinner is held for MAP clients as a motivational event, an opportunity for networking and to promote the benefits of MAP to potential new recruits. It is used as an opportunity to demonstrate the improved performance of companies as a result of MAP participation and to demonstrate that the Programme is worthy of SEGr sponsorship.

1.13 Each participating company is monitored for progress by BRC over the subsequent 18 months. Information on progress and business impact is provided to SEGr on a cumulative basis. Companies are visited once by BRC staff three months after completing the Programme.

1.14 The Programme is not advertised publicly. Companies are recommended by their Account Managers to participate. They are interviewed by SEGr's MAP Project Manager and a representative of BRC before being accepted onto the Programme. MAP has recently been opened up to SEGr's "client managed" businesses which are deemed to have future growth potential.

2 Methodology

2.1 A methodology for the evaluation was agreed at the outset with SEGr. It consisted of:

- ***a review of contextual documents*** - Programme approval papers and documents produced by BRC
- ***a review of monitoring and prior evaluation information*** - collated by BRC
- ***face-to-face interviews with key stakeholders*** - the MAP project manager, SEGr Account Managers (3) and a Director of BRC
- ***telephone interviews*** - approaching 20 MAP clients
- ***a postal survey*** - sent to 26 other MAP clients.

2.2 A copy of the questionnaire used in the postal survey is in Appendix A. The names of respondents and all those interviewed during the study are listed in Appendix B.

2.3 We adopted a purposive approach to selecting companies for interview: we selected companies from each wave and sought to include three companies which had started but not completed MAP. In selecting from all waves, we wished to evaluate performance and impact over time.

2.4 We received 58 client contacts of which 26 were contacted during the postal survey and 20 contacted to request a telephone interview. As agreed with SEGr, we chose not to contact the other 12 companies as they were being contacted by SQW in the context of parallel studies.

2.5 Where necessary, companies not returning questionnaire were contacted once by phone to request participation. We received 7 completed questionnaires, a 27% response. Where necessary, we attempted to contact companies targeted for telephone interview on at least 3 occasions to arrange an interview. We were successful in obtaining 9 interviews. Two companies refused to be interviewed and the remainder could not be contacted or failed to respond to messages. Those companies which had dropped out of MAP failed to respond to requests for interview. Overall therefore we have obtained feedback on MAP from 16 clients (35% of the client population contacted).

3 Prior Evaluation Evidence

3.1 The Marketing Advance Programme pilot conducted in 2002 was evaluated with a positive result. This was used to build the case for support in the SEGr Approval Paper dated 19th August 2002.

3.2 Interim evaluation results for MAP were also recorded in the SEGr Approval Paper dated 19th February 2004. Based on feedback from companies participating in MAP waves 1 and 2, the following impacts were determined:

- average increase of 0.2% in turnover
- average increase of 26% in gross profit
- average increase of 36% in export sales
- average increase in employment of 19%
- increase in marketing spend of 39%
- increase in new product development spend of 65%.

3.3 We do not have full details of the research methods used in the above evaluation and therefore we are unable to confirm if these quantitative results are indications of net impact, i.e. directly and wholly attributable to participation in MAP. They do provide a positive picture of the impact of MAP. We address net impact in Chapter 9, as indicated by the results of our own research.

Prior evaluation of waves 3 and 4

3.4 Brilliant Red Consulting completed an evaluation of wave 3 in February 2004 and of wave 4 in June 2004[2].

3.5 A summary of findings for both waves 3 & 4 is given below:

[2] Brilliant Red Consulting *"Marketing Advance Programme, Scottish Enterprise Grampian, Completed Evaluation & Feedback Questionnaires"* February 2004 & June 2004

- most respondents agree that MAP: 1) offers an opportunity to increase awareness of the importance of marketing; 2) raises awareness of the impact good marketing can have on a business; 3) provides an opportunity to develop a Marketing Action Plan; 4) gives an opportunity to evaluate their business critically; and 5) provides opportunity to obtain advice from consultants and trainers

- the opportunity provided to network with other businesses is considered important

- all of the respondents rated (on a scale between 1 and 5, where 5 is highest) the following activities in terms of the extent to which MAP has improved capability:

  - plan marketing activity (all respondents rated this as 5 or 4)

  - manage and implement marketing activity (87.5% in wave 3 rated this as 5 or 4, while in wave 4 all respondents rated it as 5 or 4).

- on the whole the feedback on the level of support received from SEGr's Account Managers was positive.

3.6 Evidence from these prior evaluations suggests that overall MAP has been delivered well and there is a strong level of satisfaction among the participating companies.

4 Account Managers' perspective

4.1 In this Chapter we report on key findings obtained from our face-to-face consultations with the MAP Project Manager and with three Account Managers within SEGr. The latter were selected for us as ones with experience of MAP and its impact on their companies.

4.2 The importance of an Account Manager's engagement with companies during the MAP process was emphasised. The additional workload implications for the Account Manager were highlighted: due to other commitments, it seems that an Account Manager would find it difficult to cope with more that two of his/her companies participating in MAP at one time.

4.3 We were informed that not all Account Managers choose to put companies forward to MAP. This could of course be for a number of reasons, but it is important that internal workload issues do not unduly influence company access to MAP.

4.4 **We recommend that the significance of Account Managers' workload as a potential factor in Account Managed companies being able to gain access to programmes such as MAP is kept under review within SEGr.**

4.5 A range of views were expressed on room for improvement to the Programme:

- more Programme content required on promotional activities by firms. Course content on cost accounting and on selling should also be reviewed - however, concern by some that the Programme already covers sufficient ground. One recommendation was for a separate course on selling to be offered by SEGr

- MAP needs to be kept "fresh" and up to date - *"last year MAP was stale, with same slides etc. but this year new material has been introduced"*

- the market survey element would benefit from closer one-to-one contact with companies over questionnaire design

- there is merit in examining the possibility for firms to take up only part of the Programme or to run modules independently for companies unwilling to participate in the whole of MAP - "*not all firms need to go back to marketing basics. Some could do with only a bit of the Programme*"

- feedback from BRC on their "aftercare visit" to MAP graduates should be provided to Account Managers as a matter of course

- there should be greater clarity over the support that companies and the contractor can expect from Account Managers during the Programme.

4.6 **We recommend that the content of the course around promotion, selling and cost accounting be reviewed for quality and sufficiency. We recommend that the potential for a more customised approach to the course material for different companies should be examined. The potential for offering a menu of course options, particularly on basic level content, should be explored. However, we caution against simply adding more to a course whose content is already regarded as substantial.**

4.7 Account Managers identified the following strengths in MAP:

- the dinner held with MAP participants and other companies as a highly effective motivational and networking event

- the way that MAP provides focus and demands commitment from company managers

- it success in getting the senior managers of firms involved which in turn assists with knowledge sharing within the firm, as well as ensuring commitment

- evident change in mindset among companies, even where bottom line impact has not yet been achieved

- the workshop sessions enable effective and valuable group learning among the participating companies

- the staff of BRC delivering MAP are highly regarded.

4.8 If MAP did not exist, Account Managers would coach their companies on marketing matters themselves. Indeed, where a company is unable to devote the time to participate in MAP, this coaching already takes place.

5 Profile of clients and their experience of MAP

5.1 In this chapter we provide a profile of the companies participating in MAP and consider their experience of the Programme.

Profile of clients

5.2 We enquired about companies' main products/services and main markets. Table 5.1 shows the range of products/services provided by the respondents: the sample is dominated by engineering firms. Table 5.2 shows that the majority of respondents, just over two-thirds, are in the oil & gas sector. This result is not surprising as the businesses are based in Grampian.

Table 5.1 Main products/services of respondents

Sample	**16**
Company	**Main product/service**
1	Design manufacture and supply service power electronics to the continuous process industry
2	Electronic instrumentation, monitoring systems
3	Environmental engineers
4	Fabrication, welding and machining
5	Heritage conservation
6	Ice-cream manufacturer
7	Leak sealing and location of pipelines
8	Manufacture “boom systems” (under water fences)
9	Marine personnel transfers
10	Operational software
11	Provision of engineering services and production equipment
12	Public relations
13	Rubber moulding manufacturer/service
14	Safety devices
15	Training
16	Manufacture weather monitoring systems

Table 5.2 Business sector of respondents

Sample size	**16**
Sector	**Total Frequency**
Oil & Gas	11
Retail	1
Leisure	1
Food & Drink	1
Other	2
Null responses	0
Total	**16**

*Other refers to training and public relations

5.3 We asked companies to estimate the proportion of their sales in Grampian, the rest of Scotland, the rest of UK and the rest of the world. Answers were grouped into two sales brackets (1-49% and 50-100%) for ease of comparison and analysis. Table 5.3 shows that 9 out of 16 respondents, i.e. 56%, make between 50-100% of their sales in Grampian. However, a majority of firms also report export sales with the rest of the world.

Table 5.3 Proportion of sales in the following markets

Sample size				**16**
Market	**1-49% sales**	**50-100% sales**	**Null responses**	**Total**
Grampian	5	9	2	**16**
Rest of Scotland	7	2	7	**16**
Rest of the UK	9	0	7	**16**
Rest of the world	10	2	4	**16**

5.4 For those with international sales, we also asked which geographic areas are most important. Respondents were asked to name up to three areas of importance. The results are given in Table 5.4. Norway and other parts of Europe, followed by the Former Soviet Union, were the most frequently identified markets.

Table 5.4 Countries/continents most important for international sales

Country/continent	No. of responses
Norway, Europe	6
Russia, Kazakhstan, Azerbaijan	5
Indonesia, Australasia, South Korea	4
USA, North America	3
UAE, Saudi Arabia, Middle East	3
Egypt, Libya, South Africa	3
Total	**24**

5.5 We wished to determine the age of firms choosing to participate in MAP. Table 5.5 shows that half of the responding businesses were formed in 1990 or earlier. Overall, the respondents include mostly relatively mature businesses.

Table 5.5 When sampled businesses were formed

Sample size	**16**
When formed	**Total Frequency**
1990 or before	8
1991-2000	4
2001-2004	4
Null responses	0
Total	**16**

5.6 We were interested in the size of the businesses which participate in MAP. Table 5.6 and Figure 5.2 show the responses. Turnover ranges from a minimum of £25,000 to a maximum of £6million, giving an aggregate of c. £19million for the 11 companies responding to this question.

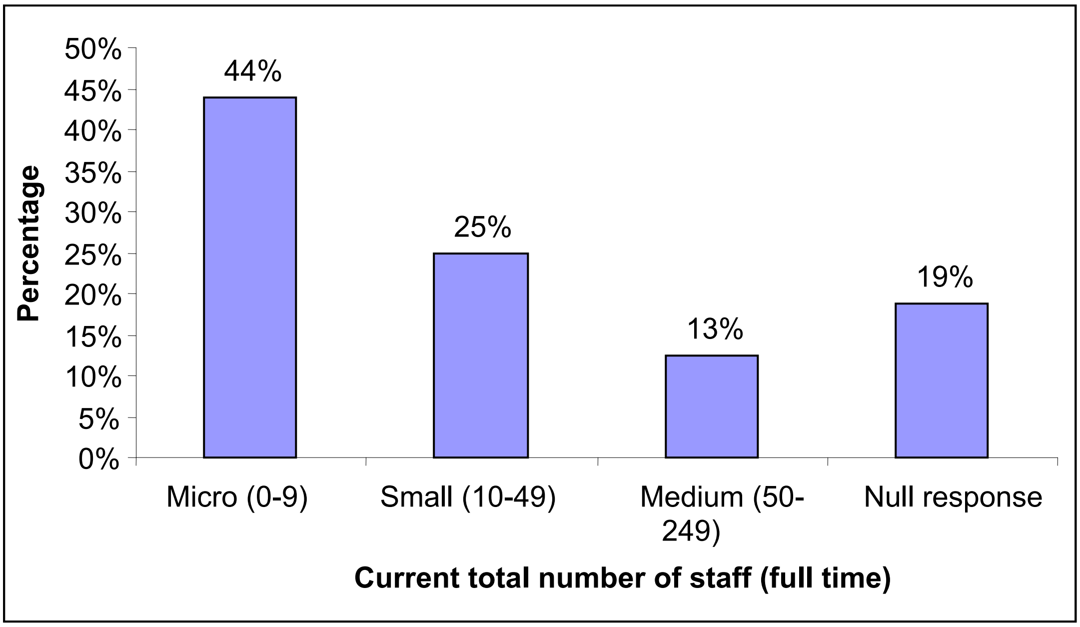
Table 5.6 Turnover reported by businesses for last financial year

Sample	**16**
Company	**Turnover**
1	£25,000
2	£130,000
3	£215,000
4	£390,000
5	£600,000
6	£800,000
7	£870,000
8	£2,200,000
9	£3,600,000
10	£4,200,000
11	£6,000,000
Total	**£19,030,000**

Null responses=5

5.7 In Figure 5.2, size of business with respect to number of employees is divided into three categories: micro (0-9 employees), small (10-49 employees) and medium (50-249 employees). Most of the respondents (44%) were micro-businesses.

Figure 5.2: Current total number of staff employed in company's Scottish operations



5.8 To complete the profile, we wished to determine when companies had participated in MAP. Most of the respondents (75%), as shown in Table 5.7, participated in MAP during 2004.

This has significance later in our report when looking to assess business impact of MAP. For many of the respondents, it is the business benefits they anticipate that may prove most relevant to impact.

Table 5.7 When business joined MAP	
Sample	**16**
Date	**No of businesses**
During 2004	12 (75%)
During 2003	2 (12.5%)
During 2002	2 (12.5%)
Total	**16 (100%)**

Experience of MAP

5.9 The purpose of this section is to consider clients' experience of MAP, examining their initial expectations before gaining insights into their views on its usefulness to their business.

5.10 We asked companies to indicate the most important areas of assistance/advice they were looking for when deciding to participate in MAP. They were asked to identify up to four topics from a list drawn up after consideration of MAP objectives indicated both by contextual documents and consultations with the MAP Project Manager and Account Managers in SEGr. Table 5.8 shows that the most important areas were 1) implementing a marketing strategy; 2) strategy marketing; and 3) development of a practical marketing plan. This corresponds directly with the aims and outputs of MAP.

5.11 **We conclude that the Programme objectives and content are aligned well with the expectations and priorities of the respondents.**

5.12 Table 5.8 shows that areas such as market segmentation, exporting, e-commerce and networking with other Grampian companies had low or zero responses suggesting that assistance in these areas was not expected from MAP.

Table 5.8 Most important areas of assistance/advice looked for from MAP (4 areas ticked)

Sample		16
Area of assistance/advice	**No of responses**	**(%)**
Implementing a marketing strategy	12	75
Strategic marketing	11	69
Development of a practical marketing plan	9	56
Marketing generally	8	50
Business planning	3	19
Understanding product positioning	2	13
Communication and promotional activities	2	13
Customer and competitor analysis	2	13
Selling	2	13
Understanding a market segmentation	1	6
Exporting	1	6
E-commerce	0	0
Make contacts with other companies in Grampian area	0	0
Other	0	0

5.13 Companies were asked if they had a marketing plan before joining MAP. Among the respondents, 50% admitted to not having a plan (Figure 5.3). We also asked if companies had received marketing support prior to joining MAP, from SEGr or other sources (Figure 5.4). Among respondents, a smaller proportion, 37%, indicated that they had not received prior support. Of those that had received support, this had come from a range of sources:

- SEGr Account Manager
- support from a market researcher
- Scottish Development International trade delegations and related help in market assessment
- management workshops provided by Scottish Enterprise
- information provided by the Business Gateway
- SEGr Growing Business Review which addressed certain deficiencies in business capability

- Investors in People Leadership Programme.

5.14 **We conclude that MAP has played a substantial role in encouraging and enabling respondents to develop a marketing plan for the first time. A substantial number of respondents (37%) have received their first external support on marketing via MAP.**

Figure 5.3: Did you have a marketing plan before joining MAP?

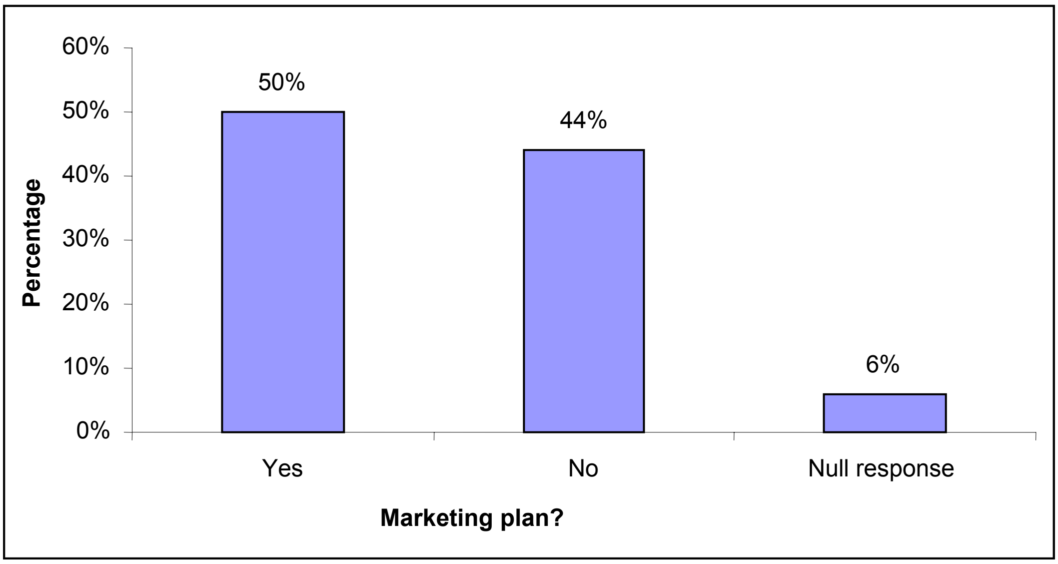
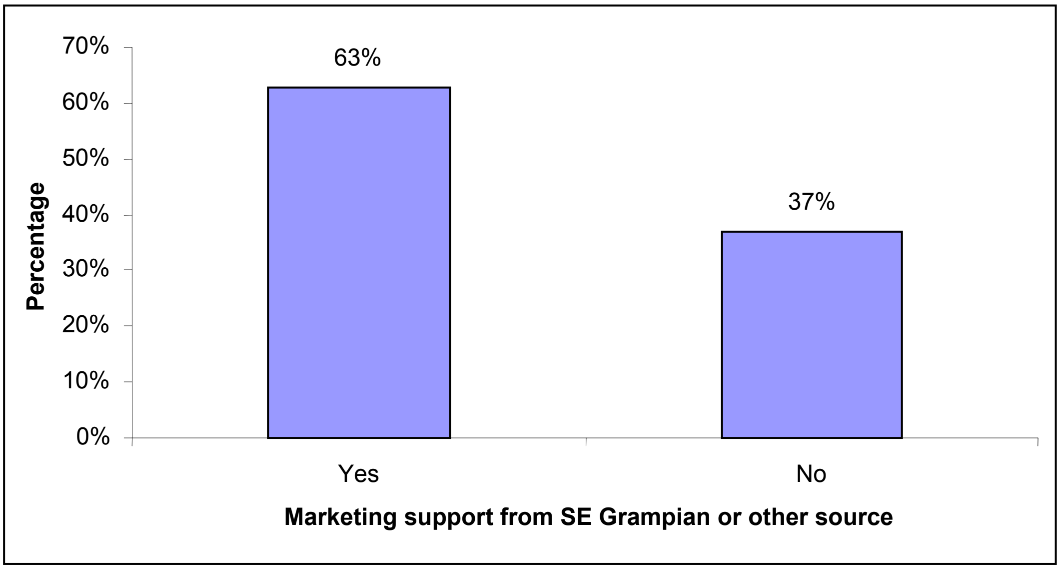


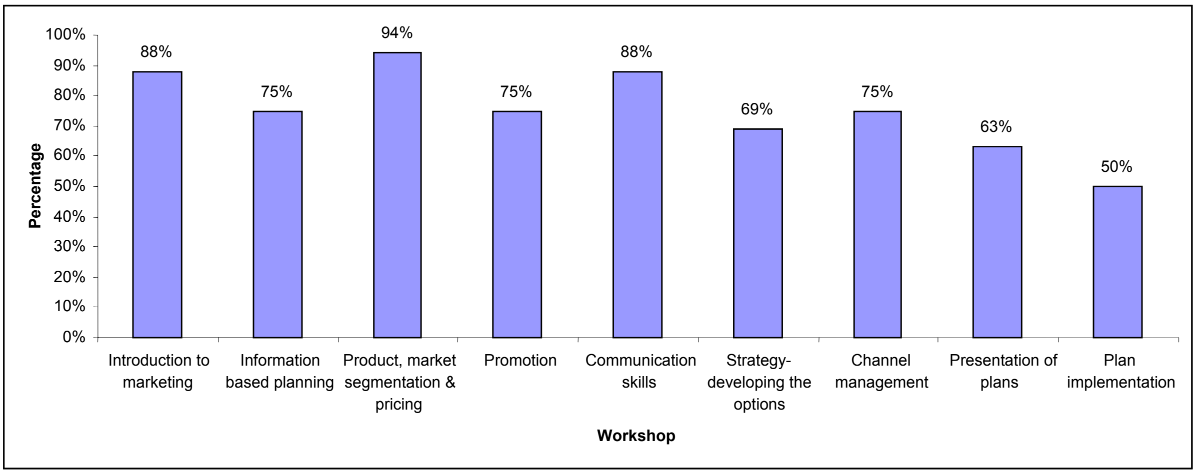
Figure 5.4: Did you receive marketing support from SE Grampian or from any other sources before joining MAP



5.15 We wished to ascertain the usefulness of the various workshops held as part of the MAP process. Firstly we asked about levels of participation (Figure 5.5). There appears to be a gradual tailing off in attendance among respondents towards the end of the Programme. The lowest attendance is for the final workshop on Implementation. We note elsewhere that a number of respondents find the Presentation workshop of limited use and this may be influencing decisions on whether to return for the final workshop.

5.16 **We recommend that attention is given to ensuring that companies do not drop out of the Programme before receiving support and encouragement with respect to implementation of their marketing plan.**

Figure 5.5: MAP workshops attended by respondents (the workshops are set out in time sequence, earliest to the left)



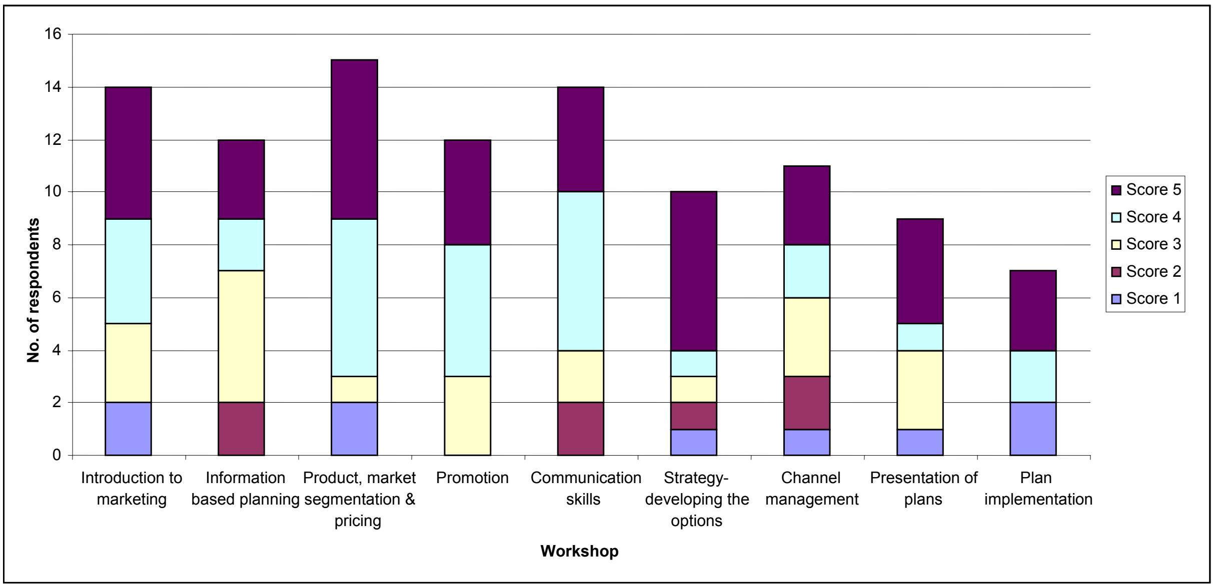
5.17 We wished to determine the usefulness of the different workshops from a business perspective. We asked companies to rank each one on a scale of 1 to 5, where 5 is most useful. The results are shown in Table 5.9 and in Figure 5.6. A majority of companies find the Introduction to Marketing workshop useful, but a minority find it not at all useful. A similar polarity of view is expressed on the usefulness of the Product, Market Segmentation and Pricing workshop and the Plan Implementation workshop. Generally, responses indicate that for the majority the workshops are useful or very useful, but there is a notable spread of views in many cases, except for the Promotion workshop - all respondents give this a score of 3 or more. There is a tailing off in the number of respondents expressing an opinion on the last two workshops in the MAP process - Presentation of Plans and Plan Implementation.

5.18 **Given the spread of results and in some cases a marked polarity in ratings of usefulness, we recommend that the possibility of companies selecting from a menu of workshops or a more customised approach to workshop content and delivery be explored for the future.**

Table 5.9: Usefulness of workshops to business

Score on a scale of 1 to 5 (where 5 is high)	*1*	*2*	*3*	*4*	*5*	***Total***
			No of respondents			
Introduction to marketing	2	0	3	4	5	**14**
Information based planning	0	2	5	2	3	**12**
Product, market segmentation & pricing	2	0	1	6	6	**15**
Promotion	0	0	3	5	4	**12**
Communication skills	0	2	2	6	4	**14**
Strategy-developing the options	1	1	1	1	6	**10**
Channel management	1	2	3	2	3	**11**
Presentation of plans	1	0	3	1	4	**9**
Plan implementation	2	0	0	2	3	**7**

Figure 5.6: Distribution of scores on usefulness of MAP workshops (where a score of 5 is high)



5.19 We asked companies to indicate reasons for the usefulness or otherwise of the workshop sessions. The responses are captured in Tables 5.10 and 5.11.

Table 5.10 Summary comments of reasons given for workshops rated <u>most</u> useful

1. *"All very good, no weaknesses"*
2. *"Assisted us to analyse interest in our product services and present a value proposition"*
3. *"Broadened our understanding for product positioning. Highlighted importance of close contact with clients, knowing our competitors better and helping us with marketing schedules. Importance of growing as a business"*
4. *"Did not have enough knowledge on marketing, information based planning and promotion"*
5. *"Explained/introduced new thinking; underlined how much we haven't been doing"*
6. *"Told us our feelings and ideas on how it fitted with recognized methodologies"*
7. *"Gave simple steps to improve company's staff behaviour"*
8. *"Had no prior knowledge of marketing, therefore found all the workshops useful. Soaked up information like a sponge"*
9. *"Not really covered those areas before"*
10. *"Product segmentation, promotion workshops found interesting"*
11. *"Sales was an area of weakness within the company, so the workshops on selling were very useful"*
12. *"The workshops provided time to have a logical think about these topics"*
13. *"Workshop on product market segmentation & pricing was directed towards profit maximization which was very useful"*

Table 5.10 Summary comments of reasons given for workshops rated <u>least</u> useful

1. *"Already had plenty of knowledge on product market segmentation and pricing"*
2. *"Channel management: did not find engaging"*
3. *"Channel management: not as appropriate for us at the moment"*
4. *"Channel management: was not relevant and was boring"*
5. *"Exporting: not really relevant"*
6. *"Intro to marketing: had covered before-knew the basics"*
7. *"Had pre-existing knowledge; workshops to long winded"*
8. *"Introduction was perhaps very broad and open to many interpretations. Unsure as to why we were on programme at early stages. Too much info at once perhaps"*
9. *"Less relevant to company plan"*
10. *"Implementation workshop: waste of time, boring"*
11. *"The presentation of the plan while providing a deadline for any one company was quite frankly boring to hear about everyone else, especially since the businesses were unrelated to our own"*

5.20 In concluding our questions concerning companies' experiences of MAP, we asked about levels of satisfaction with certain operational matters in terms of timing, location and duration of workshops. Responses are summarised in Figure 5.7.

5.21 **We conclude that there is a very high level of satisfaction among respondents on operational matters concerning timing, location and duration of workshops.**

5.22 Respondents with negative views on timing, location or duration were invited to explain their reasons and how matters might be improved. We summarise responses from this minority of in Table 5.11 for information.

Figure 5.7: Respondents views on timing, location and duration of workshops.

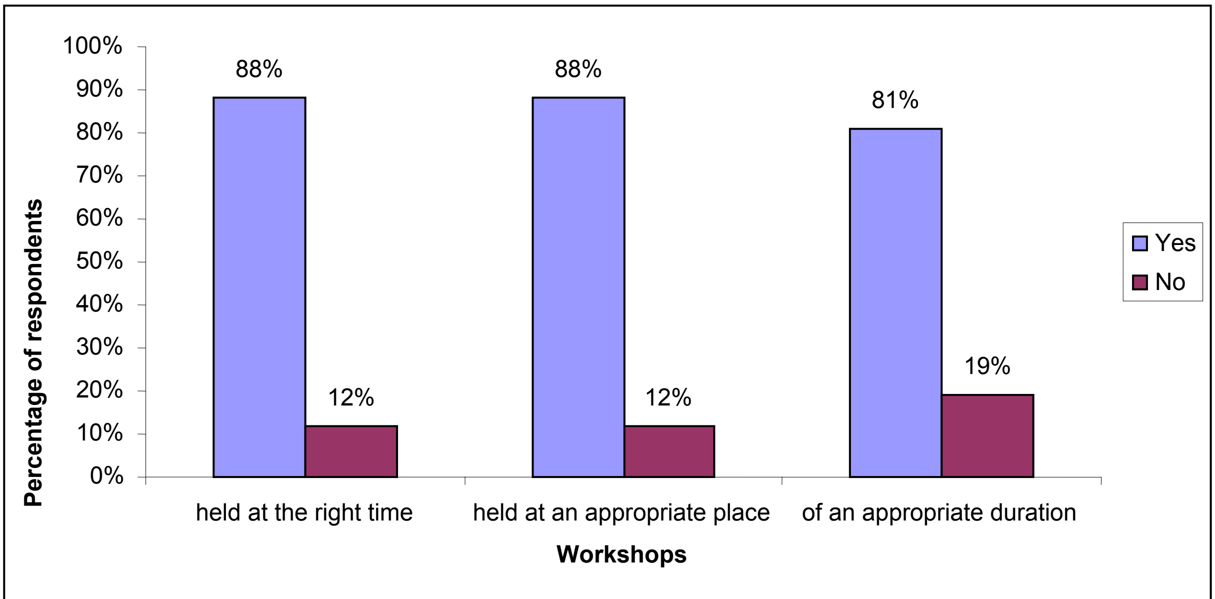


Table 5.11 Summary comments of reasons given negative responses on operational matters

1. *"A lot of time wasted on going for lunch. Did not have to get lunches"*
2. *"…because a lot of our business is seasonal, the workshops came at our busiest time, this made completing the work required away from the workshops almost impossible"*
3. *"Better have workshops in one day"*
4. *"Perhaps there could be a day booked after the workshops are held because of the large volume of homework. Need more homework time"*
5. *" Need to provide a different venue"*
6. *"Some venues dodgy. Better to try and be at the same venue each week. Realise this may be difficult to manage"*
7. *"Some workshops too long, MAP could be shortened"*
8. *"We have people traveling to attend workshops. Compressing 2 workshops within 2/3 days would make this easier"*

6 Impact of MAP on business activity

6.1 This section of the report considers the activities that have been undertaken by participating businesses as a result of taking part in MAP. We explore which changes in business capability and behaviour have resulted. These "softer" issues are examined before seeking to quantify impact on business performance.

6.2 We asked firstly if companies had changed their marketing strategies as a result of participating in MAP (Figure 6.1). A large majority indicated that they had, with 50% indicating the changes had been significant.

6.3 **We conclude that the influence of MAP on respondents' marketing strategies has been substantial. This is significant indicator of the influence of MAP on the participating businesses.**

6.4 We wanted to know if changes in strategy had been transferred into action. Among the respondents, 75% indicated that the change in strategy had been implemented at least in part (Figure 6.2) Given that the majority of respondents have only recently completed MAP this is a positive finding.

6.5 We asked companies what they were doing as a result of participating in MAP. Responses are summarised in Table 6.1.

6.6 **We conclude that the kinds of things being done differently by respondents as a result of MAP - notably the development of new or revised marketing plans and implementing these - demonstrate the strategic significance for companies of participating in MAP.**

Figure 6.1: Has marketing strategy changed as a result of participating MAP?

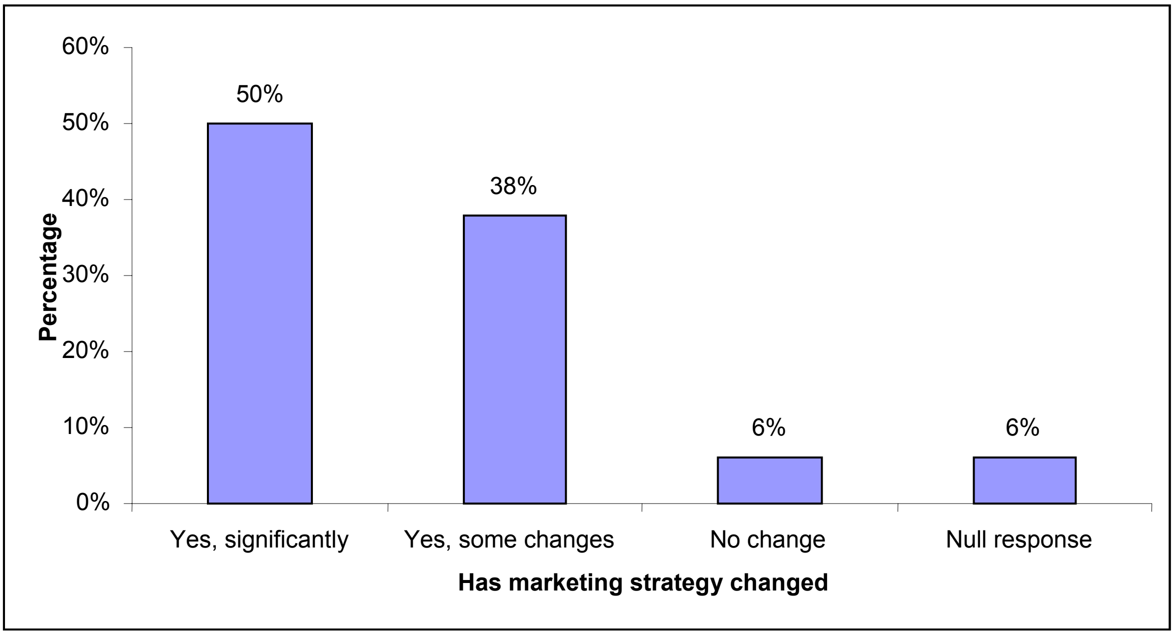


Figure 6.2: If the strategy has changed as a result, have these changes been implemented yet?

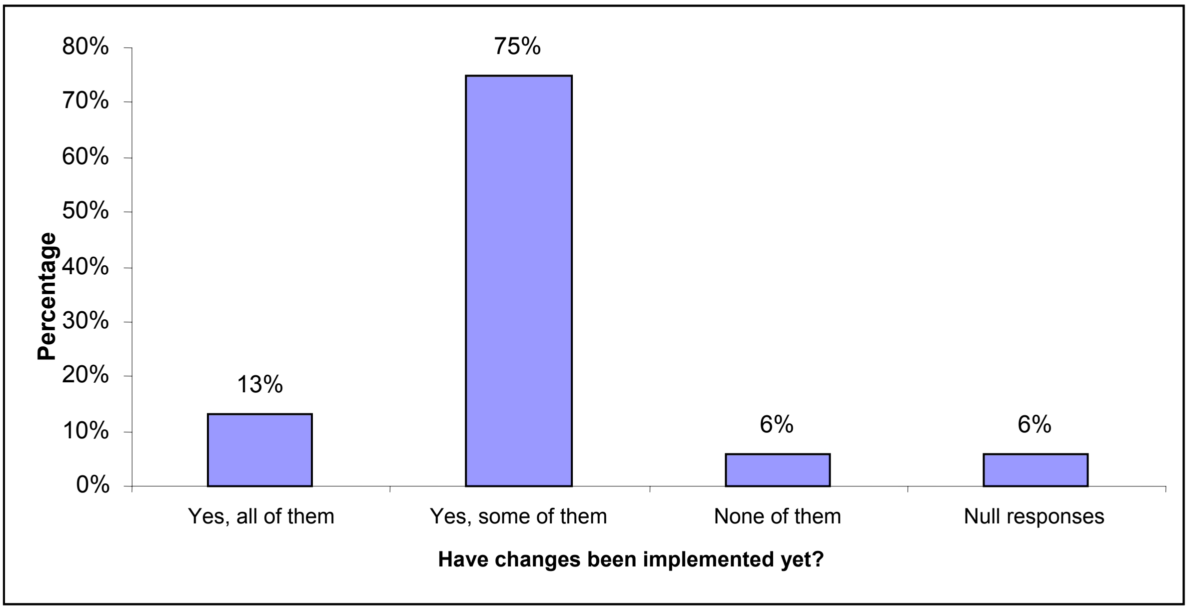


Table 6.1 Summary of things done differently as a result of participating in MAP

1. *"Analyse our sales process to evaluate performance at different sages of the sales process; market segmentation, to help us better target promotion & sales activity.*
2. *"Marketing has a higher position on the agenda and is now central to what we do; looking at development much more strategically"*
3. *"Being more confident in taking marketing decisions. Being more aware of importance of marketing/understanding marketing choices"*
4. *"Company used to undercharge services. Now we are looking at increasing margins in client by client basis"*
5. *"Employing more marketing staff-one new marketing assistant employed"*
6. *"Enter new markets"*
7. *"Have a plan, more purpose and direction"*
8. *"Higher spending"*
9. *"It is still early days, we have only just completed workshop on presentation of plans. The main change to date is to plan internal marketing meetings involving those not normally involved"*
10. *"More staff employed; increased turnover; sales increased; gained ISO accreditation; developed and implemented a marketing plan of which a number are being implemented"*
11. *"Price structure changed-gone up a level; product portfolio has increased"*
12. *"Re-doing website, positioning company differently"*
13. *"Spending more resource on marketing; thinking about marketing in a practical & logical way; thinking in terms of product cycles; entered new markets".*

6.7 We also wished to test the influence of MAP on company activity in some specific areas. The list was drawn from our discussion with the MAP Project Manager and with SEGr Account Managers on the kinds of outcomes they hoped would be achieved by companies participating in MAP. The results are shown in Table 6.2. The majority of participants have developed a new or revised marketing plan and taken steps to implement this. As a consequence of participating in MAP, a substantial proportion of respondents have developed new marketing materials (44%), developed new IT systems (31%), changed sales training (31%), taken on new marketing staff (31%) or commissioned work from marketing consultants (31%).

Table 6.2 Specific things done as a result of participating in MAP	
Sample	**16**
Specifically, which of the following have you done as a result of participating in MAP:	**Percentage**
Development of a new or revised marketing plan	75
Implemented a new or revised marketing plan	63
Developed new marketing materials	44
Other - examples include: reconsidered expansion plans; new web site developed; changed role of a director; introduced new marketing materials; segmented market	44
Developed new IT systems	31
Made changes to internal sales training	31
Recruited new marketing related staff	31
Made use of external marketing consultants	31
Participating in new networks	25
Developed new products or services	25
Changed presentation or packaging of products or services	25
Purchased new marketing data resources	19
Made use of external marketing consultants	19
Reviewed product development processes	19

6.8 We were also interested to learn if companies would have undertaken these activities in any case if they had not participated in MAP. Table 6.3 below shows the responses obtained. Most indicate that participation in MAP has influenced their activities. Some would not have undertaken these without MAP. For others, MAP has enabled them to undertake the activities sooner or more effectively. Participating companies appear to be more focused in their approach as a result of MAP.

6.9 **We conclude that that a good level of additionality has been achieved by public sector intervention in support of MAP with respect specifically to influencing business activities and achieving beneficial "soft" outcomes.**

6.10 We also asked what the companies would have done instead if MAP had not existed. Table 6.4 shows the responses. Overall, only a minority of respondents indicated a clear alternative course of action. For most, MAP appears to be filling a gap. There is also no evidence emerging of crowding out of other sources of support. Overall, most clients would not have known what to do and would have just carried on with the same business practices as before.

6.11 **The responses indicating a lack of information on where they would go for support in the absence of MAP and the lack of (perceived) alternative courses of action provides to some degree confirmation of a market failure.**

Table 6.3 If not participated in MAP, would participating clients still have undertaken the same activities anyway, at the same time and as effectively?

1. *"No, the chance to stand back and think logically has been/will be of enormous benefit"*
2. *"No, more focused probably"*
3. *"Probably not. Perhaps one or two strategies only would have been implemented and not nearly as effectively, if we got round to utilising our time"*
4. *"Would have been less aware"*
5. *"Would have, but not as specific or targeted"*
6. *"Would have undertaken same activities. However, would not have undertaken web review"*
7. *"Yes"*
8. *"Yes, but definitely not on the same schedule or as effectively"*
9. *"Yes, but not as quickly or effectively"*

Table 6.4 If not participated in MAP, what would participating clients have done instead?

1. *"Don't know"*
2. *"Don't know, might have employed sales person"*
3. *"Not sure"*
4. *"Probably nothing or possibly some of the actions but disjointed and over a far greater time frame"*
5. *"Rush on without thinking things out, spend money on promotion ineffectively"*
6. *"Through expansion of business would have directed resources towards marketing"*
7. *"Very little in areas mentioned"*
8. *"Very little; not known what to do or which companies we should us as resource"*
9. *"We may not have been in the position of permanent employment. We may have been doing what we were used to doing in a normal days work i.e. not delegating, not going out to visit customers. All the wrong things"*
10. *"Would have continued with the status quo"*

7 Impact on business capability and performance

7.1 The purpose of this section is to determine the direct business benefits derived from participation in MAP, including impact on business capability and on performance with respect to sales and other parameters.

7.2 We asked companies to score the impact of MAP against various outcomes concerning business capability, on a scale of one to five, where five is high impact. The list is drawn from our discussion with the MAP Project Manager and with SEGr Account Managers on the key business outcomes that they hoped participation in MAP would bring to companies. The results are shown in Table 7.1.

Table 7.1 Impact of MAP on businesses capability

	No of respondents assigning scores					
Score on a scale of 1 to 5 (where 5 is high)	**1**	**2**	**3**	**4**	**5**	**Total**
understanding of strategic marketing	0	0	4	4	5	**13**
quality of marketing plan	0	2	1	7	5	**15**
understanding of new and existing markets and customers	1	0	3	5	4	**13**
better equipped to develop new markets	1	1	2	5	4	**13**
better equipped to make strategic decisions on which products to develop	1	1	4	2	5	**13**
level of business skills	0	3	4	5	3	**15**
development of network of contacts with other Grampian companies	2	5	3	3	1	**14**
improvements to existing product/service	1	1	5	5	2	**14**
development of new products/services	2	1	4	3	3	**13**

7.3 The results show that MAP has the greatest impact on the quality of marketing plans and substantial impact on understanding of strategic marketing; understanding markets and customers; and being better equipped to develop new markets. Overall, the findings point strongly towards a positive view of impact. Despite the emphasis given by the MAP Project Manager, SEGr Account Managers and BRC to the importance of group sessions and to the MAP dinner, the impact of MAP on developing a network of contacts in Grampian is less highly rated. This may of course reflect an already well networked set of companies.

7.4 **We conclude from these results that MAP is fulfilling its prime objective of improving respondents' strategic marketing know-how.**

7.5 We also asked companies about the overall effect of participating in MAP on sales, productivity, employment and costs. The results are given in Table 7.2. The results give a mixed picture. A majority of respondents indicated a positive effect on increased sales and productivity. On employment and on reducing costs, 50% of respondents indicated some positive effect. MAP has had a major effect for a minority of respondents on each of the four parameters.

Table 7.2 Effect of participation in MAP

	No of respondents			
What effect has participation in MAP had on the following:	**Major effect**	**Minor effect**	**No effect**	**Negative effect**
increased sales	3	3	4	0
increased productivity	2	5	2	0
increased employment	3	2	5	0
reduced costs	2	2	4	0
Total	**10**	**12**	**15**	**0**

7.6 **In summary, we conclude that the majority of respondents consider that participating in MAP has had a positive effect on sales, productivity, employment and reducing costs, albeit to varying degrees. None of the respondents stated that MAP had a negative effect. A substantial minority stated that participating in MAP had no effect on these parameters.**

7.7 We asked companies to indicate if MAP had affected their business in other ways. Responses are summarised in Table 7.3. For the majority, there have been important additional benefits identified.

Table 7.3 Summary comments on weather MAP significantly affected the performance of businesses in Scotland or internationally, in other ways

1. *"Can't tell today, anticipate that it will"*
2. *"New products, network solutions"*
3. *"No"*
4. *"No yet"*
5. *"Too soon to say; but helped model future of company"*
6. *"The business is much more professional with probably a more aggressive outook"*
7. *"Affecting decision making"*
8. *"We perform with a more client centered approach now"*
9. *"Yes; developed MIS; more focused towards systems i.e. procedures dealing with people. See marketing as a science"*
10. *"Yes; management has been affected; all our business/management strategies are changed. How to handle and cope with major changes; involving staff in a broader sense"*

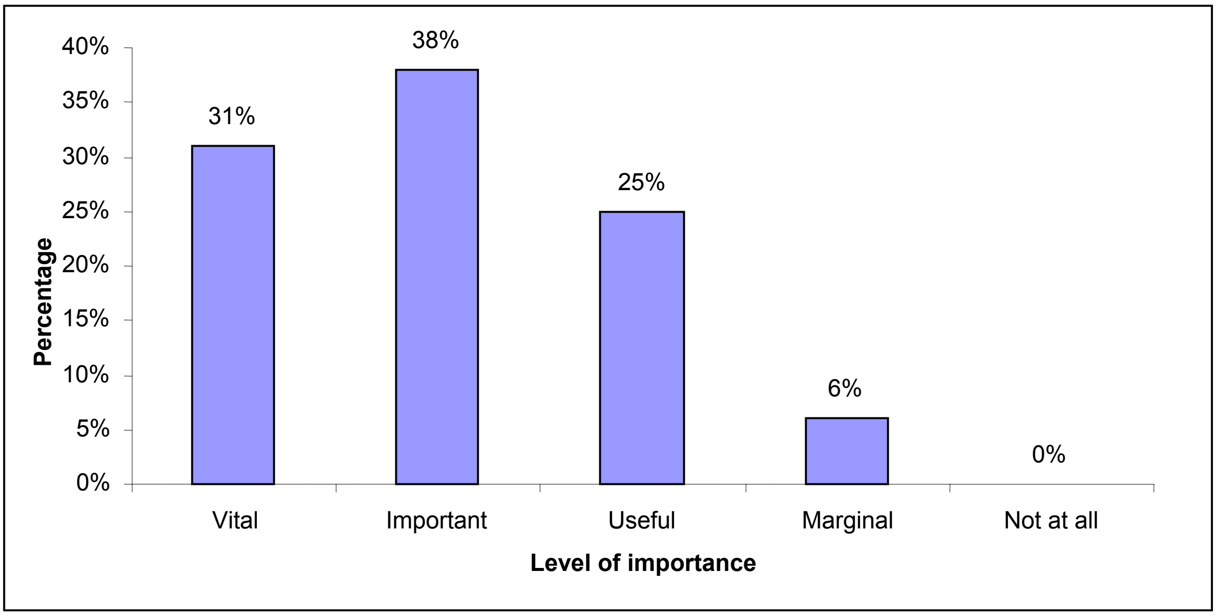
7.8 We wished to determine if after participating in MAP, companies were still receiving specialist marketing support, either from SEGr or any other organisation. The results are shown in Table 7.4. Half the respondents indicated that they had received further support.

Table 7.4 Marketing support received from SE Grampian or any other organisations AFTER participating in MAP

Sample size		**16**
	No of responses	**Percentage**
Yes	8	50
No	5	31
Null responses	3	19

7.9 We wished to test the overall importance of MAP to participating companies. We asked companies to indicate how important overall MAP had been to their business. Results are shown in Figure 7.1. Among respondents, 69% indicated that MAP had been important or vital to their business, with almost a third claiming it was vital. Only a small minority felt it had been of marginal importance. These results reinforce the view that MAP has made a substantial contribution to participating companies.

Figure 7.1: Overall importance of MAP to the performance of participating companies



8 Learning and development issues for delivery of MAP

8.1 We wished to obtain companies' views on the strengths and weaknesses of MAP and on recommendations on how it might be improved. The feedback is summarised in Tables 8.1 and 8.2 respectively. A diverse range of views was obtained. On strengths, we would highlight the importance accorded to the support of the trainers in BRC and the Account Managers. The content of the training materials is also held up as a strength (but see below). On weaknesses, we would highlight concerns about time to complete work.

8.2 Both in terms of identified weaknesses and recommendations for improvement, we would draw particular attention to those comments that suggest that content is not sufficiently targeted to the needs of different kinds of businesses.

Table 8.1. Key strengths and weaknesses of MAP	
Key Strengths of MAP	**Key Weaknesses of MAP**
1. *"Clear communication of basic marketing principles. Ability to highlight quickly and easily what we as a company should be doing. Shows up our weaknesses and deficiencies"* 2. *"BR Consulting: Anne Fazakerley & Keith McDermot"* 3. *"Excellent for business development. Not too hard to follow"* 4. *"Good worked examples"* 5. *"Networking"* 6. *"Content"* 7. *"Takes non-user of marketing tools to well equipped user of marketing tools. Also, how to get sales is key strength"* 8. *"Experience and support of account managers"* 9. *"Well put together; exercises very good"*	1. *"Could have been more in-depth"* 2. *"Handout quality sometimes poor"* 3. *"Lack of continuity between"* 4. *"Little bit rushed"* 5. *"Little time to do homework"* 6. *"Too much time needed outside workshop time"* 7. *"Didn't always feel relevant to our business"* 8. *"Prefer smaller groups"* 9. *"Some of it geared towards larger companies"* 10. *"Too many small companies in course and not enough large companies"* 11. *"venues"* 12. *"Volume of material hard to digest"* 13. *"Workshops geared towards product based companies and not service companies"*

Table 8.2 Suggestions on how MAP could be improved

1. "better course notes - or encourage participants to take own notes"

2. "a better structure or signposting system that ties the components of the programme more closely to the marketing plan"

3. "extend time between last session and delivery of the plan"

4. "a recap session at the end to cover the most fundamental principles"

5. "discussion with trainers on the most salient issues for one's own business to make sure learning is applied in a focused way"

6. "need to get more bigger companies on board so that more comparable learning and effective networking can take place"

7. change venue " - Kippie Lodge is too cramped for workshops"

8. "more formal arrangements with my Account Manager to tie in with the workshops"

9. "more role play"

10. "need to have more than one day for workshops so help could be obtained for doing the homework and help with coping with the volume of work"

11. "put more like-minded businesses together - would bring gains in networking and make content feel more relevant"

12. "give more time in workshops to work on one's own business and to have more discussion with trainers"

13. "topics covered in workshops sometimes very different from handouts provided" - implication is that reasons for this mis-match need to be made clearer

14. "there should be a MAP 2 for those that want more in-depth knowledge"

15. " would like to have workshops on in-depth negotiation"

16. " companies on MAP come from various sectors and include product and service companies. Can't have a marketing plan that caters for all companies. Better to break participants into similar groups"

8.3 We asked companies for any other comments they wished to make on MAP. Responses are summarised in Table 8.3. The comments received are overwhelmingly positive.

Table 8.3 Additional comments

1. *"an excellent programme - too early to say what the effect will be, but its down to us now"*
2. *"best course I have been on"*
3. *"have a clearer understanding now of business plan - who is the audience and what would excite them"*
4. *"enjoyable programme - would recommend it to others"*
5. *"great course - if nothing else I think it would shake companies out of complacency"*
6. *"MAP should be continued"*
7. *"a positive programme - not a waste of public money - we intend using the format within the company"*
8. *"public money could be better spent, but still a good course. It re-affirmed what I already knew about marketing"*
9. *"really enjoyed the course and got great benefit from it"*
10. *"received 4 phone calls from BRC - they are only interested in asking what our turnover is"*
11. *"the trainers Keith and Anne are very good"*
12. *"very worthwhile course"*

9 Net Economic Impact

9.1 In our survey and interviews, we asked clients of MAP to provide information concerning its impact on their business. This in turn allows us to estimate the economic impact attributable to MAP.

Business performance

9.2 We asked businesses to provide estimates of the new sales made and those they *expect to make* in three years time as a result of the Programme. These sales were also categorised as:

- new repeat sales (estimated annual value)
- new one off sales (total value).

9.3 The information we received on business performance in terms of new sales was limited. Several companies considered the information to be confidential. In other cases it was too early to estimate any tangible impact and some businesses were simply unable to give a figure.

Calculating economic impact

9.4 Our approach to calculating this impact has been to identify the sales attributable to MAP as reported by businesses to date and expected in the next 3 years, then convert this to the consequent change in employment. The method for calculating impact uses the following approach:

- identify the change in new repeat and one off sales attributed to MAP
- make deduction made for deadweight sales (non additional sales) i.e. those sales that resulted from action the businesses believe they would have taken in the absence of support received
- make adjustment where appropriate for displacement, i.e. those sales made at the expense of competitors in Grampian and in Scotland

- make allowance for the effect of supplier and income multipliers in Grampian region and in Scotland

- convert net sales into net jobs.

9.5 Of the 16 companies that responded to the survey, only 6 provided values for additional sales.

Overall impact

9.6 All the companies were asked generally about the effect that the Programme has had on their performance in terms of sales, productivity, costs and employment. In total three reported a major impact on sales and employment.

Table 9.1 Effect of Participation in MAP

What effect has participation in MAP had on the following:	Major effect	Minor effect	No effect	Negative effect
increased sales	3	3	4	0
increased productivity	2	5	2	0
increased employment	3	2	5	0
reduced costs	2	2	4	0
Total	10	12	15	0

Gross sales

9.7 The figures reported by businesses, both in terms of the sales made and their anticipated sales are shown in Table 9.2. The results show some exceptionally large values, particularly in terms of expected sales. We can also use their responses to the earlier question about the overall effect (see Table 9.1) to assess whether these figures are reasonable in terms of attribution to MAP. The final column in Table 9.2 uses businesses' responses to a question about how much of this new activity would not have been achieved without the Programme. This assessment of additionality shows the proportion of new sales that businesses attribute directly to the MAP support.

9.8 There are two cases of new repeat sales that have been made, £100,000 and £7m plus three cases of new one-off sales achieved. In our view, the company reporting an increase of £7m new repeat sales and one-off sales of £4m represents a significant outlier in the analysis and we have not included its performance in grossing up for the Programme as whole.

9.9 Three businesses reported a major impact on new sales. We have assumed that the £100,000 reported by case seven represents a typical level of new sales for those reporting a major impact. There are no new sales reported by those indicating a minor impact.

9.10 There are more figures for expected sales which reflect the short elapsed time since most companies completed the Programme. Excluding the figure of £14m provided by one company, we obtain an average of £150,000 per business in anticipated repeat sales and £164,000 in anticipated one-off sales.

Table 9.2: Overall how important has MAP been to performance of company

		Sales made		Sales expected in 3 years		Additionality[3]
Case	**Impact on sales**	Repeat sales	One-off sales	Repeat sales	One-off sales	%
1	No effect	0	0	0	0	50%
2	No effect	0	0	£175,000	£25,000	0%
3	No effect	0	0	£100,000	£500,000	100%
4	d/k.	0	0	0	0	75%
5	d/k.	0	0	£50,000	£90,000	100%
6	d/k.	0	0	£500,000	£300,000	50%
7	Major effect	£100,000	£30,000	£120,000	£45,000	100%
8	Major effect	£7,000,000	£4,000,000	£14,000,000	£7,000,000	75%
9	d/k.	0	0	0	0	50%
10	d/k.	0	0	0	0	50%
11	Major effect	£100,000*	0	0	d/k	75%
12	Minor effect	0	0	d/k	0.	0%
13	Minor effect	d/k	d/k	£1,000,000	d/k	50%
14	No effect	0	0	d/k	£1,500,000	100%
15	d/k.	d/k	d/k.	0	0	25%
16	Minor effect	0	150000	£300,000	0	100%

* Estimated average repeat sales for companies viewing MAP as having a major impact on business

Additionality

9.11 Additionality measures the extent to which the support is responsible for these changes. The final column in Table 9.2 shows the reported percentage of these sales that businesses believe would not have been achieved without the support of the Programme. These figures have been calculated on the basis of responses to a question about the proportion of the reported sales that would have been made anyway. In cases respondents have been unable to answer this, we have used a further question as a guide. Participants were asked how important overall MAP had been to their performance. Where they responded that it had been:

- vital, 75% of sales were allocated to the effect of MAP
- important, 50% of sales were allocated to MAP
- useful, 25% of sales were allocated to MAP
- marginal 0% of sales were allocated to MAP.

9.12 The average additionality reported is 63%.

9.13 We have applied the various percentages from Para 9.11 to the figures reported by each company to provide the net additional sales generated by MAP. The results show that, excluding the one outlying case, much of the impact is anticipated to come through expected sales rather than being achieved to date. Given the short time since many of these respondents participated in the Programme this is perhaps unsurprising, but it does also suggest that these companies are very positive about what can be achieved and the role that MAP has played. This is reflected in some of the individual comments as well as the data.

Table 9.3 Net new sales made and expected in the sample of 16 businesses

Figures exclude data from case 8	In sample
New repeat sales made in sample	£175,000
New one off sales made	£180,000
Expected new repeat sales in 3 years	£1.3m
Expected new one off sales	£2.3m

Displacement

9.14 Displacement refers to the extent to which achievements in business performance (such as sales, employment etc) are achieved at the expense of other businesses elsewhere in the same geographical area. Having considered the new markets that businesses have targeted, displacement is unlikely to be a significant factor. Also, given the size of markets, we believe it is reasonable for the purposes of this calculation to assume that the new sales would be genuinely new to not only Grampian, but Scotland as well.

Multipliers

9.15 Further economic impact results from additional business activity in the local area. This includes the extra spending resulting from new employment (wages) and the purchases from local suppliers. In the absence of output multiplier values specifically for Grampian we have used an estimated multiplier of 1.4[4]. At the Scotland level, the output multipliers have been based on those set out by the Scottish Executive[5]. The multiplier we have adopted at this level is 1.58.

Table 9.4 Net new sales made and expected in the sample of 16 businesses after applying multiplier for Grampian	
New repeat sales made by sample	£245,000
New one off sales made	£252,000
Expected new repeat sales in 3 years	£1.8m
Expected new one off sales	£3.2m

Grossing up for the population of 58 businesses participating in MAP

9.16 In order to provide an estimate of the impact generated by the Programme as a whole we must extrapolate from the sample of 16 to the population of 58. There are considerable dangers in this and we would add a strong "health warning" to the results. The limited quantifiable data means that these figures should be treated as *indicative.* Because so many of the impacts are potential one, the figures are intended to provide only a guide. The results are also very sensitive to the way in which the outlying cases are handled. The presence of other very high performing clients, but not in the sample, could also have a major effect on impact if their achievements were due to MAP. Table 9.5 shows separately the results with case eight, the high performing company in the sample, excluded and included.

[4] This is based on *HM Treasury: A framework for the evaluation of regeneration projects and programmes January 1995* which provides an estimated combined income and supplier multiplier at the regional level of between 1.32 and 1.65. We have assumed a value of 1.4.

[5] 1.58 is the average output multiplier for all sectors based on Scottish Executive (TypeII) Output Multipliers for SIC (2003) activities. See http://www.scotland.go.uk/about/FCSD/OCEA/00014713/Downloads.aspx

Table 9.5: Net new sales made and expected in the sample of 16 businesses

	Excluding case 8		Including case 8
	In sample(16)	**In population (58)**	**In population (58)**
New repeat sales made in sample	£245,000	0.9m	10.7m
New one off sales made	£252,000	0.9m	6.5m
Expected new repeat sales in 3 years	£1.8m	6.7m	26.3m
Expected new one off sales	£3.2m	11.6m	21.4m

9.17 The results for the population show the considerable difference that case eight makes, effectively increasing the value of sales made from £0.9m to £10.7m.

Employment

9.18 The figures so far show the effect of the Programme on sales or output. We can also estimate the additional employment generated. Direct employment is estimated using the reported turnover per employee in the survey for each company. This assumes that any additional sales continue to support employment in the same ratio as currently. This ignores improvements in productivity that may occur, but remains the most consistent approach. These jobs will also have multiplier effects, generating further employment. We have assumed that the additional sales support a similar proportion of new jobs as they do output and have used multipliers of 1.4 for Grampian and 1.58 for Scotland.

9.19 The results are based only on actual and projected *repeat* sales, excluding one off sales which have a much more limited effect on employment in the economy. Case eight is included, but we have assumed that the £7m of new sales reported, supports employment of 20 in Grampian. This would be a very substantial increase for the particular company.

Table 9.6: Net new jobs created and expected in the sample of 16 businesses

	In Grampian	**In Scotland**
New jobs	31.8	35.8
Expected new jobs in 3 years	84.5	95.3

9.20 Overall the analysis shows that MAP is estimated to have supported in the order of 36 FTE jobs to date (Table 9.6), with the potential to generate a further 95 if the projected sales are realised.

Cost effectiveness

9.21 We have used a Programme cost of £300,000 over three years to support 58 businesses. Applying this to the results above indicates a cost per job, including the outlying case, of £9,400 at a Grampian level, based on actual sales made to date. We have emphasised throughout the report the short time that most of the sample have had since participating in the Programme and this is reflected in the greater impact reported from expected sales. If the reported sales are realised the cost per job would fall to around £3,500. Given the high proportion of companies in the population that "graduated" from MAP earlier than many in our sample - and thus have had more time to realise performance benefits - we believe it is reasonable to suggest that the cost per job of £9,400 is likely to be a high-end figure.

Summary of impacts

9.22 We have added a number of caveats to our estimates of economic impact, based on the shape of the sample and the considerable variations in the figures reported. This is not unusual: for many interventions, one business generating a substantial impact can justify the overall cost of the Programme. We have been careful therefore about how we present the results.

- excluding the single largest case, the increase of repeat sales is estimated to generate around £0.9m of additional output with expected repeat sales of £6.7m. Including the outlying case increases output to £10.7m and £26.3m respectively

- the number of jobs this supports depends on the nature of these new contracts and we have made a number of assumptions to estimate the employment supported. On this basis, we estimate that new repeat sales have supported 32 jobs in Grampian and 36 in Scotland with the potential, if expected sales are achieved, to support 85 and 95 FTE jobs respectively.

10 Comment on tendering decision

10.1 Part of the consultants' brief for this evaluation of MAP referred to the requirement to help inform SEGr's tendering decision for subsequent activities of the sort covered by MAP.

10.2 A case for Single Tender Authorisation for the delivery of wave 5 was made in August 2004. The approval paper for this made reference to the following matters:

- the wish to provide continuity with BRC until an external evaluation of their performance takes place (which we presume to be the current evaluation by SQW)
- the fact that BRC own the IPR associated with the Programme and therefore are "the only organisation with the rights to deliver the Programme"
- the proposed approach using BRC and MAP is regarded as the most cost-effective for SEGr
- the structure and format of MAP is on a number of counts considered to be effective
- BRC have been responsive in agreeing to make certain improvements to MAP.

10.3 In our view, the current level of effectiveness and the cost-effectiveness of approach do not by themselves justify further Single Tender Authorisation in future. Neither does the responsiveness of BRC to improving the Programme. All simply point up the track record, know-how and experience that should stand BRC in good stead in any competitive tendering process.

10.4 The ownership of the intellectual property associated with MAP can surely only be restrictive in the use of the brand name and the re-use of printed materials. We advise formal legal advice on what other restrictions may be placed on SEGr's freedom of action with respect to mounting new activities in the area of training support for marketing. We suspect they will not be onerous. The ownership by BRC of the IP associated with MAP is not in our view a justification for Single Tender Authorisation in future. Much of the content necessary for training courses on marketing will available to other contractors.

10.5 We note from a search of *Learning Direct Scotland for Business* (at http://search.learndirectscotland.com/) using the term "marketing" that 329 different courses are listed. Undoubtedly many of these would not be suitable for SEGr's needs, but it is an indication of the diversity of the market available to SEGr on behalf of its client companies.

10.6 Only the wish for short term continuity set out in the August 2004 paper offered strong justification for Single Tender Authorisation in our view. This situation no longer pertains. As a consequence, and in the absence of other information, we see no justification for continuing with Single Tender Authorisation next time around.

11 Conclusions and recommendations

11.1 Overall, MAP has proved to be a successful intervention, resulting in substantial benefits in terms of company activity and capability, as well as bringing net business and economic impact.

11.2 The content of MAP and its delivery by the staff of Brilliant Red Consulting are regarded highly by most participating companies responding to our request for feedback and by those Account Managers consulted within SE Grampian.

11.3 We need however to insert an important "health warning" on those conclusions of a more quantitative nature which follow. This concerns the relatively small sample size available to SQW during the evaluation, despite our best efforts to encourage greater participation in the evaluation process. The views of 16 participating companies were obtained, 35% of the population contacted during our research (and 28% of all companies participating in MAP). However, only six companies were able or willing to provide quantitative information on changes in sales performance as a result of participating in MAP. We extrapolate from this sample to the population in a considered way (e.g. by avoiding undue bias by an exceptional performer), but despite this, aggregate figures for net impact should be taken as indicative only.

11.4 We conclude that the Programme objectives and content are aligned well with the expectations and priorities of the respondents.

11.5 The influence of MAP on respondents' marketing strategies has been substantial. We conclude that MAP has played a substantial role in encouraging and enabling respondents to develop a marketing plan for the first time. Also, a substantial number of respondents have received their first external support on marketing via MAP. These are significant indicators of the influence of MAP on the participating businesses. We conclude that MAP is fulfilling its prime objective of improving strategic marketing know-how.

11.6 We conclude that the kinds of things being done differently by respondents as a result of MAP - notably the development of new or revised marketing plans and implementing them - demonstrate the positive, strategic significance for companies of participating in MAP.

11.7 We conclude that that a good level of additionality has been achieved by public sector intervention in support of MAP with respect specifically to influence on business activities and "soft", but important business outcomes.

11.8 Some respondents indicated a lack of information on where they would go for support in the absence of MAP, thus providing some confirmation of an element of market failure.

11.9 We conclude that the majority of respondents believe participating in MAP has had some form of positive effect on sales, productivity, employment and reducing costs, albeit to varying degrees. None of the respondents stated that MAP had a negative effect. A substantial minority stated that participating in MAP had no effect on these parameters.

11.10 When asked for any additional comments companies wished to make on MAP, their responses are overwhelmingly positive.

11.11 We conclude that there is a very high level of satisfaction among respondents on operational matters concerning timing, location and duration of workshops.

11.12 On tendering, in the absence of other information, we see no justification for continuing with Single Tender Authorisation next time around.

11.13 We conclude from these results that MAP is fulfilling its prime objective of improving respondents' strategic marketing know-how.

Cost effectiveness and quantitative impact

11.14 Our calculations indicate a cost per job, including the outlying case of the high performing company, of £9,400 at a Grampian level, based on actual sales made to date. We have emphasised throughout the report the short time that most of the sample have had since participating in the Programme and this is reflected in the greater impact reported from expected sales. If the forecast sales are realised, the cost per job would fall to around £3,500.

11.15 Bearing in mind the caveats noted in our report, excluding the single largest case, the increase of repeat sales is estimated to generate around £0.9m of additional output, with expected repeat sales of £6.7m. Including the outlying case increases output to £10.7m and £26.3m respectively.

11.16 The number of jobs this supports depends on the nature of these new contracts and we have made a number of assumptions to estimate the employment supported. On this basis, we estimate that new repeat sales have supported 32 jobs in Grampian and 36 in Scotland with the potential, if expected sales are achieved, to support 85 and 95 FTE jobs respectively.

Recommendations

11.17 We recommend the following:

- SEGr should keep under review the significance of Account Managers' workload as a potential factor in Account Managed companies being put forward to programmes such as MAP

- the content of the course around promotion, selling and cost accounting should be reviewed for quality and sufficiency

- the potential for a more customised approach to the course material for different companies should be examined

- given the spread and in some cases a marked polarity in ratings of "usefulness", the possibility of companies selecting from a menu of workshops or a more customised approach to workshop content and delivery should be explored for the future, particularly on basic level content

- however, we caution against simply adding more content to a single course whose content is already regarded as substantial

- attention should be given to ensuring that companies do not drop out of attending Programme workshops before receiving support and encouragement with respect to implementation of their marketing plan.

APPENDIX A

COPY OF QUESTIONNAIRE USED WITH CLIENT COMPANIES

MARKETING ADVANCE PROGRAMME

AN INDEPENDENT EVALUATION ON BEHALF OF SCOTTISH ENTERPRISE GRAMPIAN

SQW Limited has been commissioned by Scottish Enterprise Grampian (SEG) to undertake an independent evaluation of the ***Marketing Advance Programme*** (MAP). We would greatly appreciate your input. Business feedback is essential for robust evaluation and learning.

The purpose of this questionnaire is to obtain your views on the quality and relevance of MAP from your own business' perspective. We would like to determine what if any impact participation in MAP has had on your business to date and what impact you forecast may occur over the next 3 years. We also wish to obtain your recommendations for the future of MAP.

The information you provide will be treated in strictest confidence. Our findings will be reported to SEG in a wholly unattributable way. If you have any questions regarding this questionnaire or the evaluation as a whole, please do not hesitate to contact Ian Ross at Scottish Enterprise (Tel: 01224 252128) or Osman Anwar at SQW Limited (Tel: 0131 225 4007).

Section 1: Your company's profile

1. Company name:		**3. Your name**	
2. Postcode		**4. Your position**	

5. What is the company's main business activity? Please specify below	
- main product/service?	
- main market sector?	

6. Can you estimate the proportion of your sales in the following markets	
Grampian	%
Rest of Scotland	%
Rest of the UK	%
Rest of the world	%

7. If you have international sales, which countries are most important
1.
2.
3.

8. When was the company formed?	
Year	

9. Focusing on your company's Scottish operations, what is your…	
turnover (last financial year)	**£**
current total number of staff (full time equivalents)	**Jobs**

Section 2: Your experience of MAP

The purpose of the next set of questions is to determine the usefulness of MAP and in what ways it might be improved.

10. When did you join MAP?	a. Month	b. Year

11. What were the most important areas of assistance/advice you looked for from MAP?					
Tick up to four areas					
a. Strategic marketing		b Development of a practical marketing plan		c. Implementing a marketing strategy	
d. Business planning		e. Undertaking a market segmentation		f. Understanding product positioning	
g. Communication and promotional activities		h. Exporting		i. E-commerce	
j. Customer and competitor analysis		k. Selling		l. Marketing generally	
m. Make contacts with other companies in Grampian area		n. Other areas of support (please specify)			

12. Did you have a marketing plan before joining MAP? (Please tick one)	**Yes**	**No**

13. Did you receive marketing support from Scottish Enterprise Grampian or from any other sources before joining MAP (Please tick one)	**Yes**	**No**

If yes, please specify the nature of the support (for example from an Account Manager or another named programme)

14. Which of the following MAP workshops have you attended and how would you rate them for usefulness to your business?						
	Attended? (tick as appropriate)	Usefulness Rating (where 1 is not useful and 5 is very useful)				
		1	2	3	4	5
a. Introduction to marketing						
b. Information based planning						
c. Product, market segmentation & pricing						
d. Promotion						
e. Communication skills						
f. Strategy-developing the options						
g. Channel management						
h. Presentation of plans						
i. Plan implementation						
J. Others (please specify)						

15. For the workshop(s) rated as <u>most</u> useful please give reasons why.

16. For the workshop(s) rated as least useful please give reasons why.

17. Were the workshops .....(please tick)	Yes	No
held at the right time?		
held at an appropriate place?		
of an appropriate duration?		

18. If the workshops were <u>not</u> at the right time, right place or of the right duration how could matters be improved?

Section 3: Activities encouraged by participating in MAP

This section considers the activities that you may have undertaken as a result of taking part in the Programme.

19. Has your marketing strategy changed as a result of participating in MAP? (Please tick one)	**Tick one**
Yes, significantly	
Yes, some changes	
No change go to Q21	

20. If the strategy has changed as a result, have these changes been implemented yet? (Please tick one)	**Tick one**
Yes, all of them	
Yes, some of them	
None of them	

21. What, if anything, are you doing differently as a result of participating in MAP? (Examples might include employing more staff in a marketing role, spending more resource on marketing, entering a new overseas market for the first time.) Please specify below

22. Specifically, which of the following have you done as a result of participating in MAP	**Tick as appropriate**
Development of a new or revised marketing plan	
Implemented a new or revised marketing plan	
Purchased new marketing data resources	
Developed new IT systems (such as databases, CRM systems etc)	
Made changes to internal sales training	
Made use of external sales/marketing training	
Participating in new networks	
Reviewed product development processes	
Developed new products or services	
Changed presentation or packaging of products or services	
Developed new marketing materials	
Recruited new marketing related staff	
Made use of external marketing consultants	
Other (please specify	

23. If you had not participated in MAP, would you still have undertaken the same activities anyway, at the same time and as effectively?

24. What would you have done instead?

Section 4: Impact of MAP on your business

The purpose of these questions is to determine the direct business benefits derived from participation in MAP. Please note, all information you provide will be treated in strict confidence and will be unattributable.

25. For each of the following, please tick the box that most closely reflects MAP's impact on your company (tick only one box for each statement)

	Impact Rating (where 1 is low and 5 is high)				
	1	**2**	**3**	**4**	**5**
understanding of strategic marketing					
quality of marketing plan					
understanding of new and existing markets and customers					
better equipped to develop new markets					
better equipped to make strategic decisions on which products to develop					
level of business skills					
development of network of contacts with other Grampian companies					
improvements to existing product/service					
development of new products/services					

26. What effect has PARTICIPATION IN MAP had on the following: (Please tick one box for each)

	Major effect	**Minor effect**	**No effect**	**Negative effect**
increased sales				
increased productivity				
increased employment				
reduced costs				

27. Can you estimate the total value of any new sales that HAVE BEEN MADE as a result of your participation in MAP?	
New repeat sales (estimated annual value)	**£**
New one off sales (total value)	**£**

28. Can you estimate the proportion of these new sales in the following markets	
Existing customers in Scotland	**%**
Existing customers outside Scotland	**%**
New customers in Scotland	**%**
New customers outside Scotland	**%**

29. Can you estimate the total value of any new sales that YOU EXPECT TO MAKE IN THE NEXT 3 YEARS as a result of your participation in MAP?	
New repeat sales (estimated annual value)	**£**
New one off sales (total value)	**£**

30. Which NEW INDUSTRIES, if any, would these sales HAVE been or WILL be made in?
1. 2. 3.

31. Which new GEOGRAPHIC MARKETS, if any, would these sales HAVE been or WILL be made in?
1. 2. 3.

32. Has participation in MAP significantly affected the performance of your business in Scotland or internationally, in any other ways? Please specify

33. If you had not participated in MAP, how many of these additional sales would you have been able to achieve anyway?	Please tick one
Less than half	
Half	
More than half	
All	

34. Did you receive any marketing support from SE Grampian or any other organisations AFTER participating in MAP	Yes	No

If yes, please can you outline this support

35. Overall how important has MAP been to the performance of your company? Please tick one					
	Vital	Important	Useful	Marginal	Not at all

Section 5: Learning & Development

These questions are designed to identify ways of improving MAP for the future.

36. Please describe the key strengths and weaknesses of MAP	
a. Strengths	b. Weaknesses

37. Do you have any suggestions as to how MAP could be improved?

38. If you have any other comments which you feel may be relevant, please add them here.

End of questionnaire.
Could you please return the completed questionnaire in the enclosed envelope or by fax (0131 225 4077).
Thank you for your assistance
November 2004

APPENDIX B

LIST OF SURVEY RESPONDENTS AND CONSULTEES

Appendix B: Consultees

We spoke to the following businesses by telephone interview:

Name	Position	Organisation
Stephen Walker	Managing Director	Jackson Netting Services
Philip Goodall	Managing Director	Muir Matheson
Shona Ball	Marketing & Admin Manager	Monitor Systems Scotland
Susan Garvie	Director	Evolve International Safety Training
Theresa Wheeler	Managing Director	C-SAM
Bill Thain	Information Manager	Mackies
Bill Cunningham	General Manager	Warmald Environmental
Roger Lightowler	Commercial Manager	Masterpower Electronics
Craig Spalding	Business Development Manager	Rubber Aitkens

We also spoke to the following consultees face-to-face:

Name	Position	Organisation
Ian Ross	Senior Executive, Competitive Business	Scottish Enterprise Grampian
Raye Currie	Account Manager	Scottish Enterprise Grampian
Fiona Mcdonald	Account Manager	Scottish Enterprise Grampian
Jeannette Stewart	Account Manager	Scottish Enterprise Grampian
Anne Fazakerley	Consultant	Brilliant Red Consulting

Questionnaire companies	
Companies contacted	**Companies which returned completed questionnaires**
IDM Engineering	Reflex Marine Ltd
Frontier Engineering Solutions	Red Island Ltd
IESL/Innovative Knowledge	The National Trust for Scotland
Caledyne Ltd	The PR Partnership (Scotland) Ltd
Brinker Technology	Brinker Technology
Off Shore Crane Engineering	Caledyne Ltd
Delphian Technologies Ltd	Taylor Manufacturing Ltd
Reflex Marine Ltd	
The PR Partnership (Scotland) Ltd	
Speedbirds Inns	
RB Farquhar Ltd	
Chive Software	
Surelift (UK) Ltd	
Darg Engineering Ltd	
Doig Spring Eng.Co.Ltd	
Dome Products Ltd	
Norwood Marine Ltd	
Torus Internet	
Unleash Potential	
Cynoshore	
Read Well Services	
The National Trust for Scotland	
Scottish Maritime Services	
Hilite Biofuel	
Jackson Netting Services	
Taylor Manufacturing Ltd	
Total 26	**Total 7**