BUSINESS PRODUCT REVIEW

International Strategy Workshop

Final Review Report

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A   EXECUTIVE SUMMARY

The report records the conduct and findings of a **Review of the International Strategic Workshop (ISW) Product** delivered to both Direct Relationship Managed (DRM) and non-DRM businesses within the Strategy Development (SD) Intervention Framework.

The Review was conducted by MWC (the Consultants) in accordance with SE guidance on the management and development of Products and was designed to:

- Validate the delivery of the Product against specification; and
- Identify potential for improvement of service and effectiveness of the Product.

The Review process consisted of:

- An initial briefing meeting between the Consultants and the Product Owner.

- Consultation with SE Appraisal and Evaluation Team.

- A review of relevant information consisting of:

    o The ISW Product User Guide (PUG).
    o The Strategy Development Intervention Framework Approval Paper.
    o Management Information relating to ISW spend and activity over the period up to January 2013.

- The conduct of a facilitated discussion amongst Account Managers (AMs) of DRM users of the Product.

- The preparation of this report.

The SE, SDI and HIE executives attending the facilitated session are listed at **Appendix 1**.

The Product Review confirmed increasing and high levels of usage and satisfaction with the ISW Product amongst the Account Mangers who attended.

The particular **strengths** of the Product and its application which were identified included:

- The flexibility of the Product allowing it to be applied to a wide range of international market development issues and choices facing businesses of varying sizes operating across all sectors. The Product was considered capable of delivering a bespoke solution to each business as a consequence of this flexibility.

- The value placed on the Product by the participating businesses with the experience cited as meeting and often exceeding their expectations.

- The production of a tangible output in the form of an Action Plan which provided focus for a follow up session and provided an agenda and pacemaker for ongoing activity to develop international operations.

- The provision of a specific focus on internationalisation as distinct from the GSW.

- Generally high levels of satisfaction with the Suppliers known to and regularly selected by the AMs and Businesses to deliver the Product.

The main **weaknesses** of the Product and its application identified were:

- The use of the Product with businesses which were potentially less likely to benefit from its application – in particular the high levels of NRM use where provision for Action Plan implementation and monitoring of progress is limited.

- Lack of consistent and comprehensive follow up of participant business progress and performance in *international* markets.

- Inconsistencies in the format and scope of the Action Plans produced by different Suppliers.

- Lack of consistent and independent assessment of the Suppliers of the Product and the analysis and sharing of this feedback.

- Restricted use in some cases and areas of the *whole panel* of Suppliers.

As a direct consequence of the completion of the Review the Consultants suggest that the following actions be implemented:

- The rationale for making the ISW Product available to Non-DRM businesses is revisited given the significant scale of resource being absorbed by these businesses, subject to evidence becoming available of significant levels of progression.

- Consideration is given to rationalising the GSW and ISW into a single Strategy Development Product.

- The procurement process for a rationalised Product takes into consideration the opinions of AMs on the performance of those suppliers they have used to deliver the ISW and reflects the requirement for suppliers to have experience in *international* business development.

- Consideration is given to a second stage summary tender process for each workshop offered to a business from a minimum of three suppliers – unless the procurement process generates a narrower range of costs for Product delivery.

- Consideration is given to involving the AMs more in preparatory work in advance of the Workshop to gather information and research on the business and its markets - freeing up Supplier resource during the session to focus on developing the strategy and Action Plan.

- A process is put in place for the consistent, independent and objective assessment of supplier performance based on the experience of the attending AM and the business. This should be collated and analysed by the Product Manager(s) to identify any trends or concerns over supplier performance.

- Provision is made to better track and assess the *international* development of the assisted businesses following the application of the ISW and subsequent Products designed to deliver expansion in international markets.

- Consideration is given to introducing a charge for secondary applications of the Product, and for provision of follow up sessions facilitated by the supplier at full cost recovery.

1   INTRODUCTION

This report records the conduct and findings of a Review of the International Strategy Workshop (ISW) Product delivered to both Direct Relationship Managed (DRM) and non-DRM businesses within the Strategy Intervention Framework.

The Review was conducted by MWC (the Consultants) in accordance with SE guidance on the management and development of Products and was designed to:

- Validate the delivery of the Product against specification; and

- Identify any potential for improvement of service and effectiveness of the Product.

The objectives of all Product Reviews are to assess the Product's continuing fitness for purpose by considering:

- The market failure being addressed and its continued relevance;
- The strategic rationale for the product and its continued relevance, in particular the fit with the Government Economic Strategy, Scottish Enterprise's Business Plan and emerging Scottish Enterprise policies in such areas as Commercialisation as appropriate;
- Product performance/usage;
- Performance against objectives;
- Contribution to key sector priorities;
- The product's continued relevance;
- An assessment of delivery against the specification contained in the User Guide;
- The quality of delivery by any suppliers, to the agreed specification;
- Benefits to the company and outputs achieved;
- Length of time for the product to have an economic impact on the company and an assessment of the persistence of the intervention (short, medium or long term);
- Identifying any improvements to product delivery;
- Other product dependencies within the delivery pipeline;
- The appropriateness, relevance and quality of the management information being collected; and
- Evidence, both qualitative and quantitative as to impacts and the extent to which management information enables impacts to be assessed, however tentatively.

The Review process consisted of:

- An initial briefing meeting between the Consultants and the Product Owner.

- Consultation with SE Appraisal and Evaluation Team.

- A review of relevant information consisting of:

    o The ISW Product User Guide (PUG).
    o The Strategy Development Intervention Framework Approval Paper.

- o Management Information relating to ISW spend and activity over the period up to January 2013.

- The conduct of a facilitated discussion amongst Account Managers (AMs) of DRM users of the Product.

- The preparation of this report.

The SE, SDI and HIE executives attending the facilitated session are listed at **Appendix 1**.   Comments made in the course of the discussion are recorded on a non-attributable basis in accordance with good practice in securing meaningful contributions.

2 PRODUCT RATIONALE, DESCRIPTION & DELIVERY

2.1 RATIONALE &DESCRIPTION

RATIONALE

The rationale for the ISW is identified in the Strategy Development Intervention Framework approval paper (31/08/2009). Whilst this paper does not directly align the rationale with HM Treasury classification of market failures[1], it is clearly grounded in the concept of "information asymmetry". The information available to SMEs on the costs and benefits of Strategy Development causes them to over-estimate its cost and under-estimate the medium to long term benefits of its implementation. The resulting risk-aversion to investment in Strategy Development means that SMEs fail to plan activity and investment to maximise their business performance and GVA.

In addition, there are potential barriers to entry for smaller firms seeking to derive and apply strategic thinking to their business development. These relate to the resource gaps faced by smaller companies in gaining access to the strategic planning advice and expertise which larger companies can absorb through economies of scale.

The Product's are designed to address these failures by providing intensive support through a workshop session, provided at no cost to the businesses, and designed to identify the key strategic choices and assist in reaching informed decisions on future strategic direction for the business.

Improved business performance in the SME sector is an essential requirement for the sustainable increase in GDP growth which lies at the heart of the Government Economic Strategy (GES). Strategic Planning amongst SMEs is central to facilitating growth in turnover, accessing new overseas markets and securing finance for expansion. Many SMEs lack the skills, resources and opportunity to consider and resolve the issues which will define their future performance. These skill gaps are exacerbated when businesses are considering entering the international market place, where additional skills, experience and market understanding are required. The ISW Product offers the resources and input required to evolve a strategy which facilitates international operations for participating businesses.

Long term market adjustment would see SMEs investing directly in strategy development, with reducing levels of public sector support to a point where the benefits were valued by SMEs at a level which made provision by the market viable.

DESCRIPTION

ISW

ISW is available to selected Account Managed Growth, BG Growth Pipeline and SE Growth Prospect clients. However, as it is one of the interventions being delivered under the ESF Smart Exporter Project, it is available to Business Base subject to robust appraisal showing significant demonstrable benefit from participation.

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[1] The Green Book. Appraisal and Evaluation in Central Government. HM Treasury. London 2003. http://www.hm-treasury.gov.uk/d/Green_Book2_03.pdf

The product comprises a workshop session facilitated by a consultant and delivered to the senior management team of an eligible business. Businesses are identified by Account/Client Managers, SDI Managers and Business Gateway/Region staff dealing with growth pipeline companies.

Following identification of an eligible business the delivery process consists of:

- A pre-workshop meeting with the business to identify and agree issues and objectives for the facilitated session
- Presentation of issues to and facilitation of the workshop by the consultant to:

  o Explore the identified issues;
  o Consider and appraise options to address these issues; and
  o Identify a preferred option and derive a summary action plan for implementation.

- The key output from the workshop session is the summary action plan which is circulated to all participants.

- A post workshop meeting is then arranged to debrief the business and confirm commitment to the Action Plan.

A post-workshop evaluation questionnaire is provided in the Product User Guide (PUG) for use by the participating business representatives. The SDI/SE/BG executive is responsible for ensuring submission of these within three weeks of the completion of the workshop session. The ISW PUG is included at **Appendix 2**.

2.2   DELIVERY

We were provided with available data for Product delivery over the period between April 2010 and end February 2013. This relates to the delivery of a single ISW Product to a Business. Over this period a total of 434 applications of the Product were recorded as delivered to 402 businesses – we noted a number of duplicate and triplicate records which may represent clerical errors in the data.

Figure 2.1: ISW Monthly Delivery Profile - No of Products
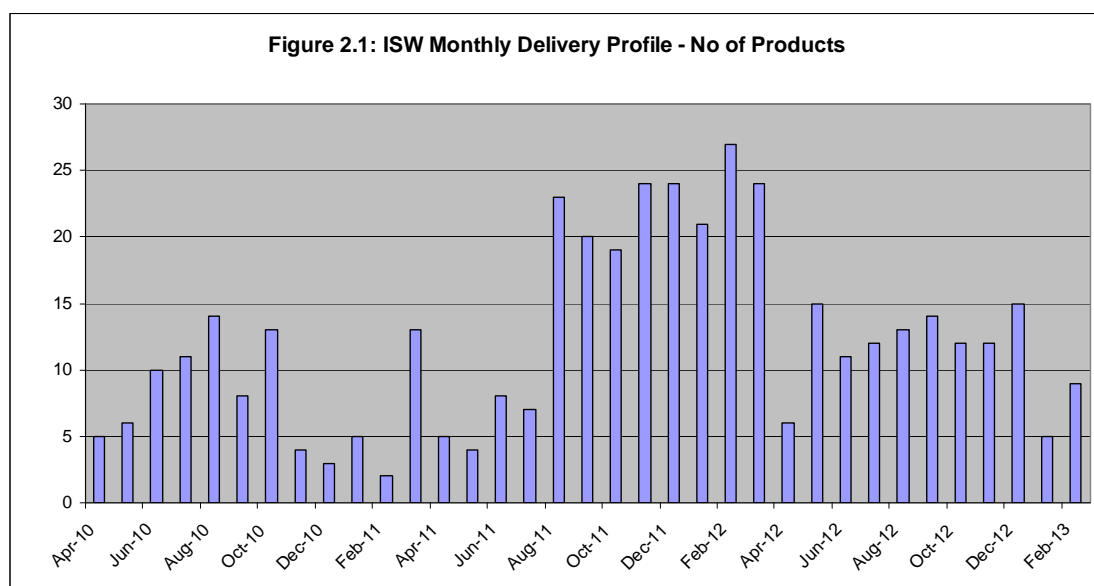
The monthly delivery profile for the Product, based on workshops recorded as delivered in the CRM System is shown in **Figure 2.1**. This demonstrates a noticeable spike in delivery in the period between August 2011 and March 2012. There was an average of 12 workshops delivered monthly over the whole period of analysis, compared to 13 per month in 2011 and 15 per month in 2012.

Analysis of the relationship management status of the businesses using the Product is presented in **Table 2.1**

| Table 2.1: Segmentation of ISW Delivery			
Designated Relationship Managed	No.	% of DRM	% of Total
Account Managed Growth	179	90%	42%
Early Stage Growth	11	6%	3%
Important to Economy	10	5%	2%
Total DRM	**200**	100%	46%
Non Relationship Managed	No.	% of NRM	% of Total
BG - Growth Pipeline	60	26%	14%
BG - Other	21	9%	5%
Business Base	130	56%	30%
Other	20	9%	5%
Total NRM	**231**	100%	54%
Grand Total - All Categories	**431**		**100%**

Of the 431 applications of the Product where status was recorded 46% were with a DRM business and the remaining 54% were with NRM businesses. Notably 30% of the ISW products applied in this period were delivered to the Business Base. It should, however, be noted that these businesses were most likely to have been designated as Growth Pipeline at the point of using the Product and subsequently not selected for AM. At this point they would have been re-designated as Business Base. The PUG states that such applications were to be an exception and subject to robust appraisal. It is also of note that a number of the workshops have been delivered to companies classified as "important to the economy" where it might be expected that International Operations and Strategic Planning would be core functions of the business.

Additional analysis on progress of NRM businesses to DRM status was also undertaken by SE and demonstrated that between 2010 – 2013:

- 23 Business Gateway Pipeline companies using ISW moved into Account Management

- 3 Prospect companies using ISW moved into Account Management

- 39 users of the ISW Product were part of a larger International Project

This analysis also revealed that the most common activity alongside the ISW is the International Specialist Engagement, which is to be expected. Another common theme is the use of Exhibitions, Missions & Learning Journeys & Overseas Market Support by businesses which have also used ISW.

The data also provides for analysis of take up of the Product by sector which is illustrated in **Figure 2.2**.

Figure 2.2: ISW Take up by Sector
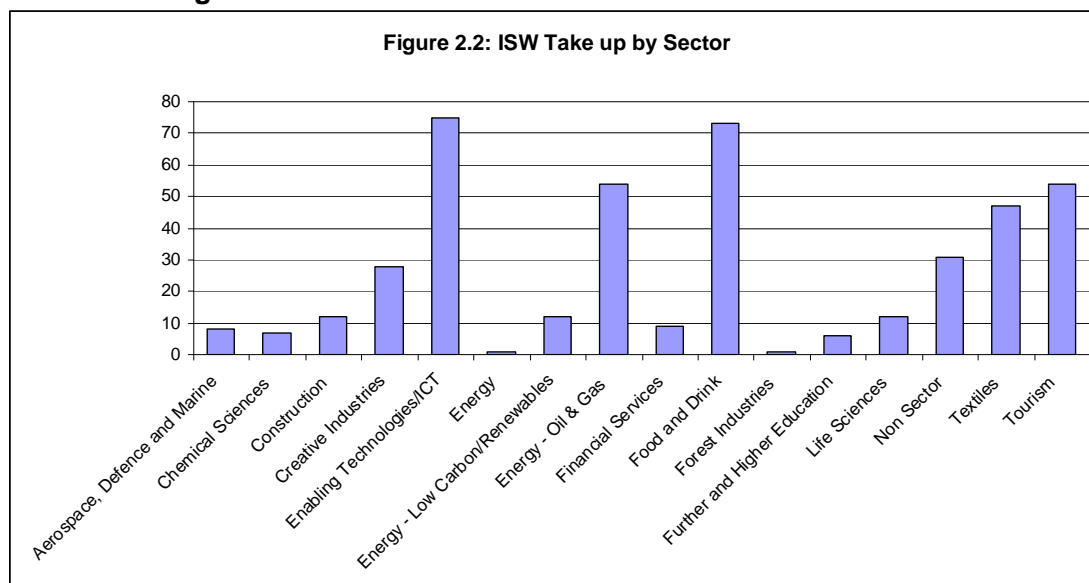
This analysis identifies the greatest proportions of ISW Product users in the Enabling Technologies/ICT (17.6%), Food and Drink (17.0%) Oil & Gas (12.6%), and Tourism (12.6%) sectors. The focus on Tourism is potentially related to businesses in the sector selling into foreign markets, franchising and increasing the international, as opposed to domestic, customer base.

The Product is delivered by a panel of 5 suppliers who successfully tendered for provision. Data on supplier costs for the Product is summarised in **Table 2.2** (Supplier names have been removed to preserve commercial confidentiality)

Table 2.2 Supplier Costs	
Supplier	**Workshop Delivery Cost**
Supplier 1	£2,160
Supplier 2	£1,680
Supplier 3	£2,400
Supplier 4	£1,980
Supplier 5	£1,908
All Supplier Average	**£2,026**

This analysis demonstrates a broad range of costs with the most expensive supplier charging 43% more to deliver a workshop than the least expensive.

We were also provided with data on the total value of workshops commissioned from each supplier over the period from January 2011 to November 2012. This data is presented in **Table 2 .3**.

Table 2.3: Supplier Costs - Jan 2011 to Nov 2012		
	Total Cost	**% of Total**
Supplier 1	£48,420	8.2%
Supplier 2	£86,340	14.6%
Supplier 3	£190,320	32.1%
Supplier 4	£164,588	27.7%
Supplier 5	£103,478	17.4%
All Suppliers	**£593,146**	**100.0%**

This analysis demonstrates that two of the Suppliers (Suppliers 3 and 4) have secured almost 60% by value of workshop commissions over this period. Of particular note is the value of commissions secured by the most expensive supplier (Supplier 3), representing 32% of ISW Product by value.

REVIEW PROCESS AND TOPICS

2.3   PROCESS

Following discussions with the Products Team a series of topics was prepared for discussion in the course of a two hour workshop session conducted on 27th February 2013. A brief introductory presentation was provided by the Consultants, which also identified seven core topics around which to frame discussion. A series of questions were provided to stimulate discussion of each theme.

A copy of this presentation is included at **Appendix 4**. A record of the session was prepared by the Consultants.

2.4   TOPICS

The topics presented for facilitated discussion in the course of the workshop were:

- Participating Businesses
- Product Content and Application
- Delivery and Suppliers
- Management Information Provision
- Impact on Participating Businesses
- Rationale and Market Adjustment
- Evolution in Design and Delivery

In the following section of this report we summarise the discussion and any consensus of opinion under each of the topics.

Suggestions for improvement in the performance of the Product were sought under each topic and by way of summary and conclusion the participants were also asked towards the end of the session to identify priorities for evolution of the design and delivery of the Product.

3 REVIEW DISCUSSION

3.1 INTRODUCTION

In the following sections we summarise the discussion and any consensus of opinion amongst the participants in the workshop session. As previously noted, comments made in the course of the session are not attributed to participants.

3.2 TOPIC 1: PARTICIPATING BUSINESSES

Participant Business Profile

Attendees agreed that whilst there was no such thing as a "typical" client business, there was a tendency for younger businesses to access the Product – an average age of 5 to 6 years was suggested by several reviewers. Typically businesses of this age had reached a point where they were seeing more limited opportunities for growth in the domestic market and were looking at international markets to expand.

Whilst the Product had been initially restricted to DRM businesses the opening up of availability to growth pipeline and Business Gateway clients had, one reviewer suggested, led to a noticeable increase in NRM clients. This was countered by another reviewer who identified the majority of their client businesses as DRM. There was also a predominance of DRM businesses in the Food and Drink and Textile sectors. With DRM businesses the Product was also viewed as a useful way for SDI Executives and the Account Managers to engage with the business.

The Product was not often used with the largest businesses or by inward investing businesses, as many of these had Directors with previous experience in working in international markets.

When considering the need for the ISW Product, reviewers suggested they first identified the current focus of the business and its capacity to operate internationally. Where the business was considered to have underlying structural issues to address in advance of considering internationalisation a General Strategy Workshop (GSW) might be offered as an initial intervention.

NRM businesses were most often referred to the ISW through the Smart Exporter Programme, delivered by SDI in conjunction with the Scottish Chambers. Other NRM businesses were identified by Business Gateway from the Growth Pipeline.

It was suggested that there were very few direct approaches from the business base for the application of ISW – not least because it would be difficult for an unassisted business to become aware of the Product through SE and partner web portals.

In general Reviewers commented that Businesses needed to be ready to address the challenges of international operations before they would commit the resources required to take up the ISW Product. On occasion the ISW process would demonstrate that a business was not yet fully prepared or equipped to take on an international market – although this was not perceived as a negative outcome as it demonstrated what had to be addressed by the business to achieve this ambition.

Reviewers found that the client businesses all valued the ISW Product with one commenting that the outcomes usually exceeded the businesses' expectations – this perhaps being a reflection of often working with ambitious businesses. One of the

most common findings following the ISW application was the requirement for more market research into the participating businesses' target market(s).

Reviewers also commented that the markets which the businesses had initially targeted at the outset of the ISW process may be relegated as targets at the conclusion of the process. Many businesses, for example, targeted the US as a potential market because of language and cultural alignment – but re-appraised this when they became aware of regulatory challenges or the market power of domestic (US) competitors.

3.3   TOPIC 2: PRODUCT CONTENT AND APPLICATION

The Reviewers all confirmed that they attended each application of the ISW and the aftercare meeting. They were therefore in a position to comment on the content of the sessions delivered by the suppliers used by the client businesses.

There were no specific concerns raised about the content of the Workshops. The content was considered to be bespoke to each application of the Product and the specific circumstance of the business. This confirmed the flexibility of the approach.

One Reviewer suggested that there were certain aspects of the Workshop session which might be completed in advance with the business – freeing up more high value time during the session to consider issues, options and priorities for the Action Plan. These included basic questioning of the business on its capacity, resources, areas of opportunity and ambitions in advance of the workshop. This concept was supported by another Reviewer who commented that this pre-workshop questioning might be conducted by the Account Manager around a template and would provide an opportunity for both the business and Account Manager to better understand the challenges, opportunities and competencies in advance of the Workshop.

The Reviewers agreed that the content of the ISW Product was not tightly specified and that much of the content was developed by the individual suppliers and adapted to address the specific circumstances of each case. This was not considered to be a particular problem and there was a desire to retain the inherent flexibility of the Product. There were no concerns expressed over the potential for inconsistency in delivery across the suppliers and Reviewers would suggest particular suppliers, reflecting the personalities of the business leaders and the particular issues the business wanted to explore.

In addition it was confirmed that there were variations in the form and content of the main outcome from the ISW Product application – the Action Plan. Each Supplier used a template – but the template varied between suppliers. The Action Plan was considered to vary between cases reflecting:

- Progress made during the day of the workshop

- The maturity of the business being assisted

- The particular Consultant being used to deliver the Product.

- The existing and required competencies of the business

- The international markets being considered by the business.

Reviewers stressed the importance of the business taking ownership of the Action Plan and using it to guide their future approach to internationalisation. It was also considered important for the Account Manager to use the Action Plan as a guide to how they worked with the business in the short to medium term.

Reviewers were asked to outline the differentiation between the ISW and the GSW Products. One commented that whilst the *process* of deriving a strategy might vary little between the two the *focus* of the session and the *expertise* of the facilitator would be markedly different. The latter was also of particular importance to the client business as they would require comfort that the facilitator understood and had experience of international businesses. Reviewers reported isolated cases of ISW workshops morphing into general strategic issues and identifying fundamental issues for the business to address before considering internationalisation. Others reported the use of ISW at a point after completion of a GSW where a priority identified for the business was to consider internationalisation.

It was suggested that the GSW and ISW Products might exist as a single Strategy Workshop Product with the focus ultimately determined through selection of a supplier with the appropriate experience. One Reviewer commented that this might be more feasible where the business and Account Manager completed the exercise referred to above using a template to identify the challenges, opportunities and competencies of the business.

3.4   TOPIC 3: DELIVERY AND SUPPLIERS

Reviewers were asked to describe the process they went through to identify, select and commission the supplier to be used to deliver an ISW Product. There were different approaches adopted in the HIE and SE areas.

In the HIE area the cost of supply was reclaimed from SE and SDI and the procurement of the delivering supplier was conducted through a mini-tender process from a framework or pre-qualified suppliers.

In the SE area this mini-tender approach does not occur. The process normally consists of the Account Manager working with the business to select a supplier with:

▪ Experience relevant to the businesses' issues, target market areas and business sectors;

▪ An approach and personality which is a best fit with the business and it's Senior Management Team SMT.

Often the Account Manager will suggest a specific supplier based on their knowledge of their approach and methods. This knowledge is mostly gained from observation of the consultants approach with other client businesses.

Reviewers were therefore asked how they could assess those suppliers they had no previous experience of. Generally Reviewers would in these instances rely on the Business profiles and CVs appended to the PUG. However, it was suggested that these were of limited use when seeking out information on a suppliers' specific experience in a sector or market. It was further suggested that the matrix of expertise filled in by all suppliers was of limited use as many identified most or all of the sectors and no indication of depth of experience was provided.

Whilst there was no strong preference for a standard Supplier CV format several reviewers suggested it would be useful to be able to delve further into the experience of the Suppliers, particularly where they had no personal experience of using them.

Reviewers also stressed the importance of understanding the personality of suppliers and individual facilitators and being able to match these with SMTs. This was not something that could be gauged from written materials.

We asked Reviewers if they considered the Suppliers had sufficient breadth and depth of experience to meet the needs of the client base. Only one Reviewer identified a single instance of where they might have preferred to use another supplier from outside the Framework – and this related specifically to their expertise and experience of working in a particular sector with a large international business partner.

Reviewers were asked if they were happy with the ability and capacity of all Suppliers to deliver. One commented that there was one supplier they would not choose to use. Others were unable to comment as they had not used all of the Suppliers. AMs advised that whilst they shared their experience of supplier approach and effectiveness informally there was no formal, centralised assessment of performance.

Similarly, whilst there was an assessment form for businesses to use on completion of the Workshop included in the PUG, this was not, in the experience of the Reviewers, currently being used.

The Reviewers were asked to consider if SE and SDI Executives could deliver the ISW Product in lieu of suppliers. One reported that they were aware of isolated cases of direct delivery the capacity for this was limited because:

- Executives had limited time to dedicate to each of the DRM businesses in their portfolio.

- They could jeopardise their relationship with the business if they sought to actively challenge the business about issues which might be constraining the business

- Businesses valued the independence and objectivity of the supplier and their general experience in internationalisation gained from advising a range of other businesses facing the same issues.

- The facilitators were specialists and could assimilate the necessary information and materials more quickly, efficiently and effectively than Executives.

One Reviewer suggested that there might be a case for committing internal resources specifically to the delivery of the Product, using executives other than the relationship manager to undertake delivery. This would however require selection and/or recruitment of executives with relevant experience.

3.5   TOPIC 4: MANAGEMENT INFORMATION PROVISION

Reviewers were asked to describe how they monitored and recorded the completion of the Product delivery and any associated outcomes.

The Product was recorded as delivered on the Company Review Workbook (CRW) but there was no active tracking of outcomes as the Product was classified as zero

outcome. There was also no active tracking of the take up of any specific Products in the period after completion of the ISW to allow analysis of integration and synergies. Whilst this was theoretically possible using CRM systems it required high levels of executive input to specify and extract management reports.

Reviewers were asked whether any active analysis of international activity of businesses following the application of the Product was undertaken. Whilst data on the split of Scottish/UK/International sales is requested and recorded where provided on CRM, there are methodological differences in how the split is made by businesses. Once again there were also issues in extracting and reporting this data.

Several Reviewers commented that the ISW was one intervention in a range of assistance provided to Account Managed businesses and that the attribution of changes in business performance to this single Product was not possible or useful. Any attribution of benefit to a single Product was likely to be highly subjective and, in retrospect, many businesses may not appreciate how much they have been assisted by ISW at the outset, given the subsequent efforts on their part to achieve success in these markets.

Generally Reviewers considered that it would be beneficial to measure progress towards international operations by businesses at a given point (a year was suggested) after completion of the ISW Product. However, unless one individual was tasked and resourced to centrally co-ordinate and manage this exercise it was unlikely to occur.

3.6 TOPIC 5: IMPACT ON PARTICIPATING BUSINESSES

Reviewers were asked to describe the intended impact of the Product on the target businesses.

The responses suggested that the intended impact was to create employment through revenue growth and long term profitability. The ISW facilitated this by helping businesses select the best opportunities for international development given its services, competencies and competitive advantage.

Reviewers were asked if this intended impact was formally tracked or reported back. Generally this did not occur in relation solely to the ISW Product, although informal feedback was provided as part of the AM relationship and the Action Plan often remained a focus for discussion and measurement of progression. It was further suggested that there were certain points where the extent of international activity might be recorded – e.g. at the end point of the relationship with SE/HIE/SDI or in the form of projections where the business was seeking further assistance with internationalisation.

There were also considered to be a number of indicators of increased international activity by businesses after the completion of an ISW – for example take up of Learning Journeys, International Manager for Hire and in a few cases International Strategy Development Support ISDS.

Reviewers were also asked about measurement of progression of NRM businesses taking up the ISW Product. This was not formally assessed but should be reflected in the movement of businesses into Growth Pipeline and from Growth Pipeline to DRM status. Again whilst this analysis was possible the data extraction currently required intensive input from executives to produce reports.

Several reviewers commented that they had never has any negative feedback from participating businesses.

Reviewers were asked to comment on how the Action Plan impacted on the future development of the business and in particular if it identified other Products which would be beneficial to the development of the business. Several commented that the Action Plan was not viewed as prescribing specific Products but as identifying key issues for the business to address in order to progress. Where there were major issues these would be flushed out by the GSW process and, if products were appropriate in addressing these issues then they would be applied. One AM commented that they did not seek to shoehorn Products into the business but identified priorities and selected Products to address these only if they were the most appropriate solution. There were other discretionary solutions available to AMs through flexible project support mechanisms to assist businesses where a specific Product was not appropriate.

3.7   TOPIC 6: RATIONALE & MARKET ADJUSTMENT

Reviewers were unanimous in stating that SE/SDI/HIE should continue to have a role in delivering a Strategy Development product to SMEs and businesses valued the process once they had experienced it but were unlikely to seek out and commit to it in advance using their own resources.

Reviewers were asked about the rationale for the existence of two separate Products – GSW and ISW. It was agreed that there was a significant commonality between the processes used in delivering the Products. The significant difference between the Products identified by several Reviewers was the focus on internationalisation and the experience of the facilitators. Another Reviewer suggested that the origin of the split in the Product has been to facilitate separate counting and analysis of applications. This internal administrative issue should not, they suggested, be allowed to influence efficient and effective tendering and management of implementation through a panel of suppliers.

The Reviewers were asked what they expected businesses might do in the absence of the Product being available to them. One responded that they might do the wrong things in the wrong markets at the wrong time.

It was pointed out that Suppliers of the ISW Product offered similar interventions on a commercial basis on their websites that could be used by these businesses; however, Reviewers suggested that they would not actively seek out the Products or pay for them. SE added value by providing the Product on a no-risk and no direct cost basis – although the businesses did have to dedicate scarce and expensive SMT resource to delivering and following up on the Action Plan.

Several Reviewers saw the Product as an integral part of the SE service to AM Businesses with aspirations and capacity to grow internationally. As one of the few free SE Products it was also viewed as incentivising strategic thinking and encouraging businesses to take on the challenges of internationalisation, delivering genuinely additional economic benefits.

When asked if the Product would need to be forever free – with market adjustment not being reflected in contributions by businesses – Reviewers did not feel able to comment. There was one suggestion that follow on or repeat activity might be at least partially chargeable as the benefits had been demonstrated to the business and it was acting upon them.

When asked if the Product represented Value for Money Reviewers generally considered that the Product offered this to SE/HIE/SDI by providing businesses with a level of expertise and insight which they would not otherwise opt to procure. Where properly targeted the modest resources of an individual workshop could be repaid many times in GVA where a business used the process and Action Plan to effectively internationalise their business.

In assessing whether SE/HIE/SDI were getting value for money from suppliers it was suggested that this in part was secured through the Framework tender process. An alternative might be to use the supplier resource to employ one or two suitably qualified executives to deliver the service directly – but this might be counter intuitive at a time when reductions in head-count and out-sourcing were prevalent trends.

Reviewers were asked about the demand profile for the Product and reported a spike in demand in 2011/12 which has now resolved into a steady pattern of demand.

4.5 TOPIC 7: EVOLUTION IN DESIGN AND DELIVERY

The attendees were asked to suggest any specific improvements they would like to see applied to the Product or its delivery. These were made as "like to have" suggestions irrespective of any wider organisational constraints on their implementation.

The suggestions made related to the following issues:

- Undertake some of the basic preparatory work with the business in advance of the workshop and focus valuable supplier resource on facilitation and strategy development.

- Improve and intensify follow up after the Workshop to ensure that the Business is adhering to the Action Plan. This might be extended to a formal follow-up session with the Supplier.

- Undertake more systematic assessment of supplier performance following the workshops and provide for the central co-ordination and analysis of this using consistent materials and methods.

4 CONCLUSIONS AND SUGGESTED ACTIONS

4.1 OVERVIEW

The Product Review confirmed increasing and high levels of usage and satisfaction with the ISW Product amongst the Account Mangers who attended.

The particular **strengths** of the Product and its application which were identified included:

- The flexibility of the Product allowing it to be applied to a wide range of international market development issues and choices facing businesses of varying sizes operating across all sectors. The Product was considered capable of delivering a bespoke solution to each business as a consequence of this flexibility.

- The value placed on the Product by the participating businesses with the experience cited as meeting and often exceeding their expectations.

- The production of a tangible output in the form of an Action Plan which provided focus for a follow up session and provided an agenda and pacemaker for ongoing activity to develop international operations.

- The provision of a specific focus on internationalisation as distinct from the GSW.

- Generally high levels of satisfaction with the Suppliers known to and regularly selected by the AMs and Businesses to deliver the Product.

The main **weaknesses** of the Product and its application identified were:

- The use of the Product with businesses which were potentially less likely to benefit from its application – in particular the high levels of NRM use where provision for Action Plan implementation and monitoring of progress is limited.

- Lack of consistent and comprehensive follow up of participant business progress and performance in *international* markets.

- Inconsistencies in the format and scope of the Action Plans produced by different Suppliers.

- Lack of consistent and independent assessment of the Suppliers of the Product and the analysis and sharing of this feedback.

- Restricted use in some cases and areas of the *whole panel* of Suppliers.

4.2 KEY ISSUES FOR CONSIDERATION

The issues arising in the course of the Review have been considered and interpreted by the Consultants to produce a series of observations on the following:

- Use by NRM Businesses
- Suppliers, Delivery and Procurement
- Market Adjustment.
- GSW and ISW

4.2.1 NRM Business Use

Our analysis in Section 2 of this Review demonstrated that the majority 54% of the application of the ISW Product was with NRM businesses. Approaching one third of use of the Product was amongst the Business Base, although in part this reflected the re-classification of businesses not progressing to an Account managed relationship..

Our discussion suggested that much of the business base use of the Product came from referrals from SMART Exporter and Export Explorer. SDI have prescribed targets for internationalisation, working with all companies in Scotland and are also UKTI reps. They have secured extra support to deal with these higher levels of engagement with NRM companies and will continue to provide this service for all companies.

We would anticipate that non-DRM applications of the Product would lead to growth in these businesses which would in time be reflected in the promotion of these businesses to growth pipeline and AM status.

The Consultants assisted in the preparation of a questionnaire for distribution to BG Advisors to further investigate the progression of businesses using the ISW Product. A Summary of the findings from this survey is included at **Appendix 3**. The Survey largely confirmed the low proportion (16%) of non DRM businesses using ISW and subsequently progressing to DRM status.

In the absence of evidence of significant levels of progression from Non-DRM to DRM businesses, or of significant progression into international markets by Non-DRM businesses, we would expect a significant reduction in the Non-DRM application of the Product given:

- The significant amounts of total Product costs absorbed in non-DRM application of the Product.

- The limited support available to Non-DRM businesses in the application and follow up actions required for successful internationalisation.
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4.2.2 Suppliers, Delivery and Procurement

The current method of delivery through commercial specialist service providers was confirmed as most appropriate. There was some suggestion that the panel of suppliers was too restricted, but also evidence elsewhere of use of a restricted number of suppliers.

There was little appetite amongst reviewers for direct delivery of the Product, by Account Managers given:

- The time considered necessary to prepare for, deliver and follow up the workshop sessions and the other demands on AM time and resources.

- The absence of specialist internationalisation skills and experience amongst the AMs who might be tasked with delivery.

- The potential adverse effects on the relationship with the participant businesses where the Workshop process challenged embedded attitudes or preconceptions on entering international markets.

Whilst there were overall levels of satisfaction with the delivery by Suppliers the desire for a refreshment of the Panel was aired in discussion. The assessment of the performance of the current suppliers is however impaired by the absence of a consistent, objective and universal assessment method.

Given the informal nature of the feedback sharing between those procuring the workshops we consider it important that their opinions on the performance of the suppliers **they have worked with** are recorded and that their preferences on supplier attributes are reflected in the procurement process.

Reviewers stressed the importance of engaging suppliers with international experience. There were however some issues for executives in assessing the skills and competencies of those suppliers in advance of observing them working first hand. The CVs and experience matrices in the PUG were not considered to be wholly effective in providing an insight to supplier competencies. This may be restricting the range of suppliers being engaged where commissioning executives only put forward suppliers they have previous experience of using.

Finally we would anticipate that a properly functioning panel of experienced suppliers would charge broadly similar amounts for the delivery of a workshop and would secure similar proportions of the total volume of workshops procured. Where this is not happening then it might be appropriate to instigate a min-tender process (as currently used by HIE) to ensure best value.

4.2.3 Market Adjustment

The Product does not currently incur a charge for SMEs choosing to use it – although there is a significant investment of SMT time by the business in its application.

There was little support amongst Reviewers for the introduction of a contribution to the Product from participating businesses. All felt that in the absence of free provision many of the businesses assisted to date would not have derived a strategic or planned approach to internationalisation which offered the best chances of success. We note that businesses may need to be persuaded as to the benefits of the ISW Product and that these might not be evident in advance of implementation. However, if there is a genuine expectation of market adjustment then this should manifest itself in businesses beginning to understand and value the benefits of adopting a strategic approach. We also note that a number of the Product suppliers market "strategy development" to businesses in general on their websites.

We would suggest that the process of market adjustment might be assisted by:

- Preparation of case studies for use as testimonials to businesses considering the use of the ISW Product.

- Introducing a significant contribution for subsequent applications of the Product or potentially full contributions for a follow up session with the Supplier to refresh the Strategy for internationalisation.

We also consider that market adjustment is less likely to occur where commercial suppliers of the ISW Product can continue to secure public sector support for its delivery to a broad base of businesses at current or increasing levels of application.

4.2.4   GSW & ISW

The Review discussion raised the issue of differentiation between GSW and ISW. It was suggested that ISW was differentiated because it provided focus on international perspectives, markets and opportunities. It was, however, agreed that the *process* of strategy development undertaken in both Products was similar.

We consider that the ISW and GSW are both concerned with the process of making shared and informed strategic choices based on the businesses comparative advantage and market opportunities. This often involves internationalisation as, increasingly, growing businesses need to compete in global markets to cover the costs of product development.

In addition it is apparent from the Supplier panel lists that there is a degree of commonality in those engaged to deliver both the ISW and GSW.

There are also potential administrative benefits to SE in procuring and managing a single Product which is focused on Strategy Development across all DRM businesses.

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4.3 SUGGESTED ACTIONS

As a direct consequence of the completion of the Review the Consultants suggest that the following actions be implemented:

- The rationale for making the ISW Product available to Non-DRM businesses is revisited given the significant scale of resource being absorbed by these businesses, subject to evidence becoming available of significant levels of progression.

- Consideration is given to rationalising the GSW and ISW into a single Strategy Development Product.

- The procurement process for a rationalised Product takes into consideration the opinions of AMs on the performance of those suppliers they have used to deliver the ISW and reflects the requirement for suppliers to have experience in *international* business development.

- Consideration is given to a second stage summary tender process for each workshop offered to a business from a minimum of three suppliers – unless the procurement process generates a narrower range of costs for Product delivery.

- Consideration is given to involving the AMs more in preparatory work in advance of the Workshop to gather information and research on the business and its markets - freeing up Supplier resource during the session to focus on developing the strategy and Action Plan.

- A process is put in place for the consistent, independent and objective assessment of supplier performance based on the experience of the attending AM and the business. This should be collated and analysed by the Product Manager(s) to identify any trends or concerns over supplier performance.

- Provision is made to better track and assess the *international* development of the assisted businesses following the application of the ISW and subsequent Products designed to deliver expansion in international markets.

- Consideration is given to introducing a charge for secondary applications of the Product, and for provision of follow up sessions facilitated by the supplier at full cost recovery.

APPENDIX 1

REVIEW ATTENDEES

Name	Job Title	Role
Kristell Clunie	SDI	Participant
Iain Gemmel	SE Account Manager	Participant
Norma McDonald	HIE	Participant
John Park	SDI	Participant
Angela Rankin	SE Product Team	Participant
Lyn Curran	SE Products	Observer
Karen Fraser	MWC	Recorder
Malcolm Watson	MWC	Facilitator

APPENDIX 2

International Strategy Workshop (ISW)

PRODUCT USER GUIDE

Product Name:	International Strategy Workshop
Document Type:	Product User Guide

Release Version No:	9.1	Product Team Lead:	Ian Brown
Date Issued:	27/10/2011	Product Delivery Lead:	Kristell Clunie
File Name:	NPT_PUG_International Strategy Workshop		

Budget Code	CRM Product ID	Product T-Code
PS7406REOG	492	T-255

Revision History

Revision Date	Previous Name and Version	Summary of Changes
31/10/12	9.0 International Strategy Workshop	Updated product team lead, level & definition

Approval
This document requires the following approval. Signed approval forms are filed with the SE Product Team.

Name	Title	Date

Note Version control for this document is managed by the SE Product Team. All changes should be discussed and agreed with the Product Team who will then be responsible for communication to SE.

Relationship to Intervention Framework(s)

The International Strategy Workshop (ISW) is a capability building Level product:

Capability Building

  ➢ Relatively low cost, medium volume, mostly 1:1 & 1:some
  ➢ Preference for DRM, SE Growth Prospect & BG Growth Pipeline - Open to all segments subject to qualifications
  ➢ Diagnostic reviews
  ➢ Feasibility studies
  ➢ Support for action plans/business case building

- ➢ Basic support for project implementation (workshop-based) - Learning new skills on a sustainable basis
- ➢ **Best if your client wants to review existing skills/ability to create an action plan and/or embed new skills into the organisation**
- ➢ Outputs - short timescale measurable outputs for company and SE

The International Strategy Workshop (ISW) forms a key part of the Strategy Development Intervention Framework. Products within the Strategy Development Framework do not support any implementation activities. The ISW is principally targeted at DRM companies. However, as it is one of the interventions being delivered under the ESF Smart Exporter Project it is available to all other client companies subject to robust appraisal where there will be a significant demonstrable benefit from participation.

Companies requiring assistance with strategy, specifically aimed at building their domestic business, should use the complementary product – 'General Strategy Workshop'. For companies with a minimum turnover of £2 million, strong growth potential and ambitions to exploit international markets, the International Strategy Development Programme should be considered in the first instance.

Only use the Strategy Development Support Product for the development of a company's strategy, when the General Strategy Workshop, International Strategy Workshop and International Strategy Development Programme cannot be used, or are clearly inappropriate.

The ISW is anticipated to act as a lead into many of SDI and SE's portfolio of products, in a planned, strategic manner with obvious demonstrable outputs. As such, it must be seen as an enabling product and a means for us as an organisation to then deliver other products/services that directly feed the achievement of our goals.

Description of the Product

The product is essentially a workshop session, facilitated by a consultant and delivered to the senior management team of an eligible company. It is designed to assist companies to develop a coherent international strategy and associated action plan for implementation. Target customers are typically smaller SMEs whose management team have some experience of international trading, but are without a clear strategic approach to further developing their business.

It aims to leave the management of each client company with a clear and shared understanding of the direction they are taking the business, plus a mechanism to re-visit their strategy in the future.

The Workshop will be delivered to eligible companies – need being identified through use of existing diagnostic tools and subsequent action plans making it a targeted product. The workshop is designed to enable a business to develop a strategic plan as a platform for future activity.

The product consists of:

1) Pre-workshop 'brainstorming' meeting with the company to agree key issues and objectives
   - SDI adviser or the Relationship Manager identify issues and communicate them to the consultant who meets with the company to clarify the issues, to ensure that all parties are in agreement.
   - These agreed issues will be used as the basis for the preparation of a presentation by the consultant who in turn will facilitate the workshop itself.

Throughout the process it is imperative that the company understands that the purpose of the workshop is to focus on the strategic direction of their business, to reach a consensus on this, and provide an action plan for future implementation.

2) One-day interactive workshop

It is imperative that the key decision makers from the company are present for the full duration of the workshop and therefore this is a requirement of this product.

The one-day workshop is designed to progress through the following topics:
- Flesh out and explore the issues;
- Identify the options;
- Explore the strengths and weaknesses of the options;
- Choose the best fit option;
- List an action plan for the immediate way forward and capture in bullet point format as an aide memoir and circulated to all participants as the key output.

3) Post-workshop meeting to debrief and confirm commitment to the action plan

This meeting will be held with key individuals from the company, who were present during the workshop.

The customer accesses the product through their SE contact – Account Manager or SDI contact (who should also participate in the workshop and pre / post workshop meetings)

The ISW workshop is delivered to companies individually; The costs include two days of one-to-one time with the client company, with up to a maximum of three days in total (including project management time).

The workshop requires to be evaluated, using the standard SDI Evaluation Questionnaire, by the SE / SDI executive within 3 weeks of the post-workshop meeting.

Objectives and Outcomes

This product directly delivers against Scottish Development International's key targets of the broadening the number of companies assisted to internationalise and deepening the internationalisation of companies and can be classed as an activity against the relevant performance Measurement Framework target

ISW product provides companies with the internal knowledge and expertise to overcome barriers and reduce the difficulties associated with developing and International Strategy.

Eligibility Criteria

In order to ensure that our assistance is proportionate to the potential economic return, ISW should be available to selected Account Managed Growth, BG Growth Pipeline and SE Growth Prospect clients. However, as it is one of the interventions being delivered under the ESF Smart Exporter Project, it is available to Business Base subject to robust appraisal where there will be a significant demonstrable benefit from participation. The product may only be provided to non relationship managed Business Base companies at the discretion of the SDI Trade & Investment Manager.

In all cases the SDI adviser and / or Account Manager should agree that the company

is ready for and will benefit from participation. Larger Account Managed companies seeking international strategy support should first be considered for the International Strategy Development Programme prior to being considered for the International Strategy Workshop.

Supplier Details & Commissioning (Not applicable to Support Products)

A 31 month procurement framework agreement is in place for the ISW expiring 31 October 2013.

The Strategy Workshops have been procured on a national basis and 5 suppliers have been awarded framework contracts on a call off basis with no guarantee of any commissions.

The Suppliers are:

- Bridge Associates
- Matrix
- Russell McLeod Ltd
- Strategem (Scotland) Ltd
- The Laurel Group Ltd

The Relationship Manager/Internationalisation Specialist managing the Opportunity must consult with the lead Strategy Development Product Specialist (insert link to team structure) to ensure that the proposed intervention conforms to eligibility and activity criteria. The Relationship Manager is responsible for ensuring that evaluation of all suppliers on the framework occurs in every instance of delivery whether they do it themselves or the relevant Product Specialist does it on their behalf. The evaluation assesses suppliers' suitability and capacity to deliver support to the specific intervention against the criteria detailed in the evaluation spreadsheet.

In the instance of more than one supplier achieving the same evaluation score, price must be the determining factor in deciding which supplier to commission. The completed spreadsheet must be attached as a note to the relevant CRM Opportunity for audit purposes.

All relevant the supplier information, is contained in the *attached documents*

On identification of the supplier, costs and timescale for delivery, the supplier must be issued with the relevant standard Framework Commissioning letter.

Customer Application, Appraisal, Approval & Offer

DRM
An email requesting the ISW from the company, a completed, signed Appraisal Form, a completed evaluation template and offer letter will be required for all DRM, Growth Prospect and BG Growth Pipeline companies.

Business Base
For Business Base companies identified via Smart Exporter SDI will require a completed International Support Request Form from the company. A completed Appraisal Form, Supplier Evaluation Template and offer letter will be required for all companies.

Claim Procedure

The ISW is paid for by SE, directly to the facilitating consultant.

The standard customer evaluation form must be completed by the company within 3 weeks of completion of the post workshop meeting.

The table below provides charging out rates and De-Minimis rates for companies.

	SE % Charge to Company	De-Minimis Value
SME	0%	100%
Non-SME	70%	30%

An International Activity measure can be claimed on KMIS once the product is marked as delivered on CRM.

To comply with ESF guidelines, the applying company must provide information on participants and may be required to provide evidence of applied learning as a result of participation. SDI product lead or Scotland Europa should be contacted for further guidance on ESF reporting and claim requirements.

State Aid and Legal

When offering 100% funding towards the cost of the facilitator to an SME, the total cost must be set against the SME's De-Minimis allowance. As a result the standard de-minimis clause should be included in the offer letter, which must include a value.

Where delivery is to a non-SME, a 70% contribution from them will be required, with SE's contribution (30%) being under De-Minimis powers.

If delivered on company premises any external venue/catering costs will be met by company. This is not a benefit to them as they are expending their own resources, and not receiving public funding towards these items, so costs do not count towards De-Minimis.

Staff should ensure that they adhere to State Aid rules and that the appropriate procedures and documentation are used when offering assistance to companies and in keeping records of the type and value of assistance for the appropriate length of time.

Support Materials

Supplier Information Appendix 1

SDI Evaluation template Appendix 2

Supplier Evaluation Template attached to CRM Product Record

Company Growth Documents Intranet Page

Legal Intranet pages

Product Delivery, Management and Monitoring

The product is part of the International Business Development Toolkit, a suite of SE services designed to support companies through different stages of internationalisation

Customers are recruited through the Smart Exporter Team, SDI advisers, Prospect Managers, Business Gateway Advisers and SE Account Managers. The service is also promoted via the SDI website.

In all cases a detailed supporting e-mail from the company stating why they need this particular intervention at the time requested and the intended outcomes from the intervention should be included as part of the Appraisal process and attached as a note on the relevant CRM Opportunity.

DRM Account Managed

The overall rationale for supporting strategy development for DRM AM companies must be captured in the relevant companies' Company Review Workbook under the Company Strategy section and if appropriate referenced as part of a Development Project in the Account Development Plan.

Growth Prospect , Business Gateway Growth Pipeline and Business Base

If being delivered as part of a Development Project the rationale for this intervention must be recorded on the appraisal.

The ISW will usually be delivered face-to-face to client companies, by contractors on behalf of SE. It is envisaged that on occasion, SE staff could deliver the GSW to client companies directly.

Attending every workshop will be the appropriate relationship manager. This not only helps them to build their relationship with the customer as well as to understand the direction that their customer is planning to go in. Their attendance also provides a further quality check on the consultant being used and the quality of their delivery to the customer. Issues can then be addressed at the time or with the product specialist if of sufficient concern.

The internal process supporting the delivery of the product is as follows:
- International executive uploads request from company (e-mail request from company specifying the reasons why they require this particular intervention and the intended outcomes) and appraisal on CRM
- International exec assigns the Opportunity their International Manager for approval
- International Manager assigns sends the Opportunity to their Admin Support for processing
- International admin raises a PO, the commissioning letter to contractor and company contract
- Admin Re-assigns opportunity back to executive
- Once returned, admin upload signed copies of letters to opportunity in CRM and retains hard copy for filing

Business Gateway companies
For workshops requested by a Business Gateway Advisor, the Advisor completes the supplier evaluation template with the evaluation of the supplier's knowledge and experience (Q1). They attach the document to CRM, uploading the e-mail from the company and the partially completed appraisal (as a Word document with the scanned signature of the BG advisor) and evaluation template (as an Excel document). It is essential that these are not attached as pdf documents in order to allow the Product Specialist to complete the process.

The Product Specialist will contact the chosen consultant to confirm availability; they will complete evaluation template (Q2) and financial aspects of the appraisal. The Product Specialist will upload completed evaluation template and appraisal to CRM and add in the verification note stating that they have completed the financial appraisal as BG do not have
access to costs. The Product Specialist then follows the standard verification and approval process.

The product is part of the ESF Funded Smart Exporter programme and as such the participants are required to provide evidence for ESF claim purposes. It is the responsibility of the supplier to gather the ESF compliance forms for all the participants and send them to the ESF compliance manager, SDI, Atlantic Quay.

Health & Safety

No health & safety issues with this product

Product Maintenance and Delivery

The SE Products Team is responsible for the overall product. Any queries relating to the product policy, design or maintenance should be directed to the Product Team. The Product Team will liaise with Policy Teams. No change should be made to an approved product without discussions taking place with the Product Team.

The Business Support Team is responsible for operational delivery and day to day management of the product. Any queries relating to this should be directed to the Business Support Team.

Contact names are on the front page of this Product Guide.
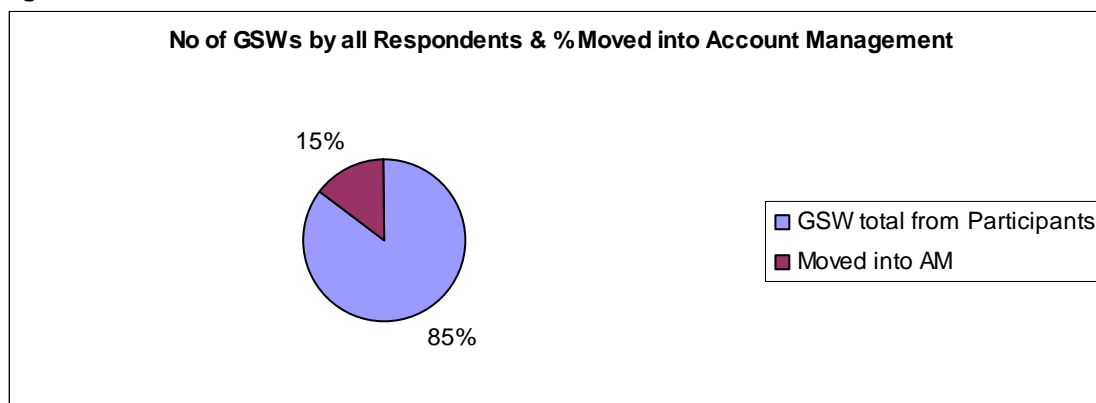
APPENDIX 3

Business Gateway Advisor Survey

Business Gateway Advisor Survey – General/International Strategy Workshops

This survey was issued to 25 Business Gateway Advisors that had used General & International Strategy Workshops over the last 3 years.
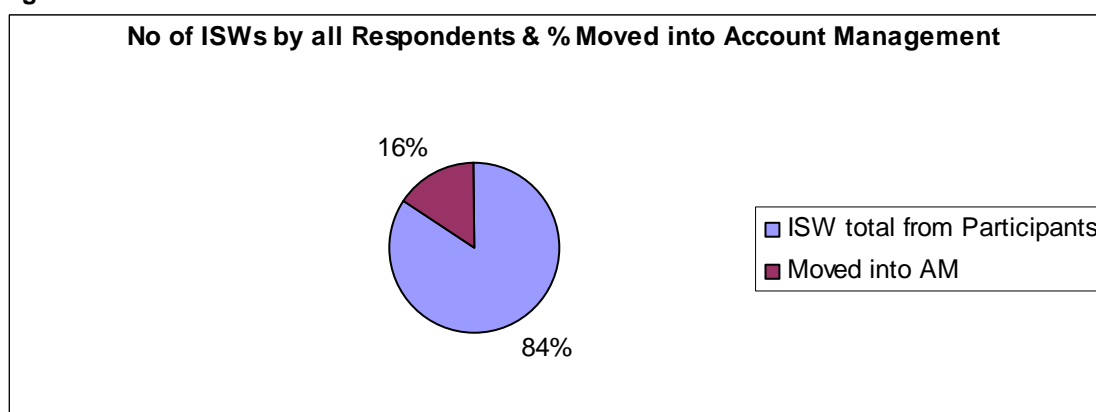
44% (11) of BG Advisors responded to the survey with experience of arranging/participating in workshops for clients ranging from 2 up to 34, across both types of workshops and across a variety of suppliers.

The total number of GSWs completed across the respondent sample was 125, with 22 moving into Account Management (Fig. 1.1). The total number of ISWs completed across the respondent sample was 48, with 9 moving into Account Management (Fig. 1.2).

Fig. 1.1

No of GSWs by all Respondents & % Moved into Account Management

15%

85%

☐ GSW total from Participants
☐ Moved into AM

Fig. 1.2

No of ISWs by all Respondents & % Moved into Account Management

16%

84%

☐ ISW total from Participants
☐ Moved into AM

This shows that fewer than 20% of companies undertaking a General or International Strategy workshop move into Account Management, which is consistent with information provided by Scottish Enterprise Prospecting team and management information recorded by Scottish Enterprise. However, the table below shows that there are often a variety of reasons companies do not move forward, which are reflected in Table 1 below.

Table 1 – Reasons for not moving into Account Management from Growth Pipeline

Less than 12 months since completing workshop and still in planning stage	80.0%	8
Insufficient demand in product or service market	20.0%	2
Technical issues in developing product or service	30.0%	3
Technical issues in introducing new product or service delivery process	10.0%	1
Access to Business Development Finance	30.0%	3
Business has ceased trading	0.0%	0
N/A	0.0%	0
Other (please specify)		4

Advisors commented that companies can be in the pipeline for 18-24 months, trying to raise finance and develop prototypes.

Advisors were also asked about which 3 products they accessed most to support Growth pipeline clients, with Innovation Support, General Strategy Workshops & Domestic Market Development coming out on top.

Most accessed Products rated by Respondent BG Advisors	No of votes
Innovation	**7**
GSW	**7**
Domestic market development	**6**
Financial	5
ICT	5
Recruiting Temp Specialist (Project Support)	1
International Suite	2

Positive Changes in business following participation in General/International Workshops

- Clear Action Plan with ownership through participation
- Cohesive management team - Shared objectives/goals
- Improved focus on strategic direction of the business – taking time out from day to day tasks
- Better understanding of
    o Market opportunity
    o Market segmentation
    o Business Strategy
- Solid foundations for growth – resulting in quicker implementation
- Undertaking OD review and accessing leadership/management training
- Rebranding of business
- Entering International Markets
- New Product Development
- Increased turnover & Profit

Other comments

- General Strategy workshops are generally more relevant to participants
- ISWs used inappropriately on businesses that are too small
- Advisors feel that tool is excellent to support growth pipeline companies

APPENDIX 4

Introductory Presentation

Business Product Review
International Strategy Workshops

27th February 2013

malcolm watson consulting
knowledge management and development

Scottish Enterprise

Session Structure

➢ Introductions
➢ Review Purpose and Process
➢ Review Topics
➢ Summary and Close

Review Purpose and Process

➢**Purpose**
  ➢Validate product delivery against specification
  ➢Identify potential for improvement of service and effectiveness of the product

➢**Process** – supportive, constructive analysis, focus on improvement. Here to consider Product effectiveness & delivery

➢**Facilitation**
  ➢Promote (or provoke!) discussion
  ➢Keep to issues
  ➢Unbiased
  ➢Identify and record findings and learning

Scottish Enterprise

Review Topics

➢We will address the following topics, in turn, for both products:

➢Participating Businesses
➢Product Content and Application
➢Delivery and Suppliers
➢Management Information Provision
➢Impact on Participating Businesses
➢Rationale, Market Adjustment
➢Evolution in Design and Delivery

Participating Businesses

➢Is there a "typical" ISW client business?

➢Are there patterns in terms of scale, sector, age, growth rates?

➢How are the target businesses specified in the PUG identified and engaged? (Smaller SMEs & SMT with some international experience)

➢Has the Product been used by businesses with *limited potential* for international operations?

➢How are *non DRM users* identified and referred to the Product?

➢What expectations do participating businesses have?

➢Are these usually met or exceeded?

➢What suggestions do you have to improve the targeting of users?

Product Content and Application

➢Do you have any concerns about the content of the ISW Product?
➢Should the content be updated in any ways?
➢Are you aware of variations in materials used by suppliers?
➢What forms do Action Plans take and who prepares them?
➢How valuable is the final meeting to be to the business?
➢How and to what extent is the Action Plan used following completion?
➢How Does the Product act as a lead into other SDI/SE work with the business – as envisaged in the PUG?
➢What is the differentiation between GSW and ISW - if strategic planning is a *process* then should not only the <u>focus</u> vary?

Delivery and Suppliers

➢Does the current contractor panel offer the breadth and depth of skills required to deliver the product to every potential participant?

➢Do you have adequate knowledge of the skills and experience of contractors and individual facilitators assigned to companies?

➢How, when, and by whom, are suppliers appraised & selected?

➢Do you always attend the workshop session and the follow up session – as specified in the PUG?

➢Do you receive, and share, feedback on supplier performance using the materials referred to in the PUG?

➢Do you have concerns over the ability of any contractors to deliver?

➢Are suppliers always required – could SE not deliver this directly?

➢What suggestions do you have to improve delivery of the product?

Supplier Performance

Can we rank the performance of <u>each</u> supplier on **Content** & **Delivery**: Ranking from **1-10**: where

 1 = Poor
 10 = Excellent

Supplier	Content	Delivery
Bridge Associates		
Matrix		
Russell McLeod Ltd.		
Strategem (Scotland) Ltd.		
The Laurel Group Ltd.		

Management Information

➢What information do you generate and receive to enable the efficient management of the products:

  ➢Skills and Performance of Contractors
  ➢Participant Feedback
  ➢Integration with other SE Assistance
  ➢Tracking performance of assisted businesses

➢Does MI capture the product's influence on participants' *international activity* and consequent changes in business performance?

➢Who collates and analyses MI to refine and improve the product?

➢What improvements in MI would you suggest?

Impact on Participating Businesses

➤What is the intended impact on the performance of businesses?

➤Is this reflected in actual impact reported by participants?

➤How long does it takes for the product to impact on performance?

➤Are there businesses using the product who do not have the scale, capacity or international market focus to generate impacts?

➤How and when is the impact on the business currently assessed?

➤How is further assistance specified and provided to *non DRM* businesses?

➤What other assistance best integrates with the product?

➤What improvements would you suggest to better assess impact?

Scottish Enterprise

Rationale and Market Adjustment

➢Why should SE continue to deliver this product?

➢Why do we need a separate ISW Product?

➢Why could SE not deliver this *directly* as part of the DRM process?

➢What would participants do in the absence of SE provision?

➢Is demand for the product decreasing, static or increasing?

➢Why would participants not contribute to the cost of provision?

➢Does the Product represent VfM for:

▪The Businesses using the Product

▪For SE

➢What is the rationale for providing this Product to *non-DRM* businesses and how well is this provision appraised by SE?

Evolution

➢ We have discussed and recorded suggestions for improvement throughout the session.
➢ If you could instantly apply **a single improvement** to the product what would this be………………?

Summary

➢The proceedings of today will be written up and circulated to Products Team and Appraisal and Evaluation Team
➢Priorities for action (where appropriate) will be identified
➢The Product Guides will be amended where appropriate