

Elizabeth Mathie  
Grampian Food Forum Co-ordinator  
Scottish Enterprise Grampian  
27 Albyn Place  
Aberdeen  
AB10 1BD

GR1721-00

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Dear Elizabeth

## **Evaluation of the Grampian Food Forum**

I am pleased to submit our report, which is structured as follows:

- 1 : Introduction
- 2 : Methodology
- 3 : Performance against targets
- 4 : Summary Findings
- 5 : Economic Impact
- 6 : Conclusions

Do not hesitate to contact me if you would like me to provide further background to our report.

Yours sincerely



Suzanne Hamilton  
Senior Consultant

### **Frontline Consultants**

Willow House, Strathclyde Business Park  
Lanarkshire ML4 3PB

**T:** 01698 464140 **F:** 01698 464141 **E:** [consult@frontlinemc.com](mailto:consult@frontlinemc.com)

[www.frontline-consultants.com](http://www.frontline-consultants.com)

Also at 9 Staple Inn, Holborn, London WC1V 7QH

**Evaluation of the Grampian Food Forum**

**Report for**

**Scottish Enterprise Grampian**

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# 1 Introduction

## 1.1 Background and context

The food industry sector is an important part of both the Scottish and Grampian economies, with Grampian accounting for almost one-fifth of the value of the Scottish foods industry. Recognising the importance of the food sector in Grampian to the local, regional and national economy, the Grampian Food Forum (the Forum) brings together the senior members of the food and drink industry and the main development agencies in the North East to:

- strategically support growth in the region
- identify priorities for public sector investment
- capitalise on the strong position held by the Grampian Food Forum
- provide a local focus to the Scotland Food and Drink targets

The food and drink industry remains a fast changing one, with producers continuing to come under increasing pressure from retailers and international and domestic competitors. The sector as a whole has also faced a number of challenges in recent years, including:

- foot and mouth disease
- decline in the fish catching sector

Statistics indicate that there are 278 food and drink companies in Aberdeen city, Aberdeenshire and Moray. The sector is characterised by small companies, with over half employing 1-10 people. However, the majority of employees in the sector (72%) work for larger companies with over 50 employees.

The Grampian Food Forum has been operating for over 15 years, and continues to regularly review and monitor its operations and performance. This evaluation covers the last three years of the Forum's operations, and comes at a time when the landscape of support available to the Scottish food and drink industry is changing, notably with the emergence of Scotland Food and Drink and its strategy.

The Forum delivers a wide range of events to local businesses, with the private sector strongly influencing both the overall direction of the Forum and particular events through membership of 3 groups. Each of the groups set out clear five year objectives in 2004:

- Grampian Food Forum strategic group objectives are to:
  - consolidate the competitive position of Grampian Food Companies
  - provide support for companies through market and product development to achieve long-term sustainable growth
  - provide the necessary support services to grow existing businesses and enable future profitable growth for our food industry
- operations group objectives are to:
  - increase public and trade awareness of the excellence and variety of the foods produced in Grampian
  - provide a platform for Grampian-based food producers to display their products
  - build on existing business and develop new business
  - contribute to the sales growth of Grampian food producers

- innovation and technology group objectives are to:
  - optimise the technical resources in Grampian
  - focus on current and known issues that can affect ongoing business and its development
  - develop a food technology network to facilitate the transfer of knowledge, skills and expertise
  - encourage and develop the product development culture

## 1.2 Purpose

This report presents the findings from:

- our evaluation and economic impact assessment of the Grampian Food Forum
- the extent to which – and how – it is helping the sector to strengthen and grow
- the views of participating companies and stakeholders on its impact and performance
- a survey of perceptions of local food and drink businesses who do not currently engage with the Forum

## 2 Methodology

Our approach to evaluating the impact of the Grampian Food Forum is summarised in the diagram below. Following the project initiation and background desk research we undertook a period of consultation with key stakeholders representing:

- public sector
- businesses who sit on the GFF Strategic Group
- businesses who sit on the GFF Operations Group
- participating and non-participating food and drink companies

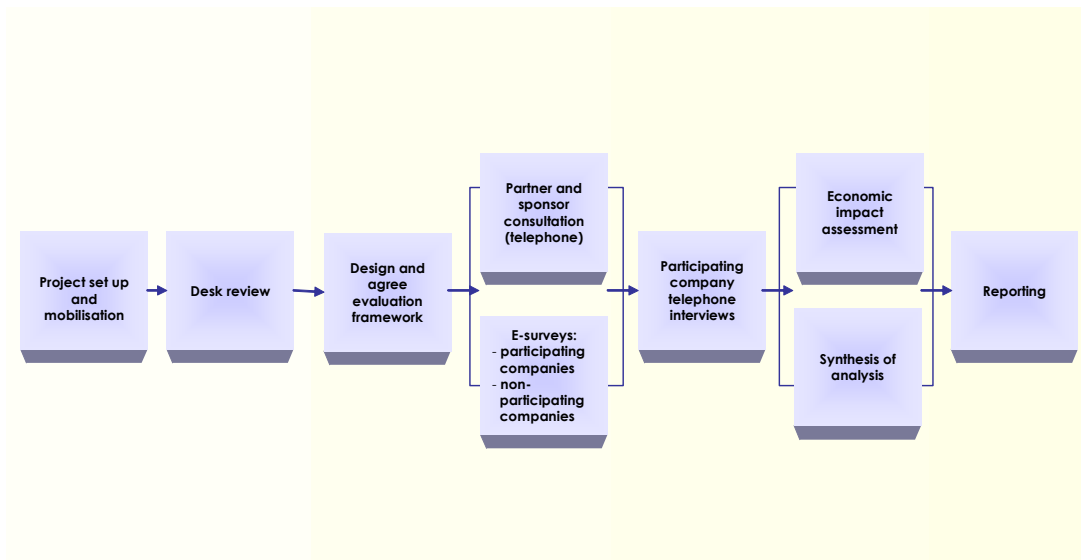
The list of stakeholders interviewed is appended.

All companies were asked to contribute their views through an e-survey, in addition to indicating where possible the impact of engaging with the Forum on their business. E-surveys were followed up with telephone interviews with a number of businesses who responded to the e-survey in an attempt to increase the number of completed responses. This information was used to directly inform the economic impact assessment. A copy of this questionnaire is included as Appendix 2.

An ongoing challenge for the Forum has been engaging with the large number of producers in the region who have had little or no contact with the Forum. In an attempt to capture their perception of the Forum and how they could be encouraged to participate, we circulated an e-survey to these businesses (as identified by Aberdeenshire Council). A copy of this questionnaire is included as appendix 3.

The information from each of these stages of work has directly informed the findings outlined in this report.

### Method



### 3 Performance Against Targets

In its 2005 Strategy, the Grampian Food Forum set out its targets for supporting and encouraging growth, development and innovation, for the Grampian food and drink industry. The Forum noted that "there is difficulty in directly relating clear links between the Grampian Food Forum activities and the overall economic results for the area. Turnover, profitability and levels of employment will be measured only as an indicator to the success of Grampian Food Forum and not a direct result." Grampian Food Forum targets were therefore set out as follows:

- increase number of people attending events by 5% over 3 years
- increase number of individuals attending 3 events per year by 5% over 3 years
- increase number of companies represented at events by 10% over 3 years.
- aim for 30% of those attending events to be from companies with 1-25 employees
- aim for 50% of Grampian food and drink companies to be involved with Food Forum activities

#### 3.1 Increase number of people attending events by 5% over 3 years.

The Grampian Food Forum has far exceeded this target, driving the average event attendance up from 57 in 2005, to 61 in 2006, and 82 in 2007. By increasing average attendance by 7% in 2006, the Grampian Food Forum surpassed this target within just one year. The average attendance in 2007 appears even more promising with an increase of almost 44% from the average 2005 attendance. Events such as Chef of the year and the innovation awards drew the greatest attendances. This shows that the Grampian Food Forum has effectively engaged local businesses and strengthened the public-private network for developing the competitiveness of Grampian food companies.

#### 3.2 Increase number of companies represented at events by 10% over 3 years.

The Grampian Food Forum has also already substantially surpassed its target to improve company representation at events. Aiming to grow company representation from 19 companies to 21 by 2008, the Grampian Food Forum reached this goal in 2006 and in 2007. They have already achieved an average increase of almost 58%, with an average of 30 companies attending events in 2007. This again suggests that the Grampian Food Forum is effectively growing its representation of Grampian food industries.

#### 3.3 Aim for 30% of those attending events to be from companies with 1-25 employees.

During 2005 an average of 36% of companies attending Grampian Food Forum events employed 1 – 25 staff. This already exceeded the Forum's 30% target outlined in the strategy. In 2006 this average declined to 35%, still above Forum targets, and rose further to an average of 48% of companies representing employing 1 – 25 staff. This shows that the Grampian Food Forum has exceeded its targets in getting small businesses to participate in the Forum, a result of the Forum's decision to specifically target smaller companies through the choice of topics for events and through improved communication (e.g. e-mail invites) with a wider range of businesses. The majority of attendees are medium or large enterprises.

### 3.4 Consistent quality of products being offered – gain an overall rating for each event of 4.00 where 3 = good and 5 = excellent.

The Grampian Food Forum wanted to ensure the quality of the service it provided and therefore set high targets for delivery at events. The Forums performance and delivery were monitored by feedback from guests at events. The Forum aimed to achieve an average result of 4, or very good, from the feedback. In 2005 and 2006 the Forum successfully met this target achieving average feedback ratings of 4.06 and 4.14 respectively. The beginning of 2007 saw a downturn from feedback and the Forum failed to meet its 4.0 target, instead achieving only 3.81. This suggests that the quality of some events could be improved to satisfy the individuals attending.

## 4 Summary Findings

The findings presented in this section were directly informed by our fieldwork with:

- stakeholders: telephone interviews with members of the strategic, operational and technical groups (a number of the business also completed the impacts assessment over the telephone during these discussion)
- participating businesses: e-survey of businesses who engaged with the Forum and telephone follow-up
- non-participating businesses: e-survey of local food and drink businesses who have not engaged with the Forum

Telephone interviews were conducted using a pro-forma which included questions relating to the operation and performance of the Forum. The e-surveys sought to elicit businesses views on both the Forum itself and the economic impact on their business. The impact elements were used to inform the economic impact assessment (see section 5); this chapter focuses on the qualitative findings from the consultation process.

### 4.1 Stakeholders

We conducted over 15 telephone interviews with members of the Forum's strategic group, operations group and sponsors and supporters from both the public and private sector. All of these people had been directly involved in both the Forum and setting its agenda and events programme through their participation in these groups, and were therefore likely to be both aware of how it has operated and what it has delivered, and were able to use their experience to offer their views on how it had performed.

Much of the feedback from this group corroborates the findings of other parts of the evaluation, and the key emerging themes are summarised below.

#### 4.1.1 Function of the Forum

Stakeholders displayed a clear and common understanding of the aim of the Forum – to promote and support food production businesses in the North East of Scotland. They recognise that this requires the Forum to be flexible in its approach to respond to the needs of industry (see section 2.1.3), in addition to focusing on helping businesses in the region to become more competitive by:

- increasing networking activity
- promoting the food industry in Grampian in general, and showcasing individual producers wherever possible
- share ideas and best practice
- providing easy and ready access to information, both through events and bringing together industry
- supporting innovation and driving improvement
- increasing partnership working within the industry and with other related sectors e.g. tourism



Several stakeholders also highlighted the particular importance of a body such as the Forum to the Grampian region given its relatively remote proximity to the rest of the UK, and the relatively high number of smaller businesses in Grampian. The Forum provides them with a medium to share ideas, discuss common challenges and develop cooperative solutions. A number of stakeholders highlighted the commonality of transport issues facing many smaller food businesses in the region, which was more easily resolved through the sharing of experience and cooperation, and had enabled individual businesses to group together and use their leverage to resolve the issue.

With the changing strategic environment, i.e. the launch of Scotland Food and Drink's national strategy, the Forum ensures that its own strategy aligns to the aims and objectives of the national strategy. The Forum recognises that an important, and ongoing challenge, will be to assess how they – the region – are contributing to this and how that contribution can be increased.

#### 4.1.2 Operation of the Forum

All stakeholders recognise the importance of the partnership between the public and private sector partners in the operation of the Forum. Stakeholders highlighted the important role played by the public sector in providing an enabling environment that allows businesses to network and co-operate in a non-competitive and non-threatening way.

Stakeholders highlighted the diverse and representative nature of the strategy, operations and technical groups as one of the core strengths of the successful operation of the Forum. The groups are viewed as representative of the wider sector in the region both in terms of the range of products and services provided, and size and developmental stage of the businesses. The representative nature of these groups is key to ensuring that the support and events delivered through the Forum are tailored to meet the requirements of local businesses. Put simply, they know what participating companies want because they themselves have both established relationships with the wider cohort of food and drinks businesses in the region and their own businesses face the same challenges, obstacles and opportunities.

Members of the strategy and operations steering groups report that they have – over time – developed particularly strong relationships within the groups that enable them to share, collaborate and effectively work together to set the agenda for the Forum. The strength of these relationships has enabled them to develop a culture of openness, trust and cooperation, that they report is a core strength of the Forum, and enables participating companies to realise some of the most important benefits of engaging with the Forum – namely to network, share best practice and collaborate.

#### 4.1.3 Building the Grampian brand

Stakeholders indicated that they felt that the Forum is helping to promote food and drink produced in the region and build an association of food produced in Grampian with quality. They perceive that events held by the Forum (e.g. the Innovation Awards) generate significant positive publicity for the region and for local businesses. One stakeholder – whose business had won the innovation award – reported that the resultant publicity and increase in confidence enabled them to launch their product across Scotland (previously it they had only sold within the North East). Other stakeholders highlighted that the prestige and credibility associated with winning an award was extremely high, and many stakeholders indicated that they were able to get their products to market more quickly as a result.

Taste of Grampian was cited by several stakeholders as playing a particularly important role in this process, acting as an effective showcase for the region and reinforcing the association of Grampian with a wide range of quality food products.

Stakeholders stressed the important role played by larger businesses in bringing credibility both to the Forum in general and other participating companies by association. This is one of the core strengths of the Forum, which enables participating companies to leverage their own contacts to increase awareness of food produced in the region (e.g. increased press coverage). It is important to recognise that this not only benefits the Forum and its users, but also food producers who do not currently engage with the Forum, by increasing the profile and perception of the region as a producer of quality food and drink.

Particular examples of this include the 'meet the buyer' events. These enable participating companies to meet researchers and buyers from large organisations (e.g. Tesco, Sainsbury's) and either showcase their products or to gain a clearer understanding of what these organisations look for when sourcing new products. These events tend to be the most well attended, and include a higher proportion of the smaller companies. This in turn allows businesses in the North East to tailor their products and offer to meet these requirements. Several of the businesses who sit on the operations or steering group stressed that they would not have been able to gain this level of access to these buyers without the Forum.

#### 4.1.4 Peer to peer learning

Stakeholders highlighted the importance of the 'soft' benefits delivered by the Forum, e.g. networking, increased contacts. This is complemented by the 'hard' learning delivered by the technical group, which delivers events that deal with specific issues directly tailored to specific industry requirements.

It was felt that the Forum is particularly effective at delivering this learning because it has credibility with the industry and it is delivered by their peer group. Stakeholders indicated that this results in a subtle learning process, whereby participants do not realise that they are undertaking learning or business development activity (e.g. through the exchange of information, networking).

#### 4.1.5 Influencing the public sector

Stakeholders presented mixed views when asked to consider whether they felt that the Forum helped to enable the private sector to contribute to public sector spending priorities. Respondents' views were largely reflective of a wider debate about the role and extent to which the public sector should support the private sector, with some stakeholders indicating that they felt that the industry should seek sustainable growth with minimal support from the public sector. Respondents from the public sector emphasise the important contribution that the Forum has made, and continues to make, to maintaining and developing their relationship with key companies in the region. The Forum is viewed as providing a collective voice and sounding board for testing ideas and ensuring support is directed towards the areas that need most help and development.

There was however universal agreement that the Forum was an effective mechanism to enable local producers to have a voice at the national level. Several stakeholders also stressed that it is an effective mechanism for communication in both directions, for example the Forum plays an important role in disseminating information coming from the European and national level in a way that was accessible to Forum participants, thus enabling them to remain aware of developments in the sector.

#### 4.1.6 A free service

Two stakeholders suggested that the Forum should consider charging for membership/participation, arguing that this would further increase ownership and attendance. However, this view is at odds with the majority of stakeholders we spoke with who felt that it would undermine the Forum's strengths and future attempts to increase participation. They were keen to highlight the important voluntary contribution made by many companies for the wider benefit of all that a crucial principle that underpins the ongoing success of the Forum. In the view of the majority of stakeholders, any attempt to charge to join/use the Forum would jeopardise its ongoing success.

#### 4.1.7 Duplication

We were presented with a clear view from stakeholders that the activity and support delivered by the Forum did not duplicate activity delivered by any other organisations, and that the opportunities and support on offer could not be accessed by participation companies from any other source.

Stakeholders did recognise that there could potentially be an issue in the future with the emergence of Scotland Food and Drink, but displayed a strong awareness of the need to continue to build links with Scotland Food and Drink and monitor its activity to ensure the Forum effectively compliments its work, rather than duplicate its activity. Stakeholders were again keen to stress the importance of retaining a regional body to ensure that it was both accessible and tailored to the needs of local businesses.

#### 4.1.8 Next steps

All stakeholders indicated that they were extremely happy with the operation of the Forum, stressing that the current model of the public sector providing the infrastructure, and the private sector setting the agenda, is particularly effective.

There was a widely held perception amongst stakeholders that the Forum faces an ongoing challenge in broadening and increasing participation. They were also keen to recognise that the most likely reason that this remains a challenge is due to the pressure on small and growing businesses' time. However, it also seems clear that the businesses who are most engaged with the Forum also get the most out of it, in part due to the fact they are more closely involved, and in part because they recognise the benefits of engaging closely with the Forum.

Given the positive experience of stakeholders who own a business, this would suggest that increasing both the breadth and depth of participation in the Forum would be likely to lead to increased economic benefits for both individual businesses and the region's economy. Any future approach to marketing the Forum and its activity should build on the evidence provided throughout this report of the positive impact realised by businesses who have engaged with the Forum.

Several stakeholders indicated that that is was time to raise the profile of the Forum as they cited a number of other regions that were perceived as 'punching above their weights'. Further exploration of this had led us to conclude that in terms of publicity Grampian Food Forum is significantly above other regions (ie recent press cutting exercise) and it may be more an exercise to understanding the perceptions that people have. The imminent publication of the Annual Report was viewed as a tool to help raise awareness and the profile.

Anecdotally, several stakeholders from the private sector reported that they initially engaged with the Forum because they know someone who was already engaged and saw the opportunities it presented to positively impact their business. This indicates that using current Forum users to increase participation should form a core part of future attempts to develop the Forum.

It was also suggested that there could be an increased role for the retail/service sector by integrating local produce more closely with the regions visitor experience to continue to build the area's reputation as a producer of quality foods. One suggestion included working more closely with VisitScotland to increase the number of visitor centres that stock local food and produce.

#### 4.1.9 *An ongoing need for the Grampian Food Forum?*

Stakeholders were in universal agreement that there is an ongoing need for the Grampian Food Forum, stressing the continued requirement for a local body to support local businesses. They also highlighted the length of time the Forum has been in operation, and the positive legacy of strong relationships, networking, cooperation and trust that has and continues to develop and is supporting local businesses.

As discussed above, stakeholders see an ongoing role for the Forum in protecting the interests of the food sector and businesses in the region, including focusing on engaging effectively with Scotland Food and Drink and ensuring the region continues to have a voice.

A challenge for the future will be to ensure the up and coming group of Forum champions are as passionate and committed to the Forum's continued success.

## 4.2 Participant survey

192 individuals who have participated in the Forum over the last 3 years were invited to respond to the evaluation. Representatives of participant businesses were contacted by e-mail and invited to complete our online survey. In total, 47 people (24%) representing 41 businesses responded to the survey. Follow-up telephone interviews and e-mails were also conducted with a number of respondents to provide further information and deeper understanding to the survey. Telephone interviews were conducted with businesses who were part of the stakeholder interviews.

The survey was designed to capture qualitative views on the Forum. To generate an understanding of how the Forum was performing and how it might be improved, the survey asked companies to give their views on:

- why they decided to, or continued to, participate in the Forum
- how companies became aware of and involved with the Forum
- the impacts and benefits of participating in the Forum
- current delivery of Forum events
- improving the Forum

Information regarding the impacts and benefits which the Forum had for participating businesses were also captured in the survey and will be explored in the economic impact assessment in section 5.

#### 4.2.1 Respondent profile

Feedback to the survey was segmented to display differences between the functions and size of the respondent businesses. The majority of respondents, 27(57%) were food and drink manufacturers. Food and drink manufacturers employed the greatest number of people and accounted for 5 of the 6 large businesses employing over 250 staff, however a number of small food and drink manufacturing businesses also responded. Respondents also noted business functions in the following areas.

- food and/or drink supplier – 7 (16%)
- hospitality/eating establishments – 6 (13%)
- consultants to food industry – 4 (9%)
- retailers – 3 (6%)

Respondents also included a small number of businesses not directly relating to food and drink, such as writers and publishers.

The respondent companies employ an estimated total of 6,328 full-time and part-time personnel. The majority of companies who responded were small or medium sized enterprises, employing fewer than 250 people. This accounted for 1,944 employees across all the respondent SMEs. Although only 6 large companies, employing 251 or more employees, responded, these large companies accounted for 4,384 (69%) of employees.

This response profile is therefore representative of the industry in the region.

#### 4.2.2 Awareness of Grampian Food Forum

When asked how companies had found out about the Forum, 38 individuals responded. The highest proportion of individuals 42% found out about the Forum through marketing material. Responses indicated that marketing material is significant in generating interest in the Forum. This was particularly relevant to small and medium sized businesses, with only one large employer (an establishment for further education) finding out through these means.

Other ways in which companies noted they had found about the Forum included:

- colleagues – 18%
- local council or enterprise company representatives/events – 18%
- business associates or friends - 16%
- other means - 8%

These responses indicate that much of the promotion of the Forum happens through established networks and suggests that 'word of mouth' and reputation of the Forum are important to making sure businesses are aware of the Forum.

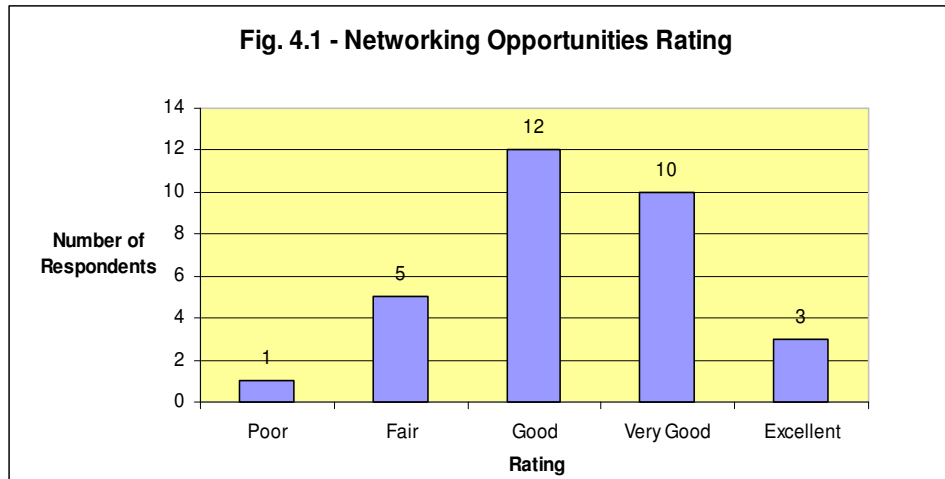
#### 4.2.3 Participation in the Forum

32 individuals responded when asked why they started, or continue, to participate with the Grampian Food Forum. The most significant reasons for participating in the Forum, identified by 53% of respondents, was the importance of the knowledge and information generated by the Forum, especially for businesses keeping up to date with food industry developments.

Other reasons which companies felt were important to their participation included:

- networking – 38%
- developing business/sales – 13%
- interesting topics – 13%
- supporting the Food Industry – 9%

Networking at Forum events was an important reason for the participation of 38% of respondents. Networking was noted as important for keeping in touch, sharing knowledge and developing sales leads. The views of the 31 respondents asked to rate the quality of networking opportunities are shown in figure 4.1.



Increasing event attendance was a common suggestion for improving networking, made by 3 of 12 respondents. 5 respondents, however, indicated that the Grampian Food Forum already operated well as a networking platform and 4 respondents were unsure how to improve networking or felt unable to comment due to their own limited attendance. 3 businesses suggested that engaging more, smaller businesses would increase networking opportunities.

#### 4.2.4 [Forum events](#)

When asked how many Forum events they had attended in the last three years, 36 individuals responded. Responses were as follows:

- 41% had attended less than three events
- 28% had attend 3-6 events
- 17% had attended 7-9 events
- 14% had attended 10 or more events

The largest number of respondents indicated that they had attended less than three events, with some respondents not having attended any events. A large number of the businesses that had attended less than 3 times were small businesses with 10 or fewer employees. These businesses often find it difficult to spare the time and the people to come along. A large proportion of Individuals who attended fewer than 3 events were not mainstream producers or suppliers and often more peripheral or more indirectly related to the food and drink industry, including business dealing in hospitality, consulting, warehousing, and higher education.

Companies which were able to attend more frequently were generally medium and large companies that were predominantly involved in food and drink manufacturing. This suggests that the Forum is perceived to be particularly relevant to food and drink manufacturing and production companies, and less relevant and therefore less attended by companies who are less directly related to the food and drink industry. This is in keeping with the Forum's aims and objectives.

When asked what stopped them from attending more Forum events, 23 individuals replied. The most noted barrier, indicated by the majority of respondents (59%) was the constraints of work and time. For medium and larger businesses this manifested itself in work commitments and pressure, while smaller businesses generally indicated that they did not have the capacity to leave their business. The problem of time and cover therefore appears particularly acute for very small businesses whose attendances are generally less frequent.

Another barrier to participation was the logistics, with 6 individuals (26%) noting that it would be difficult for them to travel to the events. Evening events such as the dining clubs, were noted as being particularly difficult to attend by some respondents.

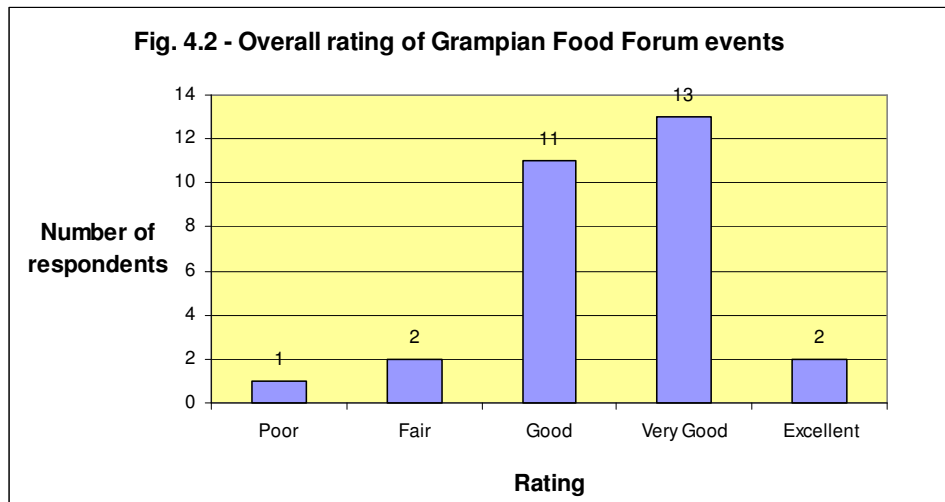
Another reason for non attendance was relevance of events, cited by 26%. One respondent felt that events such as the dining club were better suited to larger companies with many representatives, while another respondent felt events were "not always geared for medium sized enterprises [but] focused on smaller companies". This might suggest that attracting the correct audience to events could be important, as one respondent noted that they were put off from future attendances by attending an event which appeared inappropriate for their business. Our discussions with organisations that host events highlighted that the nature of the industry often results in lots of call offs, late bookings and poor responses for niche events and therefore it makes it difficult to meet industry need all the time.

38 individuals indicated which kinds of Forum events they had attended, with the majority of companies (55%) indicating that they had attended the innovation awards. Interest in innovation was also shown by 24% of respondents who attended the Innovation and Technology Group. This interest in innovation fits well with the high degree of interest in keeping up with developments in the food and drink industry which respondents noted, and shows that sharing innovation is an area in which the Forum is particularly appealing.

Other events which respondents had attended included:

- open meetings – 45%
- dining club – 37%
- workshops – 32%
- awareness visits – 24%

31 respondents gave an overall rating for the Grampian Food Forum events for the past 3 years. The results are displayed in figure 4.2 below.



The great majority of respondents (87%) rated events as either good, very good or excellent, indicating a positive reception of most Forum events, with only 13% of respondents rating Forum events as fair or poor.

#### 4.2.5 [Delivery performance](#)

The survey asked a range of questions to understand how the Forum was performing in meeting the needs of participants, and also to determine how delivery could be improved to provide participants with greater benefits.

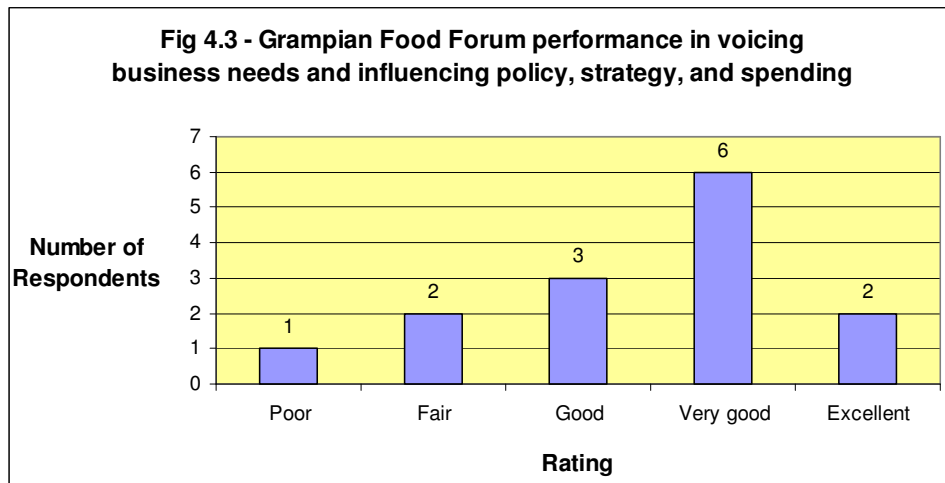
Participants were asked to explain what they felt the Forum did best. Of 20 respondents, the greatest number (55%) felt that what the Forum delivered best was a networking platform, for business to meet other companies, share experiences, and facilitating links between producers and end product users; "Grampian Food Forum provides opportunities that otherwise would not exist and these in turn open many doors and provide a valuable networking system." 2 respondents indicated that the Forum was particularly useful to small businesses, with one respondent saying it "allows them to get some promotion to a wider marketplace and readership than they would otherwise be able to achieve." Networking is particularly relevant because, as noted above, it was considered an important factor in respondents' participation with the Forum.

25% of respondents indicated that they felt that the Forum was good at providing knowledge on current and significant issues within the food and drink industry. According to one respondent the Forum "covers all current issues and [is] very informative." The suggestion that knowledge transfer is delivered well is particularly important as this was the single most important reason which respondents noted for their participation in the Forum.

All 21 respondents felt that the Forum had benefited the area, suggesting that businesses both appreciate the Forum's objectives and feel it has been effective in helping develop the food and drink industry across the region.



When participants were asked how they felt the Forum performed in voicing business needs and influencing policy, strategy, and spending priorities, most rated the Forum as good, very good or excellent as shown in the table below.



Respondents indicated that the Forum was good in this regard because it “can get people within the food and drink industry in Grampian together and they have helped us with marketing as a joint body helping promote their users”. Another respondent stated “It has raised the profile and awareness of the area as a whole and been a big support to the producers in the area.”

Lower rating responses came mostly from businesses who felt that Food Forum did not necessarily relate to their business needs. A non-manufacturing business noted the Forum “concentrates on manufacturers” and “doesn’t have significant import/support to the service industry sector”.

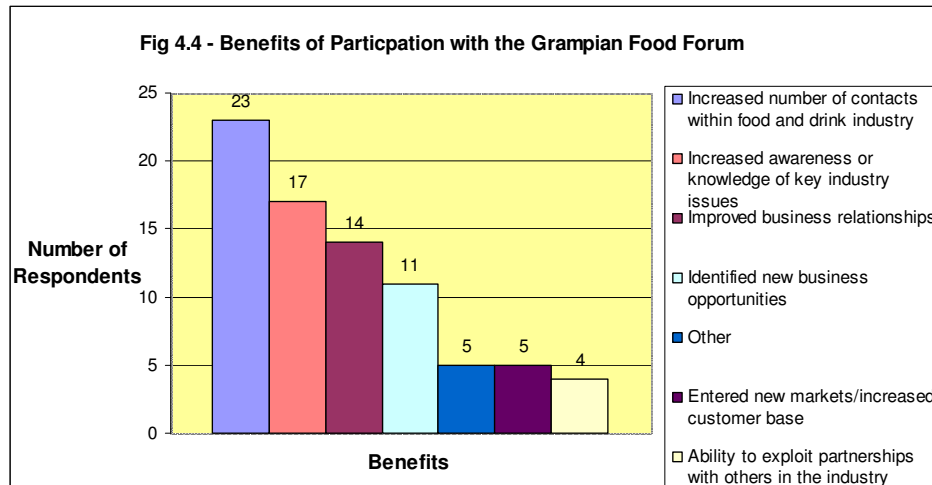
Participants were asked if there was anything the Food Forum should stop doing. 10 participants responded, and 90% indicated that there was nothing the Forum should stop doing. There was only a single recommendation for change - that the dining club was too distant and therefore inaccessible. This suggests that participants were generally content with the events and delivery of the Grampian Food Forum.

#### 4.2.6 Benefits of participation

To generate an understanding of the impact of what the Grampian Food Forum provided, the survey asked participants to give details of the benefits they accrued directly as a result of their participation in Grampian Food Forum. This data would help to make an informed economic impact assessment of the Forum.

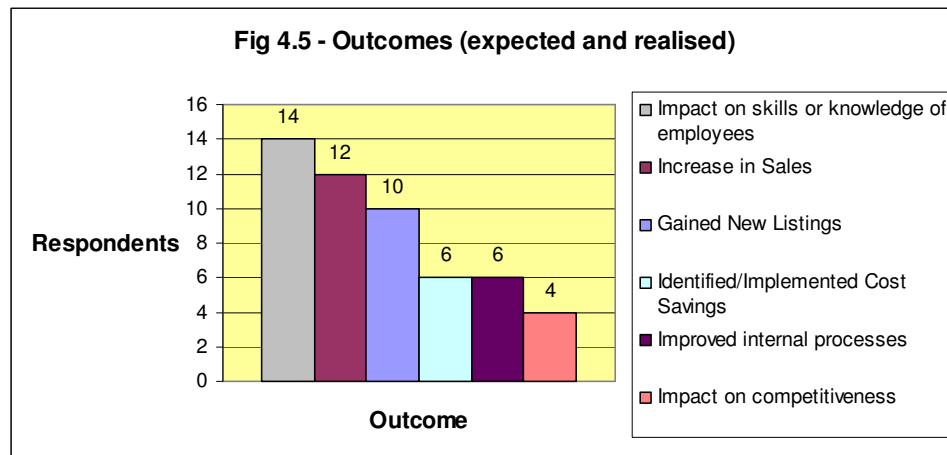
27 participants gave details of the benefits they had achieved. This represents a positive response rate given the difficulty businesses traditionally experience in attributing benefits and impacts to network initiatives such as the Forum. By far the most noted benefit was an increase in the number of contacts with the food and drink industry, noted by 23 respondents (85%). This shows the effectiveness of networking and reasserts the importance of networking that respondents indicated, above.

A full range of the benefits which respondents noted is displayed in figure 4.4.



This shows that Grampian Food Forum delivers the networking and knowledge transfer support which companies noted to be important to their participation. In addition this shows that for some businesses these benefits have resulted in new business opportunities, improved business relationships and fruitful partnerships.

It is important to the economic analysis that the survey captured not only the benefits, but also the outcomes which participants had realised as a result of their participation in the Grampian Food Forum. The details of the responses given by the 26 individuals who replied are illustrated in figure 4.5.

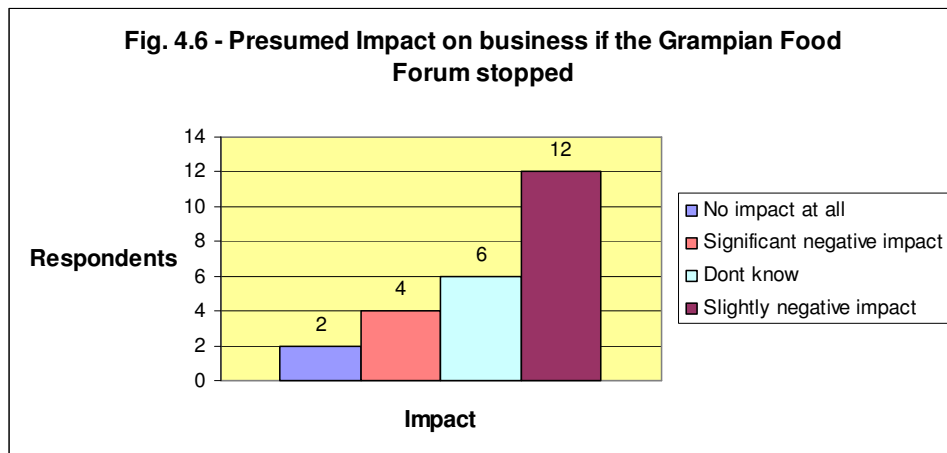


This shows that an impact on the skills and knowledge of employees was the most common outcome and illustrates the impact of the Grampian Food Forum as a medium of knowledge transfer.

It is encouraging to note that a large number of businesses attributed increase in sales, as well as the identification and implementation of cost savings, to their participation in the Grampian Food Forum. This suggests that the knowledge transferred and contacts made through the Grampian Food Forum have produced tangible business improvements for some Forum participants, therefore strengthening the Grampian food and drink industry. This strengthening of the local food and drink industry is reinforced by those businesses who noted improved competitiveness.

A small proportion, 4 companies, noted no outcomes from their participation with Grampian Food Forum suggesting that for some companies the Forum had not provided 'real' impacts to date. These companies were small companies, indirectly related to the food and drink industry, and those that had attended fewer than 3 events.

24 companies indicated what the impact on their business would be if the Grampian Food Forum stopped, and notably, only 2 small companies noted that there would be no impact at all. The overall assessment is presented in figure 4.6.



Half of the companies that responded indicated that if the Food Forum stopped there would be a slightly negative impact and a further 4 companies indicated it would have a significant negative impact. One respondent stated "I would lose a valuable asset which has allowed me to expand my knowledge and to meet so many people". Although most businesses felt they would face negative impacts if the Food Forum stopped, the Forum was not generally considered essential to business survival. However these results do suggest that the Grampian Food Forum provide a valuable service to food and drink companies. One respondent stated "In these fast days of advanced technology it is impossible for any one person to know everything so it is a priceless asset to know that no matter what, you can have the back up of Grampian Food Forum." This is strong evidence to suggest that the Grampian Food Forum is providing a valuable asset to many Grampian food and drink based businesses.

### 4.3 Non Participant Survey

189 individuals related to the food and drink industry, who have not participated in the Forum activities, were invited to respond to the evaluation. Representatives of non-participant businesses were contacted by e-mail and invited to complete our online survey. Only 10 businesses (5%) responded to the survey.

The survey was designed to capture outside perspectives on the Grampian Food Forum and to generate an understanding of non-participant companies' awareness and understanding of the Grampian Food Forum, and why they were not participating with the Grampian Food Forum.

9 of the 10 business (90%) who responded were small or medium sized enterprises and 1 company was a large business employing more than 250 staff. 7 of the SMEs were particularly small businesses employing 10 or fewer staff.

#### 4.3.1 Awareness and understanding of the Grampian Food Forum

8 of the 10 respondent companies were aware of the Grampian Food Forum. 7 of the 10 respondent companies (70%) had found out about the Grampian Food Forum through marketing material. This aligns with the indications from participating businesses which also showed that marketing material was significant. Colleagues, friends and business associates were also means by which non-participating businesses had found out about the Grampian Food Forum, again suggesting promotion through word of mouth and food and drink networks are important to developing awareness of the Grampian Food Forum.

6 businesses responded with their views of what they thought of when thinking about the Grampian Food Forum. All 6 respondents associated the Grampian Food Forum with the food and drink industry in Grampian. Four businesses gave fuller explanations and indicated that the Forum was to help and to promote the local food and drink industry – “A Local Government funded body which involves local food industry companies in its marketing interests. Providing a link between both bodies and, hopefully, improving the success of food related businesses in the Grampian area”

#### 4.3.2 Engagement with the Grampian Food Forum

The survey asked non participant business a number of questions to understand their relationship with the Grampian Food Forum. 8 Businesses responded when asked if they had attended Grampian Food Forum events, with 6 indicating they had previously attended. Those who had not attended were small businesses and indicated that they had not attended, predominantly due to other commitments or constraints on time and costs. Lack of interest in subjects was also a factor. This is perhaps unsurprising as these were problems in attendance also noted by small businesses who participate in the Forum

6 companies indicated how many events they had attended. 5 small companies attending less than 3 events and the large company attended 3-6 events. Although it is difficult to tell from such a small sample, these responses appear to represent the greater difficulty for attendance for small companies. All of the 4 businesses that indicated why they did not attend more events, including the only large company, said that other commitments and/or time constraints were a barrier, suggesting that these pressures apply to all businesses. Looking at attendance figures however, small businesses nevertheless appear less capable of overcoming these barriers.

Reasons given for previously participating in the Forum were given by 5 businesses:

- businesses noted that they wanted to use the Forum as a means to develop their business
- one business noted it had topics relevant to their business
- one business noted that they participated because they were interested in local food

This corresponds to the reasons given by current Forum participants for their involvement and shows that the main reasons for participation within respondents relate to knowledge transfer as a means for business development.

#### 4.3.3 Increasing attendance

5 businesses responded with what they felt would make them more likely to engage with the Forum in the future. 2 businesses noted that interesting and relevant topics would attract them, with one large company suggesting that several seminars could be run on the same night to allow guests to pick topics which are relevant to them. Other ideas for improving attendance included:

- lower costs
- more notice for upcoming events

#### 4.3.4 Further interest in the Grampian Food Forum

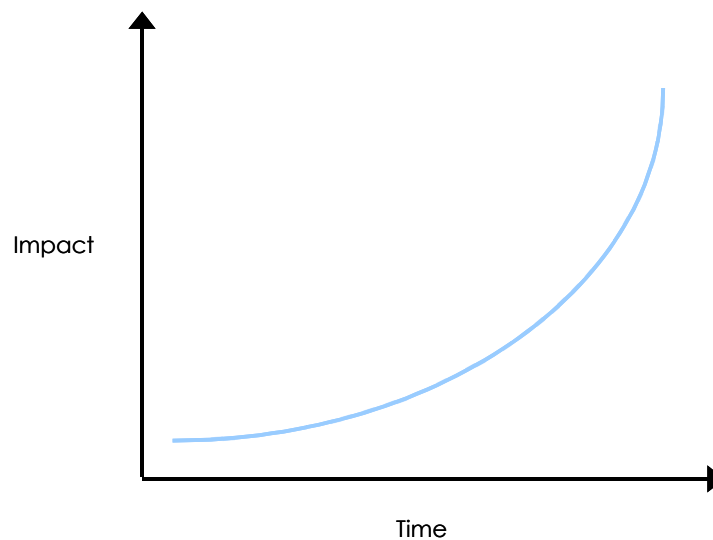
7 companies indicated that they would like to know more about the Forum. Of these, 4 companies indicating that they already received Food Matters and 3 companies saying that they would like to be added to the mailing list.

## 5 Economic Impact

In this section we outline the directly attributed quantifiable economic impact of the Grampian Food Forum. Only seven businesses were able to directly quantify the economic impact of engaging with the Forum; this is not unusual with regards to initiatives that produce 'soft' outcomes (e.g. increased contacts, networking). Many businesses do not recognise or attribute the impact that a new contact made at an event, for example, has had on their business. This chapter addresses the quantified, directly attributable economic impact; the full range of unquantified outcomes and impact identified by participating businesses is addressed in section 3.2.

It is also worth recognising that the relationships, networks and sharing of information that has already taken place at Forum events will continue to deliver increasing impacts over time. These can be regarded as 'slow burners', and the likely pipeline effect can be expressed in the graph below, where outcomes already achieved deliver increased impact over time.

Figure 5.1



### 5.1 Quantifiable impact

Quantifying the economic impact of the Forum is key to defining:

- the extent to which it is delivering for users
- the extent to which it is delivering for the Scottish economy

The surveys indicate the Forum is delivering a wide range of outcomes and impacts for participants. Many of these are characterised by long 'lag' times before the outcome results in a quantifiable impact. Our e-survey provides strong evidence that many users feel it is too soon to tell – or they are unable to identify - what the measurable impact on their business is likely to be. The economic impact identified in this section should therefore be viewed as an indicator of what the Forum can deliver, and be considered in the context of the wider outcome and impacts identified by participating companies.

Reflecting the time lag issue and many of the 'soft' outcomes generated by the network, only seven respondents were able to provide quantified evidence of economic impact. This was despite probing during follow-up telephone conversations.

The figures below have been produced in line with current Scottish Enterprise guidance on producing economic impact figures.

## 5.2 Gross impact

The figure below shows the impacts businesses were able to quantify and attribute to the Forum. As can be seen from the table below, the Forum is delivering a wide range of impacts – both by type and by value - even within the small number of businesses who were able to provide quantifiable impacts.

As can be seen from the table below, in addition to increased sales of £678,000 per annum, participating companies have attributed £77,000 of benefits realised in terms of cost savings, impact on employees skills/knowledge, improved internal processes and increase in competitiveness.

**Figure 5.2: Gross annual impact on key business performance measures**

	No. of businesses able to quantify	Total quantified increase (p/a)	Range	
			Low	High
Increase sales	6	£678,000	£13,000	£200,000
Cost savings	1	£10,000	£10,000	£10,000
Value of impact on skills or knowledge of employees	2	£12,000	£2,000	£10,000
Improved internal processes	2	£30,000	£5,000	£25,000
Increased competitiveness	1	£25,000	£25,000	£25,000

## 5.3 Net impact (turnover)

We have developed the net impact figure in line with Scottish Enterprise guidance. The assumptions we have used take account of:

- leakage
- displacement
- substitution
- industry specific Scottish Executive Type II multiplier
- deadweight

Rather than apply a national multiplier at the local level, we have used half of the national multiplier to establish the impact at the local (regional) level. This approach takes account of Grampian's role within the wider Scottish economy, and therefore gives an indication of the impact at the regional level.

The local net impact figure attributed to the Forum is £331,978, and the national net impact figure is £663,957. It is again worth stressing that is likely to significantly underestimate the net impact delivered by the Forum, given that only seven businesses were able to quantify the impacts. It should therefore be viewed as the impact realised by seven companies who have engaged with the Forum, and therefore be indicative of potential benefits that can be realised by businesses who engage with the Forum.

**Figure 5.3: Projected annual net impact**

	<b>Local (£)</b>	<b>National (£)</b>
Net impact	331,978	663,957

#### 5.4 GVA Impact

We have used the net impact figures to calculate the attributable annual net GVA for the Forum. We have produced projections for annual attributable net GVA at both the local and national level using industry specific GVA multipliers drawn from the most up to date annual business inquiry. Again, this should be viewed as the net GVA generated by seven businesses who have engaged with the Forum, and therefore an example of the GVA impact it is delivering.

The directly attributed local net GVA increase is £125,819, and the directly attributed national net GVA increase is £251,639.

**Figure 5.3: Projected annual net GVA increase**

	<b>Local (£)</b>	<b>National (£)</b>
GVA increase	125,819	251,639



## 6 Conclusions

The Grampian food and drink industry remains an important part of both the local and national economy. The sector has recently faced a number of ongoing challenges, many of which present common challenges to many businesses (e.g. BSE, transport logistics, increasing competition, pressure from buyers/supermarkets). Our fieldwork strongly indicates that users continue to regard the Forum as a valuable resource to discuss common problems, share experience and best practice and identify opportunities to cooperate where opportunities for collaboration arise.

The Forum is now well established, which has resulted in strong relationships between companies who engage on a regular basis. The operation of the Forum is one of its core strengths with stakeholders displaying a clear and common understanding of its aims and objectives. They also report that the public sector provides the infrastructure to allow businesses within the region to work together in an environment of trust and cooperation. The evidence presented in this report strongly suggests that this is enabling the private sector to set the agenda for the industry in the region, and effectively communicate this to public sector partners. Public sector partners in turn report that the Forum is a particularly effective way for them to maintain key relationships with businesses in the region.

Events delivered through the Forum are also helping to build the profile of Grampian as a food and drink producing region. The events act as an effective showcase for what food is produced in the region, while larger companies who engage with the Forum bring a credibility both to the Forum itself and its events. Users of the Forum indicate that, taken together, this is helping to build the profile – and an association – of Grampian as a producer of quality food.

Members of the steering group report that the Forum is particularly effective in leveraging individual companies' contacts for the wider benefit of the producing community. Particular examples of this include meet the buyer events, which provide smaller producers with direct access to research and buyer teams of large distributors/supermarkets. They would not be able to get this access without the Forum, and these are understandably the most well attended events, most likely because users of the Forum view these as the events that can most directly have a positive effect on their bottom line.

The survey of businesses indicates that participating companies benefit in many different ways. This is reflected by the high proportion (over 90%) who rated Grampian Food Forum events as good, very good or excellent. The Forum may wish to consider highlighting the full range to current and prospective users to ensure that users are fully aware of the full range of impacts and benefits that engaging with the Forum can have on their business. This could also potentially help to increase the number of events current users attend (over 69% of respondents had attended 6 or less events in the last 3 years) by highlighting the relevance and potential benefit of an event to their business.

It therefore is clear that the Forum is providing a unique and beneficial service to food businesses in the North East, and does not duplicate activity delivered elsewhere.

Only seven companies were able to quantify the economic impact of the Forum on their business. This not only highlights the difficulty that businesses experience in attributing positive business outcomes to attendance at a networking event, but also suggests that businesses continue to struggle to clearly see in advance the value of investing time – a scarce resource for many businesses – into an activity which they do not perceive as having a direct impact on their business.

Increasing the number of users remains an ongoing challenge for the Forum. Significant efforts have been made to expand beyond current users and into the wider local food and drink industry. This evaluation provides further evidence for these efforts, and the Forum may wish to use this evidence to focus future activity on the existence of the Forum and how it does, but instead on how this can benefit a prospective recruits business. In addition, anecdotal evidence provided by stakeholders from the private sector – the businesses most involved in the industry – indicate that personal relationships were a particular motivation for their initial engagement. Personal contacts should therefore be recognised as an effective way of engaging people with the Forum, and are therefore likely to represent an effective avenue for future recruitment.

In addition to encouraging more businesses to join the Forum, several stakeholders suggested that the Forum may wish to consider increasing its penetration within businesses who are already users. This will help to ensure the sustainable engagement of businesses with the Forum, and reduce the risk that a business will cease to engage when an individual moves on. Such an approach would offer the further advantages of ensuring succession within the Forum, and the depth of its engagement particularly within larger businesses.

It is also important to note the changing context within which the Forum operates, notably with the emergence of Scotland Food and Drink. Our fieldwork indicates that there is very much still a requirement for the Forum to act as a regional body that acts as an effective network and represents the interests of local businesses. The challenge for the Forum will be to build strong relationships with the new organisation, ensuring that the activities of each organisation complement each other.