

EXPORT DEVELOPMENT SERVICE

EVALUATION - FINAL REPORT



March 2017

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List of Abbreviations

Abbreviation	Definition
CE	Client Executive
CPD	Central Procurement Directorate
DfE	Department for Economy
EDS	Export Development Service
FTE	Full Time Equivalent
GB	Great Britain
GVA	Gross Value Added
NPV	Net Present Value
OMIS	Overseas Market Introduction Service
PfG	Programme for Government
ROI	Republic of Ireland
S75	Section 75
SMART	Specific, Measurable, Achievable, Realistic and Time-bound
SMEs	Small and Medium Sized Enterprises
TAS	Trade Advisory Service
TE	Trade Executive
TOR	Terms of Reference
VFM	Value for Money

EXECUTIVE SUMMARY

Introduction

Invest NI has commissioned Capaxo Limited and its Consortium Partners (referred to as the Evaluation Team) to undertake an evaluation of the Export Development Service ('EDS') for the period from July 2013 to September 2016 and projected to July 2017.

The EDS is a Trade Team support tool that seeks to support Invest NI client companies in the area of export development in the geographic markets of GB and ROI; through the guise of market research, market scoping, market entry planning, lead generation and capability development through an appointed framework of Export Advisers. The referred framework appointed 27 consultants from across 15 companies in 21 sector areas.

The Evaluation Approach

The evaluation has been undertaken in line with national and regional requirements. It is compliant with Central Government guidance including:

- "The Green Book: Appraisal and Evaluation in Central Government", HM Treasury 2003;
- "The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), 2009 Edition", Department of Finance and Personnel; and
- "The Magenta Book: Guidance for Evaluation".

In conducting the evaluation the Evaluation Team undertook the following primary research:

1. Consultation with key stakeholders including NI other Trade support providers, sector bodies and Invest NI staff;
2. Telephone survey of 40 companies in receipt of EDS Export Adviser one-to-one consultancy or trade show consultancy support;
3. Telephone consultation with 15 client executives;
4. Survey of 10 consultants on the Expert Adviser Framework; and
5. Benchmarking with Wales Trade Programme, Enterprise Ireland, InterTradeIreland and Scottish Enterprise.

Strategic Context & Rationale

At the time of EDS's approval the key strategic driver for Government to support export development was sourced from the Programme for Government, which called for a larger, more export driven private sector. In the period of this EDS framework, government's focus on the role of exports (including external sales), in terms of facilitating growth of the economy, is now more strongly evident in the current Draft Programme for Government, the Economic Strategy and Draft Industrial Strategy; all of which are underpinned by the Export Matters Action Plan.

The Export Matters Action Plan sets key goals in terms of both growing the value of exports, but also increasing the number of businesses engaged in sales outside of Northern Ireland. In support of this call, Export Matters calls for co-ordination amongst support agencies to optimise the value and appropriateness of the support and to eliminate duplication.

Programme Activity

Through the EDS Export Adviser Framework, the EDS provides the Trade and Client Executive Team within Invest NI with sector-specific Export Advisers on a call-off basis that deliver the following three services:

- EDS Export Advisers deliver one-to-one consultancy support to businesses to enable them to identify and address barriers to export trade.
- Trade Show Support Consultancy whereby the Trade Team utilises the sector experience of the Export Adviser to support companies to attend Exhibitions/Conferences/Meet the Buyer Events in GB or ROI.
- The EDS provides a call-off framework and budget from which the Invest NI Sector and Regional Teams commission sector studies, where there is a "clear justification and demand" for same.

The referred Export Advisers have delivered 137 projects in the timeframe of the evaluation; with the average one to one project consisting of 8 days support per company or 7.33 days support per project delivered over an average duration of 3.4 months. The majority (70%) of projects were delivered by six of the 27 Export Advisers in the guise of one to one support to 117 companies (of which 11 received two EDS supports) and trade show support to nine companies. In addition, there were 16 sector-specific studies/other trade event support projects completed.

The 137 projects were delivered across 21 sectors, with the construction sector benefiting from the highest level (25% of projects) of uptake of the EDS consultancy service; whilst tourism had nil projects and there was minimal uptake (one contract per sector) amongst the biotechnology and diagnostics and the food and drink sectors. A review of the profile of throughput of project shows that there has been a sizable drop in the number of companies in receipt of EDS support in 2016 and 2017; perhaps due to a number of factors including the removal of export market screening, the restructuring of the Trade Team; wider restructuring the Invest NI client base; and the difficult economic climate with some businesses focusing on the home market.

A review of the nature of the companies supported by one to one consultancy shows that 74% were micro and small businesses; with a similarly high level (84%) already have export experience (based on project brief data held). The type of support varied greatly by the company size and exporter status, resulting in there being no such thing as a “typical” EDS one to one project.

Nine companies were provided with consultancy support around a trade show, of which there were four - Interiors Design Summit (Oct 2013), CIH Housing Conference (June 2014), 2015 Offsite Construction Show and the 2015 Web Summit. Support was received in the main by existing exporters of varying sizes and sector, and with a predominance on construction and interiors.

The sectoral reports related to a range of industries, with support provided both on a reactive company by company basis and proactively on a sector basis (to a limited extent).

Impact

The EDS is focused on assisting company development in the following areas: completing market research, identification of market dynamics, competitor analysis, provision of advice on export action planning and capability development; in addition to assisting companies exploit market opportunities through lead generation. For some companies these activities are anticipated to lead to sales in their target markets.

As part of the survey of companies completed, it was identified that almost half (44%) of companies achieved benefits in the form of better strategic direction; the development of new products; increased sales in the home market; the reduction in costs; idea generation; and new networks / market insights. In some cases the engagement with EDS informed business /planning/strategic decision making in areas such as:

- Not pursuing a market, thereby saving time and resources entering the wrong market (see Case Study Four);
- Expanding production capacity and securing additional accreditation, having validated the existence of the market opportunity (see Case Study Two);
- Business process improvement.

A review of the evaluation survey of companies also identified that the EDS has had a quantitative monetary impact, with 55% of companies achieving actual or projected sales increases, with an estimated gross value of between £7.3m and £8.7m. Applying adjustments for deadweight and GVA, the impact is then estimated at between £0.51m and £1.0m. The Evaluation Team considers that this estimation is on the prudent side as:

- It does not take account of the full EDS impact on the basis of the short time lag between the EDS support being provided to companies and the evaluation survey being undertaken, particularly for companies supported in the 2015/16 period.
- Companies that were in a position to put a value on the impact to date did not provide any further anticipated impacts;
- The anticipated sales estimates (for companies that stated they had not yet realised sales but anticipated doing so in the future) are based on prudent estimates of average sales increases experienced to date, despite the fact that there is evidence of some significant outliers e.g. one company reported impact of £2m.

Consultations and Company Satisfaction

The feedback on the EDS was positive from both the participant company's perspective and the wider consultation audience, which included the Client Executive group. Overall, the EDS is a well-regarded support tool that has the flexibility to, in the main, meet clients' needs across variations in company scale, sector and exporting experience; with the service providing an agile and quickly actioned response through credible marketing consultants.

Consultation indicated that there is a strong focus on enabling and increasing exports by NI companies; with the near markets of GB and ROI regarded as the extent of some companies exporting remit or in other instances, a stepping stone to other markets further afield.

Notwithstanding the referred high regard for flexibility and agility, there were a number of consultees who were not as aware of the objectives of the service; with a general lack of awareness as to where EDS is positioned in the Export Matters Export Escalator scale, both currently and in the future. This was reaffirmed through varying views from the Client Executive group as to the target exporter status of participant companies i.e. new, less experienced or experienced exporters.

Awareness of the EDS was considered to be good generally within Invest NI but there was a call for better external awareness raising of same so that there is clarity of what is available to companies.

Programme Finance

The cost of the EDS consists mainly of the Export Adviser remuneration (based on the agreed daily rate at the framework procurement stage) and the cost of Invest NI EDS Team, which reduced substantially in September 2015 following the restructuring of the Trade Team. Actual full economic costs to date and projected costs to July 2017 is £920,143 and £1,155,315 respectively.

Recommendations

1. It is recommended that Invest NI, either itself for internal use or jointly with the Export Matters team, clearly define company exporting classifications across the exporter sophistication range that align to the Export Pathway within the Export Matters report and that this is used consistently by Invest NI.
2. It is considered appropriate that the Invest NI suite of trade supports is mapped to the Export Matters models, with an analysis undertaken to understand if the client base is being supported to progress through the supports and if there are any gaps in the progression pathway from new exporter outside NI, to new exporter outside GB and ROI, etc.
3. Invest NI to, based on the outworkings of Recommendation One and Two, determine the most appropriate format for the new EDS and how that will be structured. The Evaluation Team notes the following in this regard:

Sectoral Spread and Framework Appointment
<p>There are two key areas for Invest NI to consider in this regard:</p> <ul style="list-style-type: none">• The redefinition of the sectors - with the key options being to review and consolidate the current list based on the throughput data held and feedback received e.g. remove sectors with low throughput e.g. tourism and food and to redefine the IT-related sectors into one sector; or to broaden the scope of the sector definitions in line with the draft Industry Strategy; and• The preferred framework approach with options being:<ul style="list-style-type: none">• To retain the waterfall system (with three providers);• The appointment of a primary framework of approved providers that is subjected to secondary competitions as required. <p>It is noted that the latter approach would allow the needs of clients to be tested against supplier's experience at the secondary competition stage, however, it could be administratively onerous and would place the requirement of project definition onto the client, when a core aspect of the current EDS is the ability of the provider to assist the client in developing an appropriate project brief.</p>

Selection Criteria
<p>The appropriateness of having full availability of the EDS to client companies, regardless of export status or size, is not considered appropriate, primarily on the basis of additionality and strategic fit.</p> <p>Invest NI should consider the introduction of selection criteria around the following eligibility parameters:</p> <ul style="list-style-type: none"> • Company size (for example restricting EDS support to micro, small or medium companies); and • Company baseline export levels (for example lower than 30% in the target market of GB or ROI); and/or • Company baseline export levels of greater than 30% are permissible in defined circumstances e.g. where a construction company is seeking to directly enter a market, as opposed to being a sub-contractor to another NI firm.
Charging Policy
<p>Based on feedback and benchmarking, due consideration should be given to reducing the existing contribution level for micro businesses.</p>
Format of the EDS
<p>Due consideration should be given to the following:</p> <ul style="list-style-type: none"> • Export market screening appears to be a newly emerging gap in the Invest NI export development supports provided. It is recommended that this is either permitted through EDS or covered in another support mechanism in the evolving Trade Team export development portfolio; • One to one support should continue to be managed so as to allocate the minimum level of days through the EDS Export Adviser, with discretion retained by Invest NI EDS Team as to the appropriateness of the day allocation to the task and outcomes proposed; • Informed by the decisions taken with respect to the definition of sectors, due consideration to be given to the introduction of generalist and sectoral-specific support through EDS, particularly if the focus shifts predominantly to new or less experienced exporters; and • Sectoral reports are prepared on demand in response to identified needs, with no strategic approach to ensuring appropriate advice to key sectors (as noted by MATRIX and in the draft Industrial Strategy). This should be rectified through a new joint planning approach with sectoral teams, with, say, a one year forward plan agreed.
Management of the EDS
<p>The Evaluation Team would suggest the following amendment to the operation of the EDS:</p> <ul style="list-style-type: none"> • Invest NI should consistently record when companies disengage, including rationale for doing so. • The application form and/or project brief should categorise the project into the five categories (see Section 1.3.4) of support and should clearly state if the company is currently exporting and if so, provide details of same. • At a programme level, output targets should be set for the number of companies supported, disaggregated between new and less experienced exporters (with clear definitions of both categories provided). • At a project level, a number of SMART outcomes should be set and then monitored post EDS. • Monitoring approach revised to survey companies within six months after the support and again at the evaluation stage - whilst the Welsh model is best practice (whereby the company is contacted until they state that either the intervention is no longer relevant or unlikely to deliver any results) it is not considered cost effective in the case of the EDS. • Whilst there is an informal mechanism of feedback to companies, going forward there should be formalised sharing of client satisfaction survey with the Export Adviser to ensure that lessons learned or constructive feedback is factored into the next project.

1. INTRODUCTION AND BACKGROUND

1.1 Introduction

Invest NI has commissioned Capaxo Limited and its Consortium Partners (referred to as the Evaluation Team) to undertake an evaluation of the Export Development Service ('EDS') for the period from July 2013 to September 2016 and projected to July 2017. The evaluation has been undertaken in line with national and regional requirements. It is compliant with Central Government guidance including:

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This section of the report considers the background to the EDS and the objectives of the Evaluation.

The Evaluation Team notes that in the context of this report, reference to "exports" includes external sales to GB.

1.2 Invest NI Trade Solutions Support

Invest NI's suite of support for improving export sales, formerly known as the Passport to Export Programme, was first launched in March 2004. Since then the Trade Teams have undergone a number of changes, the key one being that instead of teams being sector-focused, they are, since September 2015, geographically focused; with the key target market teams being IMEA & Great Britain, Europe & Russia (incl. ROI), Asia Pacific, and the Americas.

Detail of the suite of supports available through the Trade Team and other relevant supports are provided below.

Trade Team Support Tools/ Services plus others ¹	Description
Export Ready Tool	<p>Provided through the nibusinessinfo.co.uk portal this online tool helps a company identify the steps needed to succeed in export markets and find the right support to bring products or services to market. The tool is aimed at all businesses in Northern Ireland.</p> <p>The tool consists of up to 13 questions, after which time the participant company receives an emailed personalised report. This report gives generic advice on what is involved with selling your goods and services overseas, as well as access signposting participants to resources, expert advice and financial support packages.</p> <p>The website notes "<i>whether you are exporting for the first time or already exporting, find out how to improve profitability and prepare your business for international trade. Exporting goods and services requires a great export strategy, which is why it is crucial you get the best possible export advice.</i>"</p>
Export Skills and Knowledge Workshops	<p>These workshops provide companies with up to 1.5 days support, consisting of one day one-to-many workshop and a half day one to one mentoring thereafter. The format of the workshop is as follows:</p> <p>Core Export Knowledge Workshops: These are aimed at those involved in the planning, management and delivery of the company export process and essentially provide the tools to develop an export action plan. Topics include:</p> <ul style="list-style-type: none">• Targeting your Export Markets• Researching your Export Markets• Developing your Export Markets• Managing Export Sales Channels

¹Export Ready Tool, Export Skills and Knowledge Workshops, Business Information Centre, Enterprise Europe Network and UK Export Finance are not managed by the Trade Team

Trade Team Support Tools/ Services plus others ¹	Description
	<p>Essential Export Skills Workshops: These are aimed at those with operational responsibility for export business or senior staff who want a more thorough understanding of the processes and practicalities of exporting. Topics include:</p> <ul style="list-style-type: none"> • Key Account Management • Negotiation Skills • Sales Prospecting • Selling Skills • ROI Selling Skills <p>The cost of this workshop to the participant company is £75 per person per workshop.</p>
Business Information Centre	<p>The business information centre is based in Invest NI headquarters in Bedford Street, Belfast, and provides open access to companies seeking to find information about markets around the world.</p> <p>The centre contains extensive market intelligence, including market reports, company databases, worldwide business directories, trade publications, guidance on import/export procedures, potential funding sources, and legal agreements.</p> <p>Invest NI also provide a Tender Alert Service (Tendertap) enabling companies to identify local and international contract opportunities from a wide range of public sector organisations.</p>
Export Development Service (as per the subject of this Evaluation)	<p>Export Development Service (EDS) offers one-to-one support from an Export Adviser to help identify and address company-specific challenges to selling successfully outside Northern Ireland. A tailored plan to address these challenges is then developed in conjunction with an EDS Export Adviser and Invest NI.</p> <p>EDS is primarily focused on the GB and RoI markets and can be used for:</p> <ul style="list-style-type: none"> • Market Research • Market Scoping • Market Entry Planning • Lead Generation <p>EDS is available to businesses who can demonstrate they have the potential to sell outside Northern Ireland, but are not yet trading internationally, or those businesses that are exporting but have the potential to expand into new markets. 126 companies have been supported between July 2013 and September 2016. A project can be up to 10 days. The Export Advisers were appointed by sector specialism through competitive tender via CPD. The cost to the participant company is £125 per person per day (previously £100 per day) plus VAT.</p>
Trade Advisory Service	<p>This service offers access to in-market Export Advisers based in countries around the world. Currently there are trade advisers based in Brazil, China (Beijing and Shanghai), Kuala Lumpur, Singapore, Australia, Dubai, Europe, Russia, Saudi Arabia, South Africa and the United States of America. Advisers can provide support with:</p> <ul style="list-style-type: none"> • Overseas market research • Market entry strategies • Targeting and lead generation • Practical advice and guidance on how to break into overseas markets <p>A project can be up to 10 days and can be used in conjunction with participation on an Invest NI Trade Mission/Exhibition, or as a standalone project where a company is researching a specific market.</p> <p>TAS is delivered either by an Invest NI overseas office or by an overseas external provider. TAS services are managed by the individual geographical teams in Trade, namely The Americas; Asia Pacific; Europe & Russia; India, Middle East, Africa. The external consultants are appointed by competitive tender via CPD.</p> <p>The cost to the participant company is £125 per day plus VAT.</p>
Overseas Market Introduction Service	<p>The UK Department for International Trade, through its overseas network, supports businesses to develop tailored export plans to enter new markets. If your</p>

Trade Team Support Tools/ Services plus others ¹	Description
	<p>company is based in the UK, the Overseas Market Introduction Service (OMIS) can help to:</p> <ul style="list-style-type: none"> • Access the right international contacts or partners; • Find the best way to do business in a market; • Achieve a successful market entry strategy; and • Increase profits by using effective overseas promotion. <p>Companies must contact Invest NI prior to an OMIS application in order for assistance to be considered. The cost to participant is £125 + VAT per 8 hours.</p>
Invest NI Overseas Events Programme	The Trade Team offer a programme of international trade missions and exhibitions.
Export Market Visits	Export Market Visits supports companies to independently visit a new market, to promote a new product, or to attend an event not included in Invest NI's Overseas Events Programme. There is grant assistance towards these visits.
Solex	SOLEX provides assistance to eligible companies to exhibit independently at an approved business-to-business trade show outside Northern Ireland where Invest Northern Ireland does not have a presence. SOLEX is open to SME Invest NI clients in either the tradeable services or manufacturing sectors. The support is up to 50% of stand costs of up to £2,000; with contribution to accommodation costs also permissible (subject to limits).
Going Dutch and Czech It Out	<p>This supports companies to explore new opportunities in the Netherlands or the Czech Republic; support is as follows:</p> <p>The Going Dutch programme targets small businesses that have an internationally tradeable product or service but little or no experience of selling outside the UK. The Czech It Out programme targets companies that have some level of export sales into one or more overseas markets.</p> <p>Cost to the participant company is £1,000 plus VAT.</p>
Translation/ Interpretation/ Legal Services	<p>To help companies to develop export sales in a new or challenging market, Invest NI may also provide financial assistance towards the cost of:</p> <ul style="list-style-type: none"> • Translation of marketing collateral, including website and online activity, where the client can demonstrate that they are actively engaged in developing that particular market. • Interpreting services at an Invest NI organised event (i.e. trade missions and exhibitions). • Specialist legal services in the preparation of agent or distributor agreements and establishing a legal entity in the export market. <p>There is grant assistance towards this activity.</p>
Enterprise Europe Network	Invest NI is the regional host organisation for the Enterprise Europe Network (EEN), the world's largest business support network, with 600 partner organisations in over 50 countries helping businesses innovate, grow and succeed. In conjunction with Innovate UK, EEN can help SMEs in the UK access support services from a single source.
UK Export Finance	UK Export Finance is the Government department that works with companies, banks and overseas buyers to support financing of UK Exports and Investments across the world. They provide guarantees and insurance policies that complement those on offer in the private sector and guidance on sources of export finance.

1.3 Export Development Service

1.3.1 Background

The Trade Team support tool that is subject to this evaluation is the EDS, which was started in 2010 through the establishment of the first framework (for the period from 2010 to 2013). The current EDS Export Adviser framework was established in 2013 (and runs until July 2017).

Prior to the introduction of the EDS in 2010, Invest NI's Trade Team offered three separate export advisory services under the Passport to Export banner from 2004. These services covered all the strands of export consultancy now included in the EDS. Appointed by competitive tender, consultants delivered services to Invest NI Trade clients via:

- GB Market Research Scheme (GB MRS) - introduced 2004, extended annually until 2007. Retendered and contract expired October 2008;
- Export Advisory Service (EAS) - introduced 2004, extended annually and retendered in 2007. The new contract ran until November 2008 and was granted a four-month extension through to March 2009; and
- Developing Export Sales Service (DESS) - introduced in 2008, the DESS was established as part of Invest NI's Boosting Business initiative, which focused on assisting businesses post-credit crunch. This service had expert sector advisers, split between those experienced in advising existing exporters and those experienced with advising businesses with no prior exporting history; and appointed across a number of sectors. This service, which was the key export tool used following the expiration of the GB MRS and EAS, expired in September 2010.

Throughout the history of the EDS, it has always been targeted at businesses considered by Invest NI to have the potential to export but who are not yet trading internationally and those businesses that are already exporting but have the potential to expand further through the development of new export markets. In addition, it has always appointed sector-specific advisers and had a primary geographic market focus of Great Britain and the Republic of Ireland.

1.3.2 Objectives

The EDS has the following objectives, as cited in EDS guidance documentation:

- To help new and less experienced Northern Ireland exporters to exploit export sales opportunities by offering advice and support on research and export action and planning, capability development and the identification of market opportunities.
- To develop a company's awareness of their strengths, support them to identify and understand the potential risks of developing export markets and improve their ability to grow their business through exporting.

The Evaluation Team notes that the first of the two EDS objectives is at odds with the following citation from within the business case approving the EDS:

"Invest NI's current tender for the EDS is due to complete in May 2013 and a new framework will be required going forward. This business case seeks approval for the establishment of a new framework of service providers to deliver export consultancy support to NI companies, including both new and experienced exporters, across a range of sectors."

The Evaluation Team notes at the outset of this report that there are no clear definitions as to what constitutes "new", "less experienced" or "experienced" exporters, which is a discussion point further taken up in Section 9.

1.3.3 Eligibility and Exclusions

The following parameters prevail with respect to eligibility and exclusions.

- Company Eligibility

The EDS was originally developed for Invest NI client companies, where client companies are typically defined as follows:

A company that has, or has aspirations to achieve within three years, annual turnover of £250,000, of which at least 25% is export focused.

Following the credit crunch, and within the Boosting Business support budgets, it was opened to the wider business base in 2008. This reverted to being available to only Invest NI client companies from 2013.

Throughout the current framework period (from July 2013) the EDS services have been available to client companies, regardless of size or internal Invest NI classification e.g. pre-entry through to account managed, that are engaged in activities in the following 23 sectors (with associated description contained in Appendix I):

Defined EDS Sectors	
<ul style="list-style-type: none">• Aerospace• Biotechnology & Diagnostics• Consumer Goods• Construction Products and Services• Digital Content• E-Business• Electronics• Engineering• Environmental, Bioenergy• Food & Drink• Furniture, Interior Products and Services and Textiles• Materials Handling	<ul style="list-style-type: none">• Medical Devices and Technologies• Mobile Telecoms• Printing & Packaging• Professional Services• Public / Private Sector Procurement• Renewable Marine Energy - Offshore Wind/Wave & Tidal• Renewable Energy - Onshore Wind• Renewable Energy - Oil & Gas• Security and Defence• Software• Tourism

- Exclusions:

EDS cannot be used to:

- Develop Full Strategic Marketing Plans;
- Evaluate National/International PR/Media budgets/plans/campaigns;
- Prepare for making a pitch for investor funding; and
- Mentor a company/individual on marketing or sales - except as part of a wider project within the 12 week period.

Furthermore, during the course of the existing EDS framework, it was stipulated that the EDS is not eligible for use to solely justify/validate information in another Invest NI grant application form; with the ethos being that each project should have a clear rationale that demonstrates how the final report will complement or contribute to the businesses' strategic plans.

1.3.4 Format

Within the existing review period, and through the current EDS Export Adviser Framework, the EDS provides the Trade and Client Executive Team within Invest NI with sector-specific Export Advisers on a call-off basis that deliver the following three services:

1. Firstly, EDS Export Advisers deliver one-to-one consultancy support to businesses to enable them to identify and address barriers to export trade. The EDS is designed to provide the following five categories of support to businesses:

- Market Research
 - Market Scoping
 - Market Entry Planning
 - Lead Generation
 - Capability development
2. Trade Show Support Consultancy whereby the Trade Team utilises the sector experience of the Export Adviser to support companies to attend Exhibitions/Conferences/Meet the Buyer Events in GB or ROI.
 3. Thirdly, the EDS provides a call-off framework and budget from which the Invest NI Sector and Regional Teams commission sector studies, where there is a “clear justification and demand” for same. A mandatory requirement pertaining to these sector studies is that the resulting report must be circulated to all companies in the relevant sector.

In addition, the EDS provides budget from which the Invest NI Trade Team can support companies (individually or collectively) to participate on Invest NI Group Stands, Capability Stands or visits to Exhibitions/Conferences/Meet the Buyer Events in GB or ROI.

A business may receive up to a maximum of ten days assistance, typically delivered over a 12 week period, in any 12 month period.

The Export Advisers for each sector were ranked by Invest NI (following a competitive procurement process by CPD). Companies using the service are directed to the Export Adviser ranked as number one, then to number two and finally to company three on the list if the assignment is rejected by the preceding ranked Export Adviser, due to, for example a declared lack of capacity. This is referred to as a “waterfall system”. At the time of Framework appointment, there were 27 Export Advisers from 15 companies appointed across 21 sectors, ranging from one to three advisers per sector. At the time of reporting, due to named Export Advisers leaving the company appointed under the framework, the number of Export Advisers had fallen to 19.

1.3.5 Marketing

There is no marketing of the EDS, although awareness of same is raised through other Trade Team events and supports. The Evaluation Team understand that, at the time of this EDS evaluation, the sole entry route is through a referral by the company’s Client Executive to the Trade Team using the internal referral system (RDS). Previously, referrals were also accepted directly by the Trade Team by Export Advisers; which was subsequently ruled out due to concerns over conflict of interest and additionality.

1.3.6 Modus Operandi

Overview of EDS
Referral To EDS
<ul style="list-style-type: none"> • A referral is made on behalf of the company by the CE to the Trade Team using the internal referral system • The relevant TE follow-ups with the CE to discuss and confirms that EDS is the most appropriate trade intervention. • The TE approaches the company to discuss EDS and will request completion of an application form, clearly detailing background to the project, company products/services, main objectives for project, how the project will “fit” with existing export plans and additionality of the support. • The application is assessed by the TE to identify objectives and desired outcomes from the project before engaging the Export Adviser.
Engagement and Role of the Export Adviser
<ul style="list-style-type: none"> • On acceptance of the EDS application, the TE invites the first Export Adviser qualified for each sector to meet and scope out an EDS project with the company. The Export Adviser must demonstrate that they have capacity to deliver a project within the 12 week timeframe. Only if the first provider cannot meet this timeframe or there is a conflict of interest to either party is the second provider approached to undertake the project. Companies do not have the option of selecting a preferred Export Adviser to undertake the Project.

Overview of EDS

- The TE and/or CE accompanies the Export Adviser to the initial meeting with the company. This meeting takes place within five days of the Export Adviser being notified of the potential project, subject to availability of the Company.
- On the basis of discussions at the initial meeting, the Export Adviser develops a Project Brief, detailing timescales, project milestones, company commitment and number of days to complete. The Export Adviser submits the Project Brief to the TE within five working days of the initial meeting. The TE agrees the brief or contact the Export Adviser for further clarification. The TE secures approval of the Brief by the CE.
- The TE forwards the Project Brief to the company for approval. On approval, Invest NI invoices the company for the participation fee and following payment (within ten working days of receipt of the invoice), the TE instructs the Export Adviser to initiate the Project.
- The Export Adviser provides timely update reports on progress with the Project, including the interim report, in accordance with the timescales detailed in the Project Brief. Where a company is unresponsive to requests for information or delays the Project the Export Adviser notifies the TE. Following liaison with the CE, the TE introduces corrective action. Depending on the nature of the delay this may involve bringing the project to an early close and evaluating the Project on the basis of the work completed to date. The Export Adviser is paid only for work completed up to the date of early close of the project, subject to satisfactory evaluation.
- The TE and/or CE accompany the Export Adviser to the final meeting with the company. Following the meeting, the Export Adviser submits to the TE the Final Project Report within five days of the meeting. The TE approves the report and secures approval from the CE.
- On approval, the TE instructs the Export Adviser to forward the Final Project Report to the company and issues an evaluation form to the company for completion and return within ten days. On receipt of a satisfactory evaluation of the project, the TE requests an invoice from the Export Adviser and arranges payment.
- The TE completes and signs a Project Monitoring Form which is sent to the Export Adviser for sign off.

Contractor Performance Management

- The TE works directly with the Export Adviser to resolve any underperformance during the course of an individual project. Any delays within the control of the Export Adviser or underperformance are recorded in the Project Monitoring Form.
- Forms for each Export Adviser are reviewed on a six monthly basis in order to identify patterns of underperformance across projects. Where consistent underperformance is identified across a number of projects within the six month review period, corrective action is discussed and agreed with the Export Adviser.
- Where underperformance continues to be exhibited in the subsequent six month review period, CPD is notified in order to determine further corrective or disciplinary action.
- As noted, on completion of the Project the participant company is required to complete an Evaluation Questionnaire.

1.3.7 Financial Cost (including to Participant Company)

Total spend on the EDS in the period from July 2013 to September 2016 was £651,652; with anticipated total cost to July 2017 estimated at £837,678. The above represents the cost to Invest NI; in addition, spend by the participants amounts to £113,006 and the estimated Invest NI staff cost amounts to £204,631. The total cost of EDS to September 2016 is therefore £920,143.

The cost of an EDS Project to a participant company has varied over the course of the Evaluation period as follows:

- From July 2013 to September 2015: £100 plus VAT per consultancy day; and
- From September 2015 to date: £125 plus VAT per consultancy day.

The above daily fee is highly subsidised as the Consultant's daily rates range from £475 + VAT per day to £850 + VAT per day.

1.3.8 Management

At the outset of the current EDS framework, and the start of this Evaluation timeframe, the EDS was managed within Trade Division by nine trade sector teams.

As part of a major restructuring of the Trade Suite of support within Invest NI this management structure was replaced in September 2015 with a new one that was geographic market-driven. Under this new format, the EDS one-to-one support is currently managed by the IMEA & GB and Europe

Trade Geographic Teams, whereby two Trade Executives manage the GB market across all sectors and one manages the ROI market across all sectors. These appointed persons also act as the designated contacts for GB and ROI based sector studies.

1.4 Invest NI's Requirements

Invest NI has commissioned Capaxo to undertake an evaluation of the EDS from July 2013 to September 2016 and projected to July 2017. The full terms of reference are contained in Appendix II; the key requirements are as follows:

Terms of Reference Key Requirements	
1.	To assess the extent to which the EDS is meeting its stated objectives.
2.	To review the nature and scale of market failures and need for the intervention.
3.	To assess the extent to which the EDS encompasses the breadth of related coverage required by INI clients in terms of supporting exports into GB and ROI.
4.	To examine the degree of complementarity with other relevant Invest NI interventions; and to review the extent to which the intervention overlaps with or duplicates other publicly funded support.
5.	To assess the appropriateness of the operating model.
6.	Benchmark the nature of support, management (including any charging structures), performance and impact of the Service against appropriate comparators offered by Enterprise Ireland, InterTradelreland and Scottish Enterprise.
7.	To assess the inputs, outputs, outcomes and gross and net impacts associated with the Service, to include a detailed assessment of the overall economic and wider impacts, clearly identifying actual and anticipated.
8.	Assess the economy, efficiency and effectiveness with which public funds have been used on the EDS, and the Return on Investment.
9.	Assess the extent to which the EDS represents good Value For Money (VFM).
10.	This Evaluation should address equality considerations.

1.5 Methodology

Our methodology has involved a combination of primary and secondary research, with the following research conducted:

Primary Research (undertaken in the period November 2016 to January 2017)	
1.	Consultation with key stakeholders as follows: <ul style="list-style-type: none"> • EDS Manager • ROI and GB Market Trade Executives • Head of Invest NI Trade • NI Chamber of Commerce • Belfast City Council Economic Development • NI Food and Drink Association • Construction Employer's Federation
2.	Telephone survey of 40 companies in receipt of EDS Export Adviser one-to-one consultancy or trade consultancy support;
3.	Telephone consultation with 15 client executives;
4.	Survey of 10 consultants on the Export Adviser Framework; and
5.	Benchmarking with Wales Trade Programme, Enterprise Ireland, InterTradelreland and Scottish Enterprise.
Secondary Research	
1.	Review of all available project briefs
2.	Review of all available post project satisfaction surveys
3.	Invest NI-held Company Data [key datasets: SIC codes, baseline KPIs and other support uptake]

2. STRATEGIC CONTEXT

2.1 Introduction

Section Two provides a high-level summary of the rationale prevailing at the time the EDS 2013-2017 was established, as well as reviewing the current strategic context under which the EDS operates. It also sets out considerations of equality and complementarity of the service.

2.2 Prevailing Strategic Context

Northern Ireland Programme for Government

The 2011-2015 Programme for Government (PfG), which prevailed at the approval of the current EDS Framework, identified actions to deliver “a vibrant economy,” with a key priority being that of ‘Growing a sustainable economy and investing in the future’, by improving competitiveness and building a larger and more export-driven private sector. In this regard PfG aimed to increase the value of manufacturing exports by 20%.

NI Executive Economic Strategy (2012)

The NI Executive Economic Strategy, with its overarching goal of improving the region’s economic competitiveness, identifies the key driver of success in strengthening the economy as being a focus on export led economic growth, prioritising the need to deepen and diversify our export base in order to increase employment and wealth across Northern Ireland. The strategy recognises the “many local firms who are already competing successfully overseas” and commits to “continue to do all we can to assist these firms and also work with new exporting companies to increase and diversify our export base. To that end, and following a recommendation made in the Independent Review of Economic Policy, Invest NI will work to support the entire business base to help drive forward the priorities of innovation, R&D and exports”.

An overarching goal of the report is to increase the level of exports and external sales as a proportion of NI output; with the underpinning targets under Competing Globally: to increase the value of manufacturing exports by 20% and the value of exports to the emerging economies by 60% by 2014/15.

DfE and Invest NI Corporate Plans

The NI Executive made the economy its top priority in PfG 2011 - 2015. The Department for the Economy (“DfE”) has lead responsibility in delivering on this aim, with Invest NI responsible for implementation.

2.3 Current Strategic Context

Northern Ireland Programme for Government

The draft 2016-2021 PfG recognises that businesses and the workforce remain the key drivers of economic growth; with a key strategic outcome (one of 14 identified) being about creating the conditions that support a deep and diverse export base helping to deliver increased employment and wealth. This draft PfG report notes the following with respect to exports:

Export led growth is likely to be a key area in which we can strengthen the competitiveness of our economy. External trade is also an important source of wealth and employment. It is important that companies can diversify the markets which they export to by identifying new emerging and developed markets and taking the opportunities to capitalise on these. Research shows that exporting companies are larger, more productive, pay higher wages and are more capital intensive than those which focus mainly on domestic markets.

NI Executive Economic Strategy

A refresh of the Economic Strategy is planned in line with the new PfG; within which there is expected to remain a strong focus on innovative, high growth potential, export focused businesses. Therefore, EDS is anticipated to align with the revised NI Economic Strategy priorities (and to be considered once published for consultation).

Export Matters

In furtherance to the Economic Strategy, the Export Matters Action Plan has been developed in March 2016 by DfE in conjunction with Invest NI and InterTradelreland with the key goals of both growing the value of exports and external sales outside NI by 33% by 2020 and by 80% by 2025, and increasing the number of Northern Ireland businesses engaged in sales outside Northern Ireland to 14,000 by 2020 and 16,000 by 2025.

The report sets out the following factors which combine to provide a strong rationale for government intervention. These included:

- Prevailing Research - this shows that Northern Ireland, with a relatively small population and domestic market, would benefit from external trading². At the company level, there were also a number of studies that highlighted that exporting companies are larger, more productive, pay higher wages and are more capital intensive than those which focus mainly on domestic markets³.

Cited evidence also indicated benefits not just from entering export markets, but also from increasing export intensity⁴. While companies benefit from being in more competitive external markets⁵, evidence suggests that it is the best performing and most competitive firms that will look to expand into export markets themselves⁶.

- Baseline Data - The overall export performance of the UK (measured as a % of GDP) is significantly below other successful economies, with the NI performance in this regard lower still (at circa 18% of GDP). Examples of good practice are noted as being evident in Belgium (with exports of goods and services comprising 80% of GDP in 2010), the RoI (99%), Switzerland (54%) and Finland (40%). Additional baseline data shows that NI small companies are heavily reliant on the ROI export market - with 38% of small firm external sales and 65% of exports going to this market.
- Market Failures - The report acknowledges that there are typically one of four market failures at play:
 - Because they have not done it before, companies are not aware of the benefits that can come to them from selling externally and/or exporting;
 - Companies are often unclear where and who to go to, to get advice on exporting;
 - Companies are often wary about developing relationships with unknown and untrusted contacts and intermediaries overseas. Getting these relationships right can be risky and sometimes that risk is seen as being just too large; and
 - Companies are reluctant to get into external selling and/or exporting for fear that the staff they develop and then use for these functions will move to other competitors.

In articulating the way forward, the action plan clearly calls for co-ordination and buy-in from all interested parties to ensure that the various support mechanisms are clearly positioned, aligned and as effective as possible. Indeed it notes that “research ... highlighted some duplication by delivery organisations in the delivery of export development support for all types of exporter”.

²Krugman and Obstfeld (2002) *International economics: Theory and policy*, Addison Wesley, 6th Edition

³ Bernard, A.B. and Jensen, J.B. (1999) *Exceptional exporter performance: Cause, effect or both?*, *Journal of International Economics*, 47

⁴ Greenaway, D. and Kneller, R. (2008) *Exports, productivity and agglomeration*, *European Economic Review*, 52

⁵ 11 Wagner, J. (2002) *The causal effects of exports on firm size and labor productivity: First evidence from a matching approach*

⁶ Wagner, J. (2005) *Exports and productivity: A survey of the evidence from firm level data*, *The World Economy*, 30

An outworking of this call for co-ordination is the implementation of a single operating model (that builds on two concepts known as the Export Pathway and Support Escalator) for the delivery of export support to the new and existing exporter within Northern Ireland. The key informants to the development of this single model requires:

- A clear understanding of the capability of the NI business base (now and in the future) to determine where the distinct international competitive advantage exists; and
- A clear focus on the geographic models that offer the greatest opportunity.

DfE Draft Industrial Strategy: Economy 2030

In setting an ambition of transforming the NI economy, Economy 2030 seeks to, inter alia, position Northern Ireland to be characterised as “*an economy where more of our companies have an international outlook exporting their goods, products and services outside of our region*”.

The key way forward sees a prioritisation of key sectors - sectors that are already world class and those that can become world class - to focus supports upon. The six broad sectors of the economy, across both manufacturing and services, where Northern Ireland has world class capabilities have been identified as follows:

- Financial, Business and Professional Services;
- Digital and Creative Technologies;
- Advanced Manufacturing, Materials and Engineering;
- Life and Health Sciences;
- Agri-Food; and
- Construction and Materials Handling.

It is notable that the EDS historically has supported all of the above sectors, with construction being the key sectoral user of the support.

DfE and Invest NI Corporate Plans

Corporate plan targets are not yet set for 2016 onwards. Invest NI has indicated that targets will include external sales/exports, jobs, innovation, Foreign Direct Investment, skills improvements, etc. This would suggest continued alignment with initiatives that support export growth.

2.4 Equality Considerations

Section 75 of the Northern Ireland Act 1998 requires that Invest NI shall, “*in carrying out its function relating to Northern Ireland, have due regard to the need to promote equality of opportunity*” between the following nine Section 75 groups:

- Persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Men and women generally;
- Persons with a disability and persons without; and □ Persons with dependents and persons without.

In addition and without prejudice to these obligations, in carrying out its functions, Invest NI is also committed to promote good relations between persons of different religious belief, political opinion or racial group.

The Evaluation Team’s review of activity supported under the EDS, monitoring information provided during the evaluation process and our discussions with companies have identified:

- No evidence of higher or lower participation or uptake of different groups;
- No evidence to indicate that different groups had different needs, experiences, issues and priorities in relation to EDS activity;
- No opportunities to better promote equality of opportunity or better community relations by altering the work of EDS;
- No accessibility issues that might run contrary to the Disability Discrimination Act 1995.

On this basis, the Evaluation Team concludes the EDS has been equitably offered to companies regardless of their Section 75 categorisation and as such, does not appear to have had any negative impact on any Section 75 group. The Evaluation Team notes that, going forward, Invest NI is required to undertake an Equality Impact Assessment (including a Section 75 Screening exercise or Human Rights Impact Assessment) of the EDS, which was not undertaken for the current framework.

2.5 Complementarity and Duplication

Consideration is given to the extent to which EDS compliments or duplicates other services, within the Invest NI portfolio and those services delivered by other providers.

Internal Complementarity

The Evaluation Team's consideration of internal complementarity is not a straight forward one, owing to the fact that EDS is not a programme per se, but a tool for use by Invest NI clients as referred by their Client Executive. Notwithstanding this, the differentiation of EDS to other export-specific supports available within Invest NI (as detailed in Section 1.2) is as follows:

Trade Team Support Tools/Services plus others	Complementarity
Export Ready Tool	<p>Eligibility: Open access Geographic Focus: Not applicable Sectoral Focus: Not applicable</p> <p>Differentiation: This tool only signposts companies to supports and therefore is not considered to duplicate EDS. Therefore no scope for duplication.</p>
Export Skills and Knowledge Workshops	<p>Eligibility: Open access Geographic Focus: None Sectoral Focus: None</p> <p>Differentiation: This tool is predominantly in the guise of one to many support that is not overly tailored to the needs of the company; instead it provides entry level insights to exporting. It has been suggested (through the evaluation questionnaires referred in Section 4) that this training provides the know-how for businesses to understand the project brief and to engage with marketing professionals when they are appropriately ready for the EDS support. Therefore no scope for duplication but opportunities to encourage pre-EDS participation on these workshops.</p>
Business Information Centre	<p>Eligibility: Open access Geographic Focus: None Sectoral Focus: None</p> <p>Differentiation: This tools provides companies with access to the raw market intelligence held by Invest NI. The EDS provides expert support to companies to interrogate and tailor this research (along with primary research in some instances). Therefore no scope for duplication.</p>
Trade Advisory Service	<p>Eligibility: Invest NI Clients Geographic Focus: In market support in France, Germany, Italy and Spain, Brazil, China (Beijing and Shanghai), Kuala Lumpur, Singapore, Australia, Dubai, Europe, Russia, Saudi Arabia, South Africa and the United States of America. Sectoral Focus: Generalist Advisers in above countries.</p> <p>Differentiation: TAS and EDS are essentially the same format of support in differing geographic locations.</p>
Overseas Market Introduction Service	<p>Eligibility: Open access Geographic Focus: Global Sectoral Focus: None</p> <p>Differentiation: The EDS is uniquely focused assisting companies seeking to target export development effort to GB and ROI, with no requirements that the assistance is only for new entrants to these markets (which is the case for OMIS). Whilst there is some scope for duplication of export support for the ROI market this is likely to be small on the basis that most NI companies seeking to export to the ROI market will be signposted to local supports in the first instance.</p>

Trade Team Support Tools/Services plus others	Complementarity
Invest NI Overseas Events Programme	Eligibility: Invest NI Clients Geographic Focus: None Sectoral Focus: None
Export Market Visits	Differentiation: These supports are completely focused on the organisation of new market visits, trade missions and exhibitions and as such are different to EDS, which only, and to a small scale, prepares companies for attendance at any such events. Therefore, there is minimal scope for duplication.
Solex	Eligibility: SME Invest NI Clients Geographic Focus: None Sectoral Focus: Tradeable Service and Manufacturing Sectors only. Differentiation: This support is completely focused on business-to-business trade shows and as such is different to EDS, which only, and to a small scale, prepares companies for attendance at any such events. Therefore, there is minimal scope for duplication.
Going Dutch and Czech It Out	Eligibility: Invest NI Clients with variable export experience levels Geographic Focus: Netherlands and Czech Republic Sectoral Focus: None Differentiation: In addition to having a different geographic remit to the EDS, this support also has participation criteria relating to the experience level of applicant client companies. Therefore no scope for duplication.
Translation/ Interpretation/ Services	Legal This tool is an enabling tool for entry to non-English speaking export markets; on the basis that EDS is only for GB and ROI, there is therefore no scope for duplication.
Enterprise Europe Network	This tool is a business network for outside of UK and as such, there is no scope for duplication.
UK Export Finance	This tool is a financial instrument to enable the removal of export barriers; there is therefore no scope for duplication.
Market Specialists/Business Development Managers	Within Food Division in Invest NI there are food Market Specialists for GB, ROI, France, Germany, Italy and Spain who are tasked with raising awareness of the strengths and expertise of the NI food and drinks sector. This work involves, for example, developing strong industry connections to enable them to organise Meet the Buyer events for Invest NI clients on a one-to-many basis; lead generation; and provision of one-to-one guidance. Within International Division there exists one Business Development Manager for the Construction sector, based in London, whose remit includes developing industry linkages for Invest NI clients. The Evaluation Team would suggest that whilst there would, on paper, appear to be scope for duplication in the Food and Construction sectors within the GB market, this is not the case as the Trade Team feedback is that <i>“in-market professionals deal with ‘capable’ companies, i.e. those who are market ready, and their remit is to put these companies in front of industry buyers. They have sales targets to meet and do not have time for the capability development work that is addressed by EDS”</i> .

Other marketing supports available to Invest NI clients, which vary by the extent and flexibility of the service required, are in the following guises:

INI Marketing Supports	Description
Interim Manager Scheme	<p><u>Overview</u> This programme provides funding for the cost of an experienced manager on a short-term contract to tackle a specific business issue. It is appropriate for projects such as implementing strategies to improve export and competitiveness of the client company. The expectation is that the interim manager will transfer expertise, knowledge and experience to embed new methods.</p> <p><u>Target</u> Primarily open to Invest NI supported Small or Medium Enterprises in the Account Managed and Growth and Scaling segments. Larger enterprises, High Performance Start Ups and some Entry clients may avail of the scheme but the onus will be on the Client Executive to make a strong case for support and different terms and conditions may apply.</p> <p><u>Funding</u></p>

INI Marketing Supports	Description
	Up to £15,000 (at 49% of eligible costs) is offered for up to 60 days over a nine month period.

INI Marketing Supports	Description						
Consultancy Services	<p><u>Overview</u> This programme provides funding towards the costs of working with a Consultant to develop a business or marketing strategy or identify and set goals and objective. Consultants do not have day to day managerial roles but are typically be responsible for delivering a specific project. Support is provided with the objective of achieving specific tangible / intangible results which will be stated at the outset and monitored regularly throughout.</p> <p><u>Target</u> Primarily open to Invest NI supported Small or Medium Enterprises, including Pre-entry, Entry and Account Managed clients. Larger enterprises may avail of the scheme but the onus will be on the Client Executive to make a case for support and different terms and conditions may apply.</p> <p><u>Funding</u> Up to £7,500 (at 49% of eligible costs) is offered for up to 20 days consultancy over 12 months.</p>						
Growth Accelerator Programme (GAP)	<p><u>Overview</u> The following assistance is available:</p> <table border="1"> <thead> <tr> <th>Eligible Costs</th> <th>Grant Type</th> </tr> </thead> <tbody> <tr> <td>Marketing Costs (maximum £40,000 grant) and/or Specialist Consultancy (maximum £25,000 grant) associated with bringing a new or existing product/service to a new market outside NI.</td> <td>Development Grant</td> </tr> <tr> <td>Key Worker Salary (one year salary costs). There is a maximum £25,000 for Key Worker Salary</td> <td>Key Worker Salary Grant</td> </tr> </tbody> </table> <p><u>Target</u> GAP is available to pre-start, start up and established clients along the following criteria: Small or medium sized companies, Seeking growth through external / export markets; and Have low/no capital expenditure and low/no job creation.</p> <p><u>Funding</u> Up to 50% of eligible costs and subject to the De Minimis aid regulations.</p>	Eligible Costs	Grant Type	Marketing Costs (maximum £40,000 grant) and/or Specialist Consultancy (maximum £25,000 grant) associated with bringing a new or existing product/service to a new market outside NI.	Development Grant	Key Worker Salary (one year salary costs). There is a maximum £25,000 for Key Worker Salary	Key Worker Salary Grant
Eligible Costs	Grant Type						
Marketing Costs (maximum £40,000 grant) and/or Specialist Consultancy (maximum £25,000 grant) associated with bringing a new or existing product/service to a new market outside NI.	Development Grant						
Key Worker Salary (one year salary costs). There is a maximum £25,000 for Key Worker Salary	Key Worker Salary Grant						

The differentiation of EDS to the above supports is as follows:

External Marketing Supports	Complementarity
Interim Manager Scheme	<ol style="list-style-type: none"> Whilst Interim Manager, Consultancy and GAP may indeed provide export marketing supports, these, unlike EDS, are not exclusively for export marketing. EDS varies from the Interim Manager and Consultancy in offering short, tailored, interventions. EDS varies from the GAP insofar as it is a standalone export market intervention, whereas GAP may also support other elements of the client's business growth. For all of these other Invest NI supports, while the level of assistance may be lower than the circa 88% contribution by Invest NI for EDS, the feedback from Invest NI clients is that these offer greater flexibility as the company can choose its own marketing adviser. There is also, more importantly, more flexibility as to the scope of the work undertaken under Interim Manager, Consultancy and GAP where the client company operates in a global market (such as ICT, Health and Life Sciences), where the entry into international markets is not necessarily through GB and ROI, and where market research is required across different global markets, and not in one specific country. Not all client companies are able to avail of these other supports e.g. Interim Manager is primarily for account managed and growth and scaling SME clients.
Consultancy Services	
Growth Accelerator Programme (GAP)	

External Complementarity

The Evaluation Team met with the Export Matters team and was provided with a mapped overview of export supports available to NI companies (see Appendix III). A review of this would suggest that there is a myriad of sector and non-sector specific supports available for export marketing by NI companies to external markets. The key ones being those provided by InterTradelreland, Chamber of Commerce and Local Councils. The key supports of relevance to the EDS offering are considered below:

Provider	Description and Complementarity
InterTradelreland	<p>Support: InterTradelreland Acumen and Elevate Eligibility: Open to all NI companies with criteria applied - Acumen is available to SMEs with a track record and where up to 30% of sales can already be to export markets and involves the employment of a sales staff member or market research (up to a funded value of £4,000). Elevate is available to companies trading for at least 18 months with a maximum turnover of £1m and involves the delivery of specialist consultancy support in the format of sales leads, sales negotiations, market research and developing marketing materials (up to a funded level of £5,000). Geographic Focus: ROI market. Sectoral Focus: Tradeable Service and Manufacturing Sectors only.</p> <p>Differentiation: The key differentiators between these and the EDS is that the ITI support is only available for a section of the Invest NI client base and is only into the ROI market. In addition, there are restrictions on eligibility in place that does not apply to EDS with respect to sectors, baseline export levels, trading duration and turnover. Despite these restrictions there is a residual level risk of duplication between EDS and these supports on the basis that all offer market research to NI companies seeking to enter into the ROI market.</p>
NI Chamber of Commerce	<p>Support: The key supports under the Learn Grow Excel Initiative (co-funded by First Trust Bank, HSBC, Danske Bank, and others) are as follows:</p> <ul style="list-style-type: none"> • <u>International Trade Training</u> consisting of one-day workshops targeted at the “more experienced manufacturing exporters” to build capability in the areas of Export Process and Documentation; Letters of Credit and Overseas Payments; and Managing Risk of Trade Overseas. • <u>Connecting for Growth</u> consisting of meet the buyer events. • <u>Developing Your Growth Potential</u> consisting of five events per annum focused on leadership, sales and networking. • <u>Export First</u> consisting of a series of private dinners with leading exporters and a range of company visits that include a factory tour of the host company. New, aspiring and growing exporters have the opportunity to access leading business people, listen to how they have grown their businesses in international markets, and obtain advice on all aspects of commercial development through export. • <u>GB Trade Visits</u> consisting of near market trade visits to help local firms exploit the opportunities in larger GB cities such as London and Birmingham. • <u>NI Chamber Connections</u> facilitates companies to access the Chamber’s network of business people and international Chambers. ▪ <u>Scaling Up</u> provides companies the opportunity to tap into one to one support from the Chamber’s Head of SME Development, as well as become part of a group of like-minded business people, who can interact to support each other to add scale to their business. The initiative includes One to One Coaching & Development; allocation of business professionals to companies; group workshops covering key scale-up challenges and peer-to-peer knowledge sharing and learning. <p>Eligibility: Open to all Chamber member companies with criteria applied in some instances. Geographic Focus: Variable. Sectoral Focus: Variable.</p> <p>Differentiation: A review of the above shows that there are no areas of the Learn, Grow, Excel Initiative that duplicate EDS.</p>
Councils	<p>Overview: There are a number of supports available through local Councils that appear to fall into one of the following two categories:</p> <ul style="list-style-type: none"> • Generalist business support containing marketing/export advice therein e.g. Mid Ulster’s Business Development Programme includes marketing as one of the areas

Provider	Description and Complementarity
	<p>covered. Antrim and Newtownabbey’s Business Boast Programme includes export development training.</p> <ul style="list-style-type: none"> Export support in the guise of trade link development, diaspora, etc. <p>Eligibility: Typically open to companies in the Council area and designed by Councils to ensure complementarity with Invest NI programme offering for client companies. Geographic and Sectoral Focus: Variable e.g. Belfast City Council’s South by Southwest (SXS) supports attendance by digital sector companies at a Texas-based trade event.</p> <p>Differentiation: The key differentiators between these and the EDS is that the Council support is only available to companies in their area and typically to non-Invest NI clients unless it is shown that duplication is not an issue.</p>

In summary, there would not appear to be any supports that offer the sectoral-specific export focused support tailored to client company needs similar to EDS. The opportunity for duplication of support (relating to the Intertradelreland ROI offerings) is considered to be medium to low as the support is only available for a section of the Invest NI client base and is only into the ROI market. In addition, there are restrictions on eligibility in place that does not apply to EDS with respect to sectors, baseline export levels, trading duration and turnover (see Section 7.5.2 for further details).

2.6 Conclusion

At the time of EDS’s approval the key strategic driver for Government to support export development was sourced from the Programme for Government, which called for a larger, more export driven private sector. In the period of the this EDS framework, government’s focus on the role of exports (including external sales), in terms of facilitating growth of the economy, is now more strongly evident in the current Draft Programme for Government, the Economic Strategy and Draft Industrial Strategy; all of which are underpinned by the Export Matters Action Plan.

The Export Matters Action Plan sets key goals in terms of both growing the value of exports, but also increasing the number of businesses engaged in sales outside of Northern Ireland. In support of this call, Export Matters calls for co-ordination amongst support agencies to optimise the value and appropriateness of the support and to eliminate duplication.

In considering complementarity it has been shown that there are a number of internal and external supports available that are supporting Invest NI clients to undertake export development activities into either the GB or ROI market; albeit in a different format to the EDS, which provides full sectoral coverage of export advisers for a period of up to ten days, delivering market research, market scoping, market entry planning and lead generation specifically for the GB and ROI markets.

Going forward, the Evaluation Team would suggest that attention might be given by Invest NI as to how the EDS will enable it to meet the recently introduced mandate to increase the number of NI businesses engaged in sales outside of the region. As detailed in Section 3, the lack of any screening criteria for participation in EDS (other than being a client company) has resulted in a low level of “new exporters”⁷ coming into its remit, which may in itself not have been an issue but is likely to become one in the future, albeit that the rollout of Export Matters is in its infancy and therefore evolving.

In addition, the Evaluation Team considers that consideration should be given on the appropriate supports for globally focused companies starting to export and where more flexibility is required than currently available under EDS and TAS i.e. there is an implied assumption that the companies know which country they should be targeting, which is often not the case and there is therefore considered to be a need for this to be covered by either the EDS or some other guise within the sectoral teams.

⁷ The Evaluation Team notes that there is no clear definition of what a “new exporter” is and has assumed that it represents companies with nil export and external sales at the outset of support provision.

3. PROGRAMME ACTIVITY

3.1 Introduction

Section Three provides a summary of the activity supported by EDS from July 2013 to September 2016. The information is presented at overall level and by key support types. The last sub section duly sets out equality considerations of the EDS. This section sets out the three strands to the EDS programme, namely:

- One to One Consultancy support, accounting for 81% of total Invest NI spend. Details are included in Section 3.4.
- Sector Studies/other Trade Event support, usually conducted for a range of companies, accounting for 17% of total Invest NI spend. Details are included in Section 3.5.
- Trade Show Support, typically company specific, at 1% of total Invest NI spend. Details are included in Section 3.5.

The delivery mechanism is through Export Advisory firms appointed through the Framework as noted below in Section 3.2 with an overview of support set out in Section 3.3.

3.2 Framework Appointment

Prior to July 2013, there were 23 sectors identified by Invest NI, with a view to appointing Export Advisory firms across each of the sectors. Following a competitive tendering process, there were 15 Export Advisory firms appointed over 21 sectors (in two instances, Invest NI failed to appoint advisers), each sector ranked in order of 1st, 2nd and 3rd preference, with the table below setting out the ranking by Export Advisory firm sector:

Sector/Export Advisory firm	BHA Consulting	BVG Ass	Core Consulting	Clarity Consulting	CMS Global	Envision	Full Circle	GWB Ass	Kappa	Karen Thompson	Integrity NI	Marontech	Meltem	NITC	Sagnard
Number Personnel	1	4	2	1	1	4	6	1	1	1	1	1	1	1	1
Aerospace															
Biotechnology & Diagnostics											1				
Consumer Goods							1						2		
Construction Products and Services						2	3			1					
Digital Content	1					2									
E-Business	2		1											3	
Electronics															
Engineering			2			3	1								
Environmental, Bioenergy							2		1						
Food & Drink			2				1							3	
Furniture			3			2				1					
Materials Handling				2		1	3								
Medical Devices											1				
Mobile Telecoms															1
Printing & Packaging						1									

Sector/Export Advisory firm	BHA Consulting	BVG Ass	Core Consulting	Clarity Consulting	CMS Global	Envision	Full Circle	GWB Ass	Kappa	Karen Thompson	Integrity NI	Marontech	Meltem	NITC	Sagnard
Number Personnel	1	4	2	1	1	4	6	1	1	1	1	1	1	1	1
Professional Services			1				2								
Procurement			2			1									
Ren Marine Energy		1			2										
Ren Energy - Onshore Wind					1										
Ren Energy - Oil & Gas						1									
Security and Defence						1						2			
Software/ICT	3							1			2				
Tourism							1								
Total Sectors	3	1	6	1	2	9	8	1	1	2	3	1	1	2	1
Total Report	15	1	8	1	5	37	22	2	7	34	6	0	0	0	15

The above illustrates the large number of advisers on the Framework. Key points of note:

1. Two companies were appointed to deliver 14 of the sectors between them;
2. Whilst the intention had been to appoint three consultants for each sector; in fact, only seven sectors had three consultants appointed, seven sectors had two consultants appointed and seven sectors had one consultant appointed;
3. Two sectors failed to appoint Export Advisers i.e. no EDS Export Advisers for Aerospace or Electronics;
4. Of the 15 appointed companies, three had received no EDS work under this framework - in all instances they were placed second or third in their sector;
5. Whilst there were 27 named Export Advisers appointed, at the time of the evaluation, due to staff changes and the retention of the contract by the applicant company, this had fallen to 19 providers; and
6. Whilst there was an average of 5.7 projects delivered per appointed Export Adviser, in practice nine Export Advisers had no allocated projects under this framework and six Export Advisers delivered the majority (70%) of these projects (34, 19, 15, 15, 13 and 10) in the timeframe.

3.3 Support Overview

The following tables provide a snapshot of the company support delivered through EDS in the timeframe of the evaluation, with discussion provided in the succeeding paragraphs. It is noted that the classification of companies between client and non-client is based on information held by Invest NI at the time of the evaluation; which differs to their classification at the time of support (whereby all companies supported were Invest NI clients at the time of support).

Financial Year Ended March	No. Sector Studies	No. Consultancy Contracts (includes one to one and trade show support)	No. individual companies supported ⁸
2013/2014 ⁹	2	51 (pro-rata annual equivalent of 68)	45
2014/2015	4	54	49
2015/2016	8	28	28
2016/2017 ¹⁰	2	4 (projected to 28)	4
Total	16	137	126

Overview	One to One	Sector Studies/other Trade Event support	Trade Show Support	Total
Funded Project Cost to INI for Export Advisers	£529,376	£112,831	£9,445	£651,652
% of spend	81.2%	17.3%	1.4%	100%
Number Companies	117	-	9	126
Number of Sector Reports	n/a	16	n/a	16

In the period to September 2016, the 137 consultancy contracts consisted of one to one support to 117 companies (of which 11 received two EDS supports) and trade show support to nine companies. In addition there were 16 sector-specific studies/ other trade event support projects.

The majority of the spend (81.2%) was for the one to one supports, with the average cost to Invest NI of the intervention being £4,525 for the one to one supports. Sector studies and other Trade Events support from the Export Advisers accounted for 17.3% of spend (at an average of £7,052) and Trade Show support from the Export Advisers accounted for 1.4% of spend (average £1,049).

The 137 projects were delivered across the 21 sectors as follows:

Sector	2014	2015	2016	2017	Total
Biotechnology & Diagnostics	0	1	0	0	1
Construction Products/Services	13	10	10	1	34
Consumer products	1	4	1	0	6
Digital Content	4	3	3	1	11
E-Business	1	1	0	1	3
Engineering	4	6	2	0	12
Environmental, Bioenergy	2	2	0	0	4
Food & Drink	1	0	0	0	1
Furniture	3	4	0	0	7
Materials Handling	0	0	1	1	2
Medical Devices	2	2	0	0	4
Mobile Telecoms	6	2	4	0	12
Printing & Packaging	0	0	4	0	4
Professional Services	1	3	0	0	4
Procurement	2	2	0	0	4
Renew Energy (three sectors)	6	10	2	0	18
Security and Defence	2	3	0	0	5
Software/ICT	3	1	1	0	5
Tourism	0	0	0	0	0
Total Sectors	51	54	28	4	137

⁸ Year of support allocated to timing of first EDS intervention.

⁹ From July 2013

¹⁰ Until September 2016

Key points of note:

- Construction is the sector with the highest level of uptake of the EDS consultancy service; accounting for 25% of EDS contracts;
- Only five sectors (construction, digital content, engineering, mobile telecoms and renewable energy (oil and gas)) received in excess of ten projects over the 3.5 year period, accounting for 58.4% of all consultancy contracts (which includes one to one and trade show support);
- No support was provided to the Tourism sector; with minimal uptake (one contract per sector) amongst the biotechnology and diagnostics and the food and drink sectors. The Evaluation Team notes that this latter sector benefits from in country sector-specific TAS support in the GB market;
- The number of companies in receipt of EDS support fell by almost 50% in financial year 2016 (and expected to be maintained at this level in 2017); due consideration is given to the likely causation factors for this downward trend in Section 7; and
- Uptake by sector type - whilst the general rule is that the company sector tends to align to that of the Export Adviser's sector, this is not always the case. For example, a traditional construction company may have availed of the bioenergy sector EDS Export Adviser to explore opportunities in that specific sector.

3.4 Company One-to-One Support

A review of the project brief reports provides an insight into the varied and tailored format of the support provided to companies. It is noted that there was considerable effort expended in categorising the companies between new and existing exporters and in categorising the nature of the support. The Evaluation Team has provided a detailed summary of the support in Appendix IV and this is summarised below.

For the purposes of this report the categorisation of companies into these groups has been informed by reference to project brief documentation (which provides starting export status for 109 of 126 companies supported). We have assumed that these data sources provide starting export status of the companies, whereby:

- A new exporter is a company with no exports; and
- An existing exporter is a company currently exporting into any market regardless of the scale or duration of same.

Set out below is an overview in the first instance and then assessment by “new exporter” and “existing exporter”.

Company size has been determined by reference to KPI data (for 2012 to 2014) held internally by Invest NI, which includes data on turnover, exports and staff numbers. KPI data is held for 86 of the

3.4.1 Overall Analysis

1. There were 117 companies that received one-to-one support through the EDS, of which 11 companies received two EDS supports in the evaluation timeframe;
2. Company size¹¹ was as follows, highlighting that of the 86 companies for whom KPI baseline data is held, 74% of company participants were micro and small companies, and 26% were medium and large companies:

Company Size	Number	%
Micro	28	33%
Small	35	41%
Medium	18	21%
Large	5	5%
Sub Total	86	100
No data held	31	
Total	117	

¹¹ As defined by EC

-
3. The average number of days consultancy per company and per contract was 8 days and 7.33 days respectively;
 4. The duration of the contracts varied between one month and 11 months, with an average duration of 3.4 months (which compares to the 12 week/ three month target);
 5. 91 of the companies were existing exporters, 18 were new to exports and the status was unknown for eight companies. It is noted that this is within the remit of the intervention, which seeks to support companies both new to exporting and inexperienced exporters. Of the existing exporters for whom data is held, 70% were already in the GB market, 65% were already in the ROI market and 26% were already in other markets;
 6. 11 (9%) were classified as pre-revenue at the time of the support;
 7. 12 companies (10%) received support to specifically target or research named countries outside of the primary geographic focus areas of GB and ROI; of these:
 - The USA featured in six EDS remits;
 - Germany featured in four EDS remits; and
 - Other countries included South Africa, Japan, Holland, Italy, Australia, Canada, New Zealand, Nordics and Middle East.
 8. 28 companies (24%) received support to undertake “export market screening”. The following example highlights an ad-hoc issue faced by the companies:

Example: The company had a track record in providing a range of technical clothing products to the global market predominantly through four key market segments. The EDS was commissioned to research potential product / market opportunities and to fast-track the diversification process accordingly. The Export Adviser carried out research on three agreed new market segments on a global basis.

It is noted that whilst this export market screening aspect of the EDS was formally removed in September 2015, it is understood that in some discretionary instances it is permissible for growth and scaling segment clients. The Evaluation Team considers that there should be policy clarity as to the applicable discretionary instances and indeed, considers that there still remains a need for this screening aspect, a point that is further discussed in Section 9.

9. Non completion - consultation with Invest NI indicates that for the timeframe covered by this evaluation there has been no formal process for recording enquiries that do not progress to the pairing of the Export Adviser with a Company. Similarly, there is no record of companies that undertake the initial meeting with the Export Adviser, as accompanied by the Trade Executive and/or Client Executive, and decide not to proceed with the support. It is however understood that the ROI and GB team have now set up a data collection system that records these parameters.

3.4.2 New Exporter Analysis (18 companies known to be new to exporting based on project briefs)

The following data applies for the 18 companies that were new to exporting:

EDS New to Export Company Data									
Ref	Size	Export Sector Advice ¹²	Number of EDS Supports	Support Days (total)	Target Markets	Support Format (in first EDS)			
						Market Research/Scoping	Market Entry	Lead Generation	Capability Development
NE1	Not known	MD	1	4	ROI	✓	✓	-	-
NE2	Micro	DC	1	5	GB	✓	✓	✓	-
NE3	Micro	CG	1	5.5	GB, USA	-	✓	✓	-
NE4	Pre Revenue	S&D	1	10	Global	✓	-	-	-
NE5	Micro	S&D	1	10	GB	✓	✓	-	-
NE6	Not known	E	1	5	ROI	✓	-	✓	✓
NE7	Pre Revenue	DC	2	3.5+5=8.5	Global	-	-	-	-
NE8	Pre Revenue	B&D	1	4	Global	✓	-	-	-
NE9	Not known	RO	1	10	GB, ROI	✓	✓	-	-
NE10	Small	C	1	8	GB, ROI	✓	-	✓	-
NE11	Not known	EB	1	10	GB, ROI	✓	-	✓	-
NE12	Pre Revenue	MT	1	5	USA	-	✓	-	-
NE13	Pre Revenue	MT	1	5	GB, USA	✓	✓	-	-
NE14	Pre Revenue	S	1	5	GB, ROI	✓	✓	-	-
NE15	Pre Revenue	MT	1	5	GB	✓	-	-	-
NE16	Pre Revenue	MT	1	3	Global	✓	-	-	✓
NE17	Pre Revenue	DC	2	7+6=13	Global	✓	✓	-	-
NE18	Medium	E	1	10	GB, ROI	✓	-	-	-
Total						15	9	5	2

Salient points from the above:

1. Of the 18 new exporters, turnover and employment data is held for 14 only; with 64% (9) classified as pre revenue, 21% (3) are micro businesses, 7% (1) is a small and 7% (1) is a medium sized company;
2. Two pre-revenue companies received two supports through EDS;
3. ICT features heavily, with 50% of the companies receiving export advice from within the mobile telecom, e-business, software and digital content arenas; whereas there is only one new exporter in the construction sector;
4. The number of days consultancy ranged from 3.5 days to 10 days; with an average of 6.3 days;
5. Of the 18 companies, the majority (83%) had market research/scoping support, 50% had market entry support, 28% had lead generation support and 11% had capability development support;

¹² B&D: Biotechnology and Diagnostics C: Construction CG: Consumer Goods DC: Digital Content E: Engineering EB: E-business MD: Medical Devices MT: Mobile Telecoms RO: Renewable Onshore Wind S&D: Security and Defence S:Software

6. The target market for the EDS varied; with 28% using the EDS for global scoping (which corresponds to the global nature of businesses in the mobile telecom, e-business, software and digital content sectors, 28% for targeting GB and ROI, and market targets were a combination of GB, ROI and USA; and
7. It is noted, that the “lead generation” work varied greatly in scope, varying from “light touch” whereby the Export Adviser was only tasked with desktop sourcing and screening contacts, up to “in depth” whereby the Export Adviser also contacted the leads on the company’s behalf to set up meetings, etc.

3.4.3 Existing Exporter Analysis (91 companies)

A key objective for EDS is to help both new but also less experienced Northern Ireland exporters to exploit export sales opportunities. Unlike the Acumen programme, where no more than 30% of existing sales can be to export markets, EDS has no restriction on what percentage of existing sales are represented by export sales. It is also available to a range of size of companies, including large companies, although each applicant is challenged as to their ability to pay for the intervention, i.e. to undertake market research using their own resources rather than dependent on Invest NI support.

The datasets for this sub set of participant companies is contained in Appendix IV. Key points of note are as follows:

1. 100 contracts were delivered to 91 existing export companies; based on data held for 67 companies (both company size and export status data):
 - 34% (23) are micro businesses;
 - 34% (23) are small businesses;
 - 25% (17) are medium businesses; and
 - 7% (4) are large businesses.

The level of existing export sales (as a percentage of total sales) was not collected by Invest NI at commencement, although it would appear that a number of the medium sized companies and large companies are significant exporters, with greater than 30% of sales to export markets.

2. The number of days consultancy per company ranged from 2 days to 10 days; with an average of 7.8 days;
3. The companies are analysed below by size, plus assessment of the existing export markets serviced, target markets, sectoral uptake of support, and format of the support (split by Market Research/ Scoping, Market Research/Entry, Lead Generation, Capability Development, Combination Market Research and Lead Generation, Combination Market Research and Capability Development);
4. Insights into support provided to micro business clients are as follows (34% of existing exporters):
 - The project briefs, in most instances, documented which markets the companies were already exporting to. Based on data held for the micro exporters it would appear that this cohort of existing exporters were almost entirely active in the near markets of ROI and/or GB, as shown below:

Existing Export Markets for Micro Exporters		
Markets	Number	%
ROI	2	9%
GB	3	13%
Both GB and ROI	5	22%
GB, ROI and other	5	22%
Other	1	4%
Not Stated	7	30%
Total	23	100%

- The project briefs, in most instances, documented which markets the companies were seeking to explore and/or enter through the EDS support. Based on data held for the micro exporters it would appear that this cohort of existing exporters were in the main seeking to explore or export to the near markets of ROI and/or GB, but there was also an international market outlook for globally focused start-ups, as shown below:

Target Markets by Existing Micro Exporters		
Target Markets	Number	%
ROI	1	4%
GB	8	35%
Both GB and ROI	5	22%
International and GB	1	4%
International Only (including export market screening)	7	30%
Not Stated	1	4%
Total	23	100%

- Sectoral uptake of support was as follows, with construction companies focused on GB and ROI and ICT and Mobile Telecoms on international markets:

EDS Projects by Existing Micro Exporters by Sector		
Sectors	Number	%
Construction	7	30%
ICT (digital content, e-business, software)	4	17%
Enviro (Renew Energy, Bioenergy)	4	17%
Engineering	2	9%
Mobile Telecoms	2	9%
Procurement	2	9%
Professional Services	1	4%
Security	1	4%
Total	23	100%

- There was a range of supports requested. Support format was as follows, with 13% including capability development and 48% including lead generation:

EDS Projects by Existing Micro Exporters by Support Format (in first EDS)					
Market Research/ Scoping	Market Research / Entry	Lead Generation	Capability Dev	Combination Market and Lead Generation	Combination Market and Capability Development
5	4	2	-	9	3
22%	17%	9%	-	39%	13%

5. Insights in the support provided to **small business clients** is as follows (34% of existing exporters):

- The project briefs, in most instances, documented which markets the companies were already exporting to. Based on data held for the small exporters it would appear that this cohort of existing exporters were almost mainly active in the near markets of ROI and/or GB, as well as international markets (26% where information was available):

Existing Export Markets for Small Exporters		
Markets	Number	%
ROI	2	9%
GB	3	13%
Both GB and ROI	8	35%
GB, ROI and Other	5	22%
Other	1	4%
Not Stated	4	17%
Total	23	100%

- The project briefs, in most instances, documented which markets the companies were seeking to explore and/or enter through the EDS support. Based on data held for the small exporters it would appear that this cohort of existing exporters were mostly focused on

entering GB and/or ROI but that there was also an international market focus, as shown below:

Target Markets by Existing Small Exporters		
Target Markets	Number	%
ROI	3	13%
GB	10	43%
Both GB and ROI	2	9%
International Only (including export market screening)	6	26%
Not Stated	2	9%
Total	23	100%

- Sectoral uptake of support was as follows with construction and environmental companies being predominant:

EDS Projects by Existing Small Exporters by Sector		
Sectors	Number	%
Consumer Products	1	4%
Construction	5	22%
ICT (digital content, e-business, software)	2	9%
Enviro (Renew Energy, Bioenergy)	7	30%
Engineering	2	9%
Furniture/Interiors	1	4%
Materials Handling	1	4%
Mobile Telecoms	1	4%
Printing & Packaging	2	9%
Professional Services	1	4%
Total	23	100%

- There was a range of supports requested. Support format was as follows with 13% including capability development and 65% including lead generation:

EDS Projects by Existing Small Exporters by Support Format (in first EDS)					
Market Research / Scoping	Market Research / Entry	Lead Generation	Capability Development	Combination Market and Lead Generation	Combination Market and Capability Development
-	5	4	-	11	3
-	22%	17%	-	48%	13%

6. Insights in the support provided to medium business clients is as follows (25% of existing exporters):

- As above, based on project brief data, medium companies with existing export sales were largely active in the GB and ROI markets, with a higher proportion (47%) of medium companies (than small or micro businesses) already selling into international markets:

Existing Export Markets for Medium Exporters		
Markets	Number	%
ROI	1	6%
GB	1	6%
Both GB and ROI	5	29%
GB, ROI and Other	7	41%
GB and Other	1	6%
Not Stated	2	12%
Total	17	100%

- The majority (41%) of medium companies were utilising the EDS to enter into the GB market, with a further 18% and 24% respectively seeking to enter the ROI market and other global markets. Target markets were as follows:

Target Markets by Existing Medium Exporters		
Target Markets	Number	%
GB	7	41%

Target Markets by Existing Medium Exporters		
Target Markets	Number	%
Both GB and ROI	3	18%
International Only (including export market screening)	4	24%
Not stated	3	18%
Total	17	100%

- Sectoral uptake of support was as follows, with construction continuing to be the predominant sector:

EDS Projects by Existing Medium Exporters by Sector		
Sectors	Number	%
Construction	5	29%
Consumer Goods	1	6%
ICT (software)	2	12%
Enviro (Renew Energy, Bioenergy)	3	18%
Engineering	2	12%
Medical Devices	1	6%
Mobile Telecoms	1	6%
Printing and Packaging	1	6%
Procurement	1	6%
Total	17	100%

- Support format was as follows, with 18% including capability development and 42% including lead generation:

EDS Projects by Existing Medium Exporters by Support Format (in first EDS)					
Market Research/ Scoping	Market Research / Entry	Lead Generation	Capability Dev	Combination Market and Lead Generation	Combination Market and Capability Development
5	2	3	-	4	3
29%	12%	18%	-	24%	18%

7. Insights in the support provided to large business clients is as follows (7% of existing exporters):

- The large companies participating on the EDS were already active in the GB and ROI market, with 75% active also in international markets:

Existing Export Markets for Large Exporters		
Markets	Number	%
Both GB and ROI	1	25
International, GB and ROI	3	75

- The large companies were largely using the service to look outside of NI and GB, as follows:

EDS Projects by Existing Large Exporters by Target Market		
Target Markets	Number	%
Both GB and ROI	1	25
International Only (including export market screening)	3	75

- Sectoral uptake of support was as follows, with all bar the Professional Services company being internationally focused:

EDS Projects by Existing Large Exporters by Sector		
Sectors	Number	%
Consumer Goods	1	25%
Materials Handling	1	25%
Professional Services	1	25%
Software	1	25%

- Support format was as follows with none including capability development, 25% including lead generation and 75% focused on market research:

EDS Projects by Existing Large Exporters by Support Format (in first EDS)					
Market Research/ Scoping	Market Research / Entry	Lead Generation	Capability Dev	Combination Market and Lead Generation	Combination Market and Capability Development
2	1	-	-	1	-
50%	25%	-	-	25%	-

3.5 Trade Show Support

Nine companies were provided with consultancy support around a trade show, of which there were four trade shows. Detail as follows:

Interiors Design Summit (Oct 2013)

Background: The IDS was a one-day trade event in London designed specifically to enable suppliers of high end products and services to meet with professional buyers within the interior design industry. Only purchasing professionals and specifiers with significant budgets who are actively reviewing their service providers are invited to participate. The sector trade mission to the Interiors Design Summit negotiated a discounted fee for six Invest NI clients.

Support: Three companies were supported through the allocation of two days consultancy each (six days in total) of the EDS Construction Export Adviser's time. The consultant provided tailored advice and guidance to each company specifically facilitating them to target the most appropriate buyers and specifiers, and to develop a strong sales and presentation approach for the Summit. In addition, the consultant provided follow up support to the participating companies after the event.

CIH Housing Conference (June 2014)

Background: CIH is the UK's largest annual social housing event, targeted at housing associations, ALMOs and local authorities. The Conference, which debates issues of national importance to the sector, attracts senior decision-makers from social housing organisations from all over the UK. The exhibition event has in the past attracted circa 300 suppliers. Invest NI has secured a group stand at which 12 Northern Ireland client companies will have access to a small workstation and display area. This was the first time that Invest NI has organised a Northern Ireland group presence at the CIH Housing event.

Support: Four companies were supported through the allocation of one day consultancy each (four days in total) of the EDS Construction Export Adviser's time. The consultant provided tailored advice and guidance to each company - this took varying formats including facilitating them to re-establish contact with the most appropriate housing associations, identifying new contacts to target, reviewing promotional material and sending promotional material to each identified housing association contact in advance of the trade show.

2015 Offsite Construction Show

Background: This annual two-day show took place in October 2015; Invest NI supported six companies. The show aims to highlight the benefits of offsite construction and what can be achieved by this still under exploited method of building.

Support: One company was supported through the allocation of two days consultancy of the EDS Construction Export Adviser's time.

2015 Web Summit

Background: This was a technology industry conference (three days in duration) held in Dublin about internet technology and the audience is a mix of founders and Chief Executives of tech start-ups,

together with a range of people from across the global technology industry, as well as related industries. Attendance was 22,000 people from 109 countries in 2014. The event was held last year over three days, and a record 2,087 start-ups (categorised as Alpha and Beta) were exhibiting, each for one day only. Invest NI had a large stand in the Marketing Summit section.

Support: One company was supported through the allocation of three days consultancy of the EDS Mobile Telecom Export Adviser's time. The consultant advised on how to fully prepare and maximise its participation at the event. Output was a short document for the company's management to study prior to the event and take with them as a 'guide book'.

Analysis of the companies in receipt of EDS trade show support is set out below:

Company Reference	Size	Export Status	Sector
TS1	Large	Existing	Construction
TS2	Micro	Existing	Furniture/ Interiors
TS3	Small	Existing	Construction
TS4	No data	No data	Mobile Telecoms
TS5	Medium	Existing	Furniture/ Interiors
TS6	No data	No data	Construction
TS7	No data	No data	Construction
TS8	Medium	Existing	Furniture/ Interiors
TS9	Medium	Existing	Construction

The above shows that for the support was received in the main by existing exporters of varying sizes and sector, and with a predominance on construction and interiors.

3.6 Sector-Specific Market Reports and Other Events/Reports

The Trade Team have commissioned seven sector reports and nine miscellaneous event and trade show related reports in the timeframe of the evaluation. The following table details the same.

Sector Study
Sector Study - Chemical Processing
Sector Report - Food Manufacturing
Sector Report - Superyachts
Sector Report - Rubber Applications - An Engineering Company
Sector Report - Waste Management Study
Sector Report - Consumer Products
Sector Report - Construction Phase 2
Other Reports/ Events
Web Summit 2014 - Evaluation report with Alpha Companies
Web Summit 2014 - Evaluation report with Beta Companies
Mobile World Congress 2014
Mobile World Congress 2015
Generate NI Workshop
MTB event - ROI contractors who are active in the GB market
Supply Chain Opportunities in the Bioenergy sector - Information Workshop and Plant Tour - Dec 14
EDS - College NI
Review of Export Guides on the nibusinessinfo Site

The sectoral reports were completed on a range of industries, including niche industries e.g. superyachts and historically, the number of reports increased in the 2016 financial year, which was the year in which the Trade team was restructured away from a sectoral to a geographic focus. EDS would appear to provide this support both on a reactive company by company basis and proactively on a sector basis (to a limited extent to date).

The Evaluation Team view is that the sector reports could be used in a more strategic manner that better inform the EDS projects and/or provide a hook with which to increase engagement with new export.

3.7 Conclusion

- In summary, the above analysis demonstrates that whilst the EDS is available to companies of all sizes and export statuses, with an implied emphasis on new and less experienced exporters, in practice the uptake of the service has been skewed towards existing exporters - although the Evaluation Team notes that there is no guide to define what constitutes a “less experienced” exporter.

The appropriateness of having full availability of the EDS to client companies, regardless of export status or size, is questionable on three fronts going forward - firstly, on an additionality basis it is difficult to argue the presence of market failure e.g. it is unlikely that experienced medium to large exporters for example those with at least 30% export levels lack the capability to source their own market research. And secondly, in all cases, additionality needs to be demonstrated, particularly amongst medium and large companies who are only paying £125 per day for expert advice. Thirdly, going forward, there is a new emphasis on increasing the number of companies that export, which implies a need to specifically target the new exporter i.e. those with no previous export sales experience but with a commercially viable export ready product/service.

- EDS has been particularly used by the construction sector where the main export market is naturally the near market of GB and ROI. In restricting EDS to GB and ROI (rather than focusing solely on companies new to exporting or inexperienced in exporting), this reduces the applicability of the EDS to a number of strategically important sectors that typically contain globally focused businesses, i.e. mobile telecoms, biotechnology, medical devices, etc. where historically the EDS resource has been used for export market screening (which no other programme does) although this is not part of EDS’s formal remit since September 2015.

The removal of the export market screening aspect of the EDS will likely reduce its uptake given the prevalence of same in the current evaluation period. The Evaluation Team considers that this creates a gap in export development support offered to client companies and assumes that all companies know where best to target their export efforts. Whether this offering sits within EDS or another guise is subject for discussion within Invest NI.

- The EDS team informally assess and monitor the number of days allocated per company. The average days per company was 6.3 days for new to exports and 7.8 for existing exporters. The Benchmark Section (Section 7) indicates that in other regions, higher levels of support are only available for company with the capability to exploit market opportunities. There are no such formal criteria applied to the EDS at present other than ensuring that the person engaged with the EDS process is suitably positioned in the company (from a decision making perspective) and that there is financial commitment to the project (as evidenced by the upfront payment by companies for their share of the costs).
- Sectoral reports are prepared on demand in response to identified needs, with no strategic approach to ensuring appropriate advice to key sectors (as noted by MATRIX and in the draft Industrial Strategy).

4. COMPANY’S SATISFACTION WITH, AND VIEWS OF, THE EXPORT DEVELOPMENT SCHEME

4.1 Introduction

Section 4 provides a detailed analysis of the primary research undertaken with companies that received EDS support from July 2013 to September 2016. The source of this data is two-fold:

- Firstly, from **post completion questionnaires** completed by the companies and submitted directly to Invest NI within weeks of receiving the EDS report/ deliverable; and
- Secondly, from primary research (through an **Evaluation Survey**) undertaken by the Evaluation Team in December 2016 and January 2017. The questionnaire administered is contained in Appendix V and sought companies’ views of the support available.

With respect to this research, the following technical notes refer:

- Throughout the report ‘N’ refers to the total number of respondents to a particular question;
- Varying sample sizes were consulted during the primary research phase; and
- To inform the reliance placed on the research, the following confidence levels have been calculated (based on the sample size (i.e. respondents participating in the primary research) and population (i.e. the number of individual companies in receipt of EDS support):

95% Confidence Levels		
Sample Size	Population	Confidence Interval
Post completion questionnaires (N=113)	126	+/-3
Evaluation Survey (N= 40)	121*	+/-12

**The 121 companies for the Evaluation Survey is represented by the 126 companies supported through the 137 consultancy contracts (which includes both one to one and trade show support) less companies no longer in existence and/or changed in management/ ownership.*

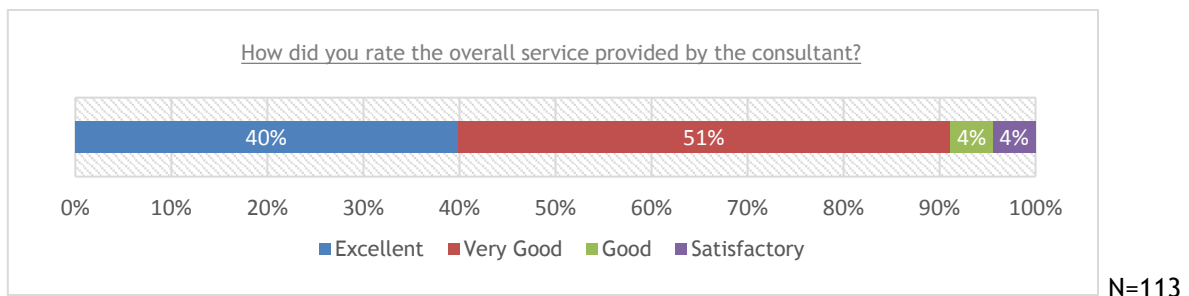
4.2 Feedback from Post Completion Questionnaires

4.2.1 Overview

Participant companies were asked to rate the EDS service on a number of fronts and were given the choice of a score of between one and five or six¹³, with the lower and upper score representing “poor” and “excellent” respectively. Although not stated, the Evaluation Team assumes the following correlates:

4.2.2 Overall

At an overall level, 91% of the total respondents considered the support that they received through the EDS to be “excellent” or “very good”.



Sample feedback is as follows:

It is an excellent service.

¹³ Some questionnaires appear to have only offered respondents the range of one to five, whilst the majority refer to a range of one to six.

Very pleased with the service - we gained invaluable market intelligence on contacts in new segments of the market.

The EDS has been invaluable to us. We believe in our project but have limited resources. This support gives us an independent/unbiased advice and information.

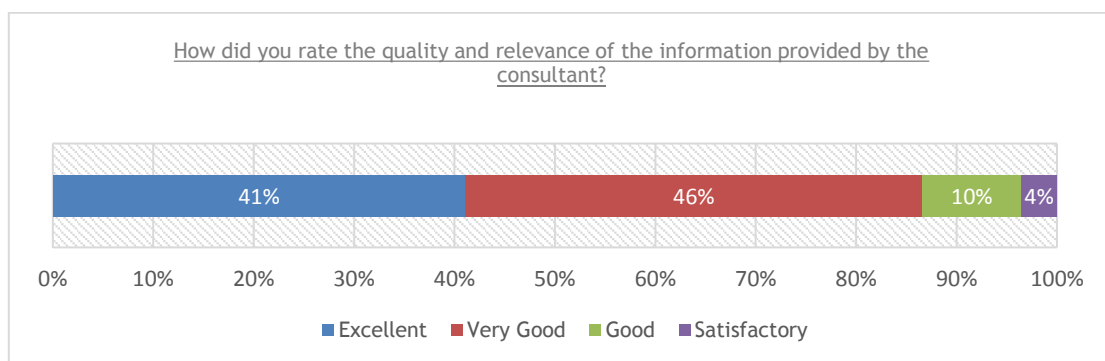
Very good and well organised scheme - it opened our company up to thinking strategically about other aspects of the business.

There was less to the services than we were expecting, however the help and suggestions that were provided were beneficial to us and should help us guide the organisation to where it needs to be.

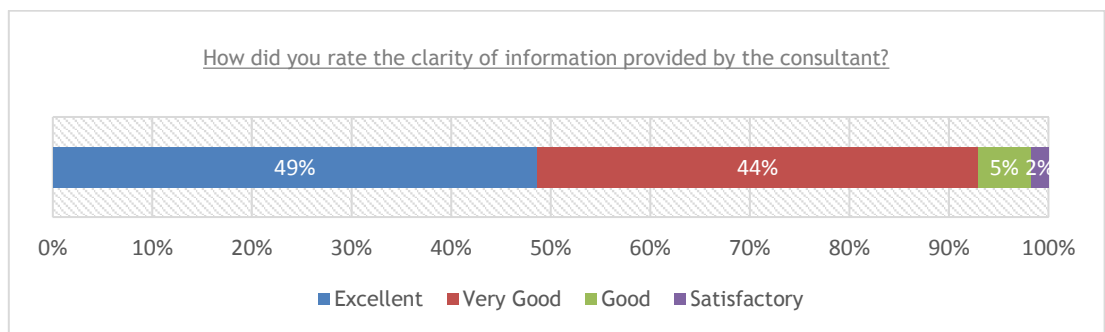
With the information gathered through the research, we can more confidently plot out a plan for maximising our potential in the GB and ROI markets through establishing and prioritizing the target market sectors.

4.2.3 Export Adviser Rating

When asked to rate the quality and relevance of the information provided, 88% of respondents stated very good or excellent.



When asked to rate the clarity of the final deliverable, 98% of respondents stated very good or excellent.



Sample feedback is as follows:

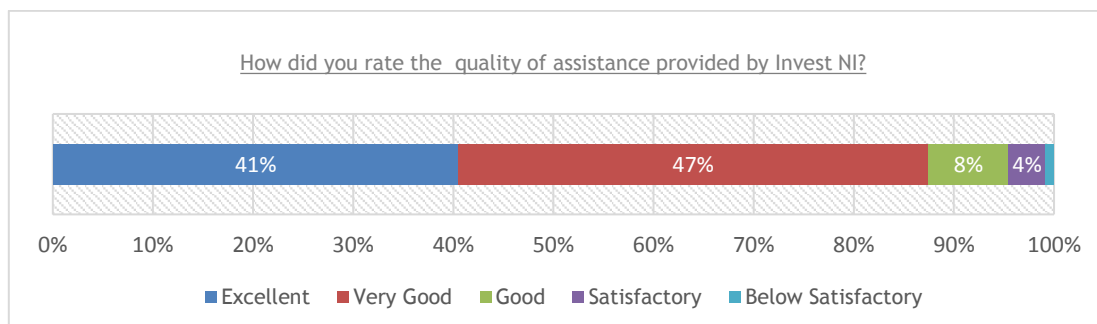
The quality of information from business contacts to details on quality approvals required was excellent.

We are in such a niche market that the EDS was interesting but of limited use, as the Adviser had to learn about the sector as they went along we did not learn anything we did not already know.

We have found working with the Advisor very enjoyable and the information he gained on our behalf is invaluable to moving our business forward. We would not have the experience or expertise within our company to obtain such information. It has also reinforced that we are doing the right thing and going into a growing market.

4.2.4 Invest NI Administrative Rating

When asked to rate the quality of the assistance provided by Invest NI, 88% of respondents stated very good or excellent.

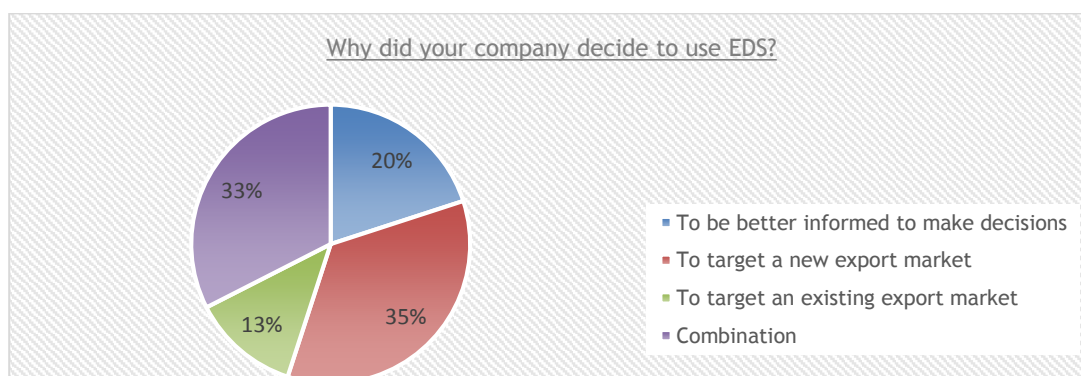


N=111

4.3 Feedback from Evaluation Survey

4.3.1 Rationale for Using EDS

Companies were asked their reason for undertaking the EDS support, with the key reason (35%) being to enter into and achieve sales in a new export market; with a further 23% of respondents indicating that it was part of their decision (along with better decision making (18%) and existing market entry (5%)). A sizeable proportion of companies (20%) solely undertook EDS to be better informed with respect to future business direction.



N=40

Sample feedback is provided as follows:

When you are deeply committed to an existing home market it is difficult to dedicate time to develop an export market that will offer slower returns - time and information are always constraints to export development. We needed market research to inform our future strategic direction in a new export market.

We had an opportunity to diversify into a new market and needed assurance that the perceived market opportunity was suitably sized to justify the planned investment.

We had recently won a contract in England to deliver our key service that has been our main income generator in the home market for a number of years. We wanted to see where else we should target our efforts to make the most of the experience and track record outside of NI.

We needed some strategic help in reviewing target markets and selecting the most appropriate, direct versus indirect, sales channel.

To get an idea about the market size and opportunity for our business outside of NI and ROI.

The Evaluation Team notes, as detailed in Section 3.3, the EDS has historically (and within the evaluation period) provided support for “export market screening”, which was formally removed when the remit of the EDS was honed completely to the GB and ROI markets following further investment in the TAS in new overseas locations. It would therefore appear that this change, if

maintained in any future EDS, would reduce the number of companies that will likely come to EDS to be “better informed to make business decisions”.

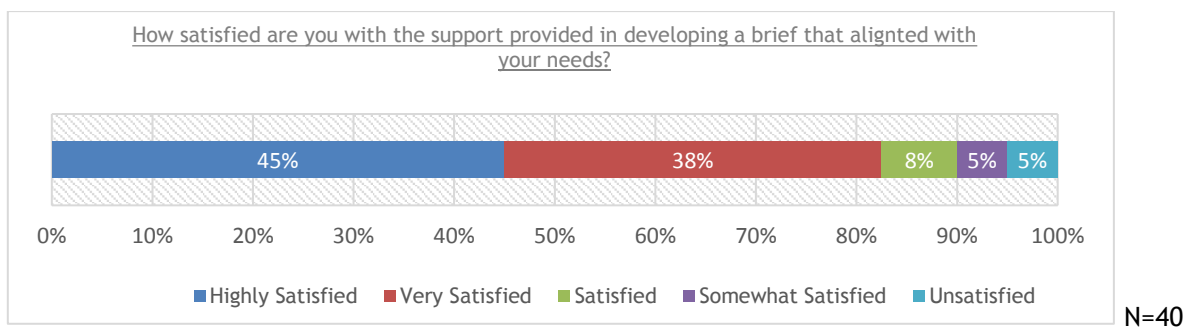
Furthermore, it is also likely to create a gap in the Invest NI export support portfolio on the basis that there would be no support to assist companies, particularly those in the MATRIX sectors, to determine where to focus export marketing efforts. Whilst the assumption that GB or ROI are the most suitable starting point for new exporters, this is not always the case, as per feedback received from the EDS Export Advisers and companies.

4.3.2 Satisfaction

40 participant companies were asked to rate the EDS service on a number of fronts and were given the choice of a score of between one and six, with the lower and upper score representing “very unsatisfied” and “highly satisfied” respectively. The following correlates scores to ratings:

Score	One	Two	Three	Four	Five	Six
Rating	Very Unsatisfied	Unsatisfied	Somewhat Satisfied	Satisfied	Very Satisfied	Highly Satisfied

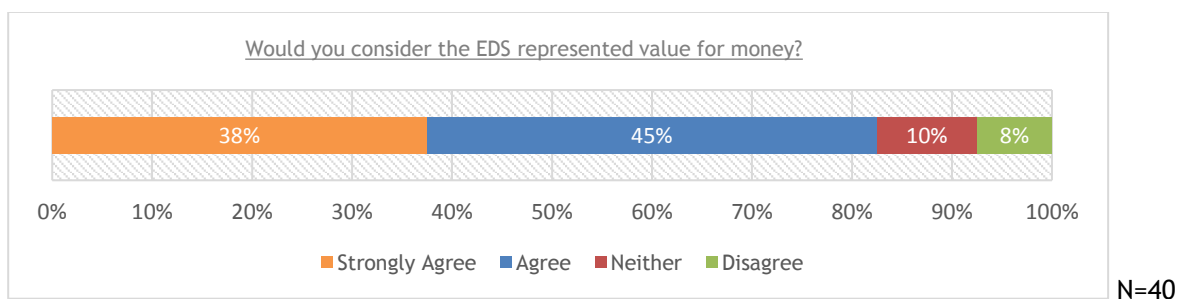
The feedback is presented below and largely affirms the immediate satisfaction levels at the time of the support.



As shown above, 83% of respondents were highly or very satisfied with the brief development process and the output delivered against this brief. Whilst there were higher levels of respondents that were not satisfied (5%) than in the post completion questionnaires (nil), the level is low. The rationale for the negative feedback was due to specifics within the deliverable e.g. the list of contacts developed was not appropriate when the company did follow on work.

4.3.3 Value for Money Assessment

When asked if they considered the support to represent value for money, 83% of respondents either agreed or strongly agreed; all of those who were “neither” or “disagreed” (that it represented value for money) were micro and small companies.



Sample feedback is provided as follows:

Professional external support is really appreciated. EDS Providers all have clear market knowledge and deliver quality and timely information and something to build upon from the company's perspective. It enabled the team to hit the ground running.

4.4 Conclusion

A high level of overall satisfaction has been expressed by companies in receipt of EDS one-to-one export consultancy support; both immediately after receiving the support and at the time of the evaluation. The key reason for companies to utilise the EDS was to enter into new markets, with over half indicating that this was the case; and a further fifth of respondents indicating it was their intention to further achieve sales in an existing export market. From a value for money perspective there was a high level of respondents (83%) that considered that the service represented value for money, whilst those who queried its value were all micro and small businesses, where there was an affordability issue despite the high level of subsidy from Invest NI.

5. IMPACT OF EXPORT DEVELOPMENT SERVICE SUPPORT

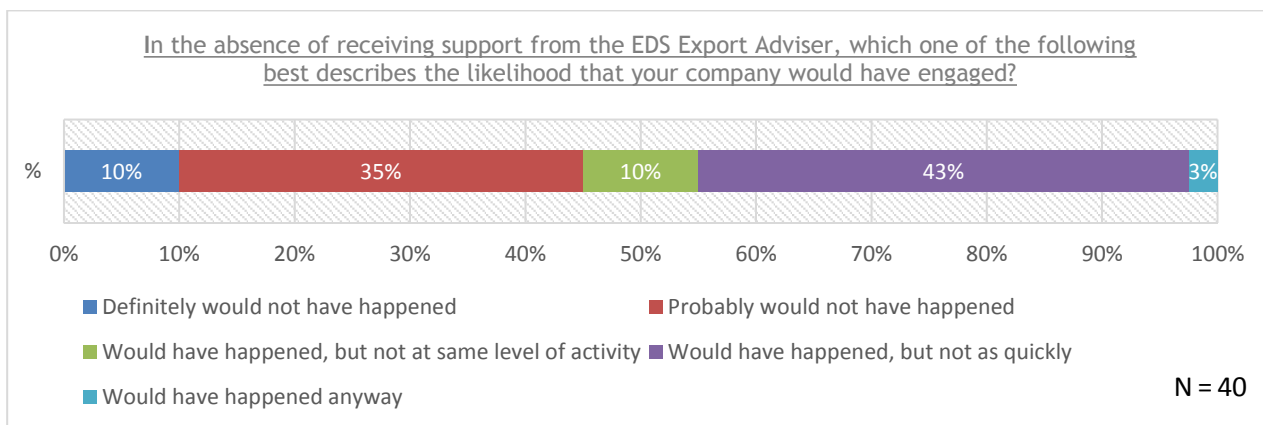
5.1 Introduction

This section considers the impact of the EDS, both to date and projected, on participant companies. The source of this data is from primary research undertaken by the Evaluation Team in December 2016 and January 2017 (as detailed in Section 4.1). Case studies are also provided.

5.2 Activity Deadweight / Additionality

Deadweight is the term used to refer to the activity that would have happened anyway. In the context of this report, full activity deadweight occurs if the company would, in the absence of EDS support, still have availed of trade support services in the same timeframe and extent as afforded through the EDS. No deadweight occurs where the company would not have availed of such a service without Invest NI EDS support. Partial deadweight is where the company would have commissioned some of the intervention in the absence of Invest NI support.

In informing the assessment of deadweight, we have used a ‘participant self-assessment’ methodology, which essentially utilises questions within the referred participant survey, as follows:



To ascertain a blended average activity additionality for the EDS, we have assigned two weighting models to these individual responses e.g. the first response represents 100% additionality and the last response represents 0% additionality. This gives rise to an estimated activity additionality of between 41% and 63%.

Self-Assessed Activity Additionality	%	Scenario One		Scenario Two	
		Weighting	Result	Weighting	Result
Definitely would not have happened	10	100%	10%	100%	10%
Probably would not have happened	35	75%	26%	50%	18%
Would have happened, but not at same level of activity	10	50%	5%	25%	3%
Would have happened, but not as quickly	43	50%	22%	25%	11%
Would have happened anyway	3	0%	0%	0%	0%
N=40	100		63%		41%

Sample feedback is as follows:

Without the service we would have been unable to carry out the market research as quickly. This could have resulted in wasted resources researching a market that would deliver little benefit to the company and may have prevented growth in other markets

We would not have had the time and dedicated resources to carry out the market research.

Our confidence level would have been much longer, and delivered over a longer timeframe.

External assistance provided a focus for discussion and planning that would not have happened in the timeframe.

5.3 Nature and Extent of Market Failure

As detailed in Section 2, the Export Matters report indicated that there were generally four market failures with respect to NI companies exporting; these are re-presented below:

1. Because they have not done it before, companies are not aware of the benefits that can come to them from selling externally and/or exporting;
2. Companies are often unclear where and who to go to, to get advice on exporting;
3. Companies are often wary about developing relationships with unknown and untrusted contacts and intermediaries overseas. Getting these relationships right can be risky and sometimes that risk is seen as being just too large; and
4. Companies are reluctant to get into external selling and/or exporting for fear that the staff they develop and then use for these functions will move to other competitors.

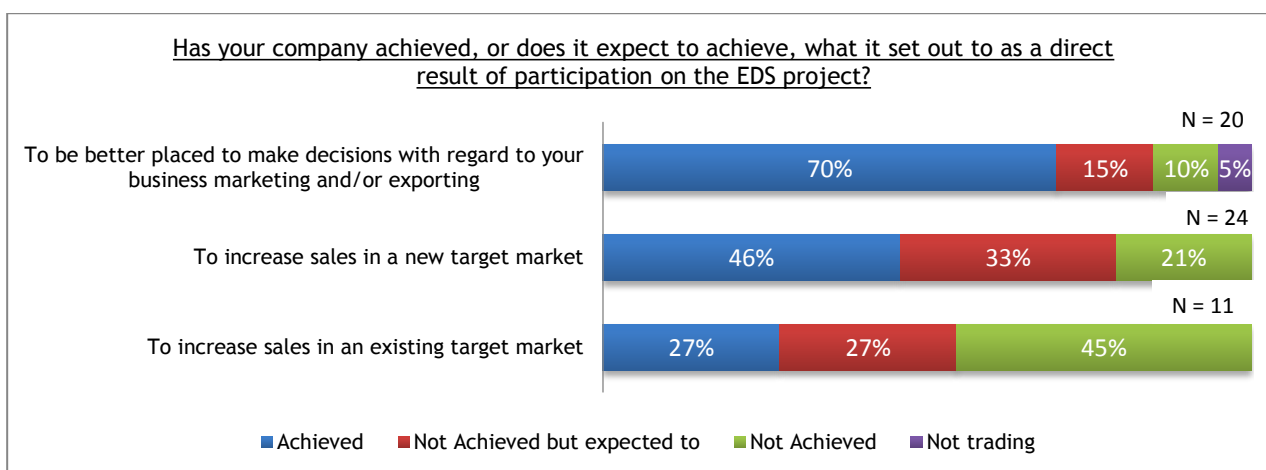
The survey would suggest that market failure mainly falls into category two above (28%); although the Evaluation Team notes that this is likely reflective of the heavy weighting of existing exporters amongst EDS supported companies, which would largely remove the relevance of category one market failure (13%). In addition, a key market failure was that companies were not aware how to articulate their issue or barrier to exporting (30%) - with many not even sure who the appropriate contact is, for them to attempt to develop a relationship with. The key reason for companies not undertaking the export development activity relates to affordability - with 38% stating they were unable to afford the cost and a further 15% unwilling to fund the cost.

Response to Market Failure Question	Response Rate
Company would not have been able to articulate the focus of the project	30%
Company would not have known the business benefits of such advice	13%
Company was unwilling to fund the full cost of the Export Adviser	15%
Company would not have been able to source the EDS Export Adviser	28%
Company unable to fund the EDS Export Adviser without financial support	38%
Other	10%
N=40	Total 100%

5.4 Achieved Outcomes

5.4.1 Overview

Companies were asked if they had achieved, or expected to achieve, what they anticipated at the outset of the support. The highest proportion of companies (85%) had achieved (or expected to achieve) better market or export positioning from the EDS support; 79% had achieved (or expected to achieve) sales in a new market and 54% had achieved (or expected to achieve) sales in an existing market.



5.4.2 EDS Gross Impact

The survey of EDS participants asked about the impact of the support from the EDS Export Advisor in terms of increased sales in existing and new target markets. Of the 40 surveyed, the disaggregation of the impact is set out below as follows:

Sales Impact Category	Number	Value	Timing
Sales impact expected and actually achieved by company	12	£2,968,000	2014 to date
Sales impact expected and actually achieved by company, with additional impact estimated	Included above	£375,000	End 2017
Sales impact expected and not yet achieved, but estimated by company	1	£150,000	Not known
Sales impact expected and not yet achieved, company unable to estimate due to variables	9	Nil	N/A
Sales impact expected but not achieved (or anticipated to be achieved)	10	Nil	N/A
No sales impact - as expected i.e. the EDS was not undertaken with the intention of generating sales impact	8	Nil	N/A
Total	40	£3,493,000	

Key points of note:

- 80% (32, N=40) of surveyed companies expected an increase in export sales as an impact of the EDS;
- At the time of the report, 41% (13, N=32) of companies who anticipated a sales impact had achieved or expected to achieve a quantifiable impact that they attribute directly to the EDS support received. The quantum of this impact was in the region of £3,493,000; with the Evaluation Team noting that this includes an outlier of £2m for one company (a medium sized existing exporter, with the majority of sales already being outside of NI).
- Whilst a further nine companies (28%, N=32) expect to achieve increased sales they are unable to quantify the scale or timing of same due to unknowns. Sample feedback notes the challenges in determining impact:

It is hard to quantify the likely increase in sales and staff at this early stage of market research. We will shortly begin a round of customer interviews in order to define the eventual product and market. We will not be in a position to make any business predictions until late 2017 - Large company, existing exporter with majority of sales outside of NI

In the context of taking a product or service to market in connected health, the EDS project budget was exceptionally tiny and any commercial success draws on many other inputs and company expenditure. The EDS project was started with the best intentions, but I cannot (nobody could) quantify any benefit from it. There are too many uncertainties. My business is well-positioned to grasp opportunities, but there is nothing signed that will commit anyone to any payment.

- There were ten (31%, N=32) companies that despite expecting sales impact had not achieved any directly attributable impact nor did they anticipate any in the future. The following sample feedback suggest that it was due in the main to timing, with a minority (two companies) indicating a dissatisfaction with the advice due to a lack of niche knowledge held by the Export Adviser.

- *The company was very pleased with the work undertaken, but at the time there was no resources to tackle new market entry opportunities when the focus had to be on home market consolidation (due to 30% fall in turnover).*
- *We went on to hire a person on the back of the list of 48 contacts through GAP; but this person was not kept as the list was largely null and void.*
- *It was a very intense report provided back to the company but we have been unable (due to timing and resources) to take full advantage of it.*
- *The expert's knowledge was not niche enough for the business and much of what was provided was too general.*

- *The EDS provided focus and structure and the company is now better placed to enter export markets should the opportunity arise.*
- *Interesting but the engagement was too short to make a real impact, adviser had to learn about sector detail.*
- *The EDS provided focus and structure and the company is now better placed to enter export markets should the opportunity arise. At present, other pressures have come to bear that restrict export development.*

- 20% (8, N=40) of surveyed companies neither expected nor achieved any increase in export sales as a result of the EDS. Sample feedback as follows:

- *The EDS determined that the market opportunity was not worth pursuing. This saved our company time and money.*
- *The EDS helped to inform strategic direction but no impacts as yet as we are at the early stages (6 months into a 5 year plan) and to achieve impacts we still need further development and investment.*
- *Through the research we have determined that there are developmental gaps in our product that would be needed to support the requirements of the target sector - these will take time and investment to address and we hope to revisit this in late 2017.*

In determining the impact for the full EDS supports delivered to 121 companies, the Evaluation Team notes that 80% of our survey respondents had expected to increase sales in external markets through EDS participation. If this were applied to the overall figure of 121 companies who have completed one-to-one support on EDS, this would equate to 97 companies who had expected to increase sales in external markets through EDS support.

Of the 32 expecting impact, 28% (9 companies) saw sales increase by a value of £100k or less and 9% (3 companies) by over £100k¹⁴; which equates to 36 companies within the entire population (37% of 97) who are expected to have a positive external sales impact. The survey suggests that 31% of companies expect to achieve increased external sales; which equates to a further 30 companies expecting EDS to impact on sales i.e. 66 companies reporting positive sales impact.

Actual Sales Impact	Sample		Pro-Rated Population
Actual sales achieved (< £100,000)	9	28%	27
Actual sales achieved (> £100,000)	3	13%	9
Sales expected but not yet achieved	10	31%	30
Sales expected but not now anticipated to be achieved	10	31%	31
Sub Total	32	100%	97
Not expected at outset	8		24
Total	40		121

In estimating the total sales impact value amongst the 66 companies for which sales have been achieved or are expected to be achieved, the following steps were employed:

- Companies achieving sales to date were split between those achieving sales value >£100k and those achieving sales value of <£100k;
- The average sales value, for companies achieving sales value of <£100k, was £62k (based on survey sample findings);
- Two scenarios were modelled for estimating the average sales value for companies achieving sales value >£100k¹⁵:
 - Scenario One: sales were valued at £101k; and
 - Scenario Two: sales were valued at £207k, which is based on the average of estimates provided by two companies.
- Two different approaches to estimating the sales impact associated with companies projecting sales impacts (i.e. 30) were used. Both approaches use company estimates where provided (i.e.

¹⁴ Including £2m from one company

¹⁵ Actual values were used where available for the three companies

additional sales impact of £375k for one of the companies and another company with an estimated impact of £150k), with the balance of 29 companies assumed as follows:

- Scenario One: 75% achieve sales of £62k and 25% achieve sales of £101k; and
- Scenario Two: 75% achieve sales of £62k and 25% achieve sales of £207k.

The outworking of the above provides a range of EDS sales impact as follows:

Scenario One	Number	Estimated Value
Sales impact achieved by company (less than £100,000)	9	£554,000
Sales impact achieved by company (more than £100,000)	3	£2,414,000
Estimated sales impact achieved by company (less than £100,000)	18	£1,116,000
Estimated sales impact achieved by company (more than £100,000)	6	£606,000
Sales Impact not yet but expected	30	£2,605,750 ¹⁶
No sales impact now or expected	31	Nil
Total	97	£7,295,750

Scenario Two	Number	Estimated Value
Sales impact achieved by company (less than £100,000)	9	£554,000
Sales impact achieved by company (more than £100,000)	3	£2,414,000
Estimated sales impact achieved by company (less than £100,000)	18	£1,116,000
Estimated sales impact achieved by company (more than £100,000)	6	£1,242,000
Sales Impact not yet but expected	30	£3,374,250 ¹⁷
No sales impact now or expected	31	Nil
Total	97	£8,700,250

The assumed GVA is 26%; which, when applied to the above pro-rated sales figure gives rise to a gross impact of between £1.9m and £2.3m.

5.4.3 EDS Net Impact

Net impact is the gross impact as per Section 5.4.2 after adjustment for deadweight.

Similar to our approach in estimating activity deadweight, we have used a ‘participant self-assessment’ methodology, which essentially utilises questions within the referred participant survey. To ascertain a blended average impact additionality for the EDS, we have assigned two weighting models to these individual responses e.g. the first response represents 100% additionality and the last response represents 0% additionality. This gives rise to an estimated impact additionality of between 27% and 44%. Applying these additionality levels to the gross impact data would equate to a net impact range of between £0.51m to £1.0m.

To put these figures in context, total spend on the EDS Export in the period from July 2013 to September 2016 was £920,143 (with an estimated cost to July 2017 of £1,155,315); which shows that the impact from the support provided to date has had an upper impact of £1:£1.08. The Evaluation Team considers that this estimation is on the prudent side as:

- It does not take account of the full EDS impact on the basis of the short time lag between the EDS support being provided to companies and the evaluation survey being undertaken, particularly for companies supported in the 2015/16 period.
- Companies that were in a position to put a value on the impact to date did not provide any further anticipated impacts;
- The anticipated sales estimates (for companies that stated they had not yet realised sales but anticipated doing so in the future) are based on prudent estimates of average sales increases experienced to date, despite the fact that there is evidence of some significant outliers e.g. one company reported impact of £2m.

The impact of the EDS also requires due consideration to non-monetary impacts, which are discussed in Section 5.4.4.

¹⁶ Equates to £375,000 + £150,000 + (29*75%*£62,000) + (29*25%*£101,000)

¹⁷ Equates to £375,000 + £150,000 + (29*75%*£62,000) + (29*25%*£207,000)

5.4.4 Other Impacts of EDS

The EDS is focused on assisting company development in the following areas: completing market research, identification of market dynamics, competitor analysis, provision of advice on export action planning and capability development; in addition to assisting companies exploit market opportunities through lead generation. For some companies these activities are anticipated to lead to sales in their target markets.

Companies were asked if they considered that there were other benefits derived from the EDS and 44% (16, N=36) indicated that there had been other impacts other than increased sales in export markets: in half of companies (8, N=16) there was now better strategic direction; other benefits included the development of new products (25%), increased sales in the home market, reduction in costs, idea generation, new networks and market insights.

Sample feedback is as follows:

We have recognised that some markets that were strong for us are no longer as productive as they were, we have also noticed some markets that we already have a foot in have a lot more potential for us so we are redirecting our attention and redefining some of our services. We have changed our targeting strategy and have a better system in place for following up on sales.

Through the EDS we have been able to vastly increase our turnover as we take a more pragmatic approach to new markets and industry sectors.

We would have struggled to focus our attentions on the most attractive sectors and would have wasted time on the O&G sector (for example).

Idea generation resulted from the facilitated and informed discussions.

Not only did the EDS give confidence to the company director, it was a useful tool to give confidence to the bank.

EDS really triggered other ideas for the company.

We have made process improvements to the business as a result of the EDS.

5.5 Case Studies

Sales impact expected and actually achieved by the company
<p>Sector: Furniture/ Interiors Company Size: Micro Status: Existing Exporter (<5% in GB market) Project Brief: This company had begun to supply into the GB luxury retail market having achieved a number of high profile commission in the Belfast market. The company had been invited to present their range to the Harrods Home and Furniture buying team. EDS Support:</p> <ul style="list-style-type: none"> To access support specifically for the development of the company's pitch to the buying team at Harrods To agree on the objectives, goals and best approach to the meeting with Harrods - from introduction right to the close of the meeting To refine and develop a Power Point presentation to be delivered by the company owner To rehearse the key selling messages and product USPs that need to be conveyed throughout the Power Point To develop lists of potential buyer questions and develop responses which will take into account the objectives of the company owner. To role play these questions and develop negotiation contingencies. <p>Impact Achieved: Additional sales representing 100% uplift in turnover for two years. Feedback: Fantastic service that delivered what the company needed in a short timeframe. The adviser was very professional and the skills acquired will be instrumental to achieving further export sales.</p>
Sales impact expected and not yet achieved, company unable to estimate due to variables
<p>Sector: Construction Company Size: Micro Status: Existing Exporter (<10% in ROI market) Project Brief: The company was a principal contractor with construction expertise in the commercial, social housing, education and supported living sectors; and had recently secured its first contract in the ROI market. An opportunity existed to diversify its product offering and, before committing funds to the purchase of machinery, the company wanted market research to support its belief that a sizeable market opportunity</p>

existed by undertaking formal market research through the EDS programme. The purpose of the market research was to confirm that a potential market opportunity existed into the Republic of Ireland and to identify contacts that the company can target for business.

EDS Support:

- To understand the current supply chain for the opportunity product and to profile the key manufacturers in ROI market;
- To identify future public expenditure on capital programmes;
- To understand the distribution network in Republic of Ireland; and
- To identify the key purchasing contractors and architects and obtain feedback on any supply chain issues.

Impact Achieved: None to date. Company notes that the achievement of sales is dependent on the development of a new factory and securing accreditations, which it anticipates by 2018. Whilst they are currently seeking financial assistance from Regional Development Fund, they are *“100% committed to project, and will proceed even without a successful grant application outcome”*.

Sales impact expected but not achieved (or anticipated to be achieved)

Sector: Construction

Company Size: Small

Status: Existing Exporter (>30% in total export markets)

Project Brief: The company had recently received a small number of very positive approaches from potential distributors in GB through the company website, from people proactively searching for their building/home product. Whilst this interest had led to the appointment of three GB-based distributors in the south east, south west and London the company wanted to re-visit its strategy of developing a strong network of distributors in the wider GB market.

EDS Support:

Undertake market research to identify whether there are any “self-build hotspots” in GB; to then help the company to prioritise distribution by region

In key regions of GB, develop a “prospect” list of potential distributors / installers from the electrical contracting / plumbing sectors.

Qualify the prospect list through telephone contact to identify the most attractive potential distributors for direct follow-up by the company.

Impact Achieved: Whilst the EDS was used to identify target self-build hot spots and get a prospect list of potential distributors for their product in the GB market however the company has not grown its distribution network as the potential companies shortlisted were not of interest or not good enough quality distributors.

No sales impact - as expected i.e. the EDS was not undertaken with the intention of generating sales impact

Sector: Engineering

Company Size: Small

Status: Existing Exporter (less than 20% total export sales)

Project Brief: The company was a long established (circa 50 years) engineering company (electrical Installation and testing services; industrial and building automation; designer and supplier of electrical control systems and automation; and electrical motor rewind and repair) that had successfully responded to the down turn in the Civil Engineering sector through diversification and were now seeking to understand market opportunities to expand into new sectors.

EDS Support:

- To analyse the wind farm market place to identify the scope for the development of control systems with particular focus on the implementation of new systems to re-optimize larger turbines to operate at lower power levels, e.g. 250kw turbines resized to 100kw.
- To analyse the spare parts supply chain to identify the range of parts that Little Engineer could supply and the pricing levels that would need to be achieved.
- To analyse the Operations and Maintenance market for the small-scale wind farms so that its value can be assessed and its attractiveness determined.

Feedback:

“The EDS determined that the market opportunity was not worth pursuing. This saved us money.

Without the service we would have been unable to carry out the market research as quickly. This could have resulted in wasted resources researching a market that would deliver little benefit to the company and may have prevented growth in other markets.”

6. CONSULTATIONS

6.1 Introduction

This section of the report details the key findings of primary research undertaken with Client Executives, Export Advisers and others (as per the terms of reference). Key findings are discussed by topic area below.

6.2 EDS Applicability for Client Needs

Overall, the EDS is a well-regarded support tool that has the flexibility to, in the main, meet clients' needs across variations in company scale, sector and exporting experience; with the service providing an agile and quickly actioned response through credible marketing consultants. Positive comments included the following:

"A fabulous service - cost effective for clients, particularly micro and small companies."

"EDS is one of the most valuable tools used by the sector team...providing a good decent deliverable and/or action plan."

"The success of EDS lies in the credibility of the advisers - experience and a willing approach is key - clients switch off if the adviser isn't a market expert."

"The key strength of the service is its flexibility - it is capable of being tailored to address issues at different stages of a company's barriers to growth."

"A nicely designed service - it forces the company to think of something to do in the timeframe and define it to get the results they want"

"The structure is excellent - allows the export advice to be tailored to the issues faced by the company, depending on the prevailing barrier to export start up or growth"

6.3 Demand

From an operational perspective within Invest NI, it was felt that the demand for the EDS is largely reactive to the economic activity and optimism of the client base and that despite the reduction in uptake of the EDS in the past two years; there is a continuing need for export development support of this tailored, one-to-one nature.

The drop in the past two financial years was generally not considered reflective of the demand for or suitability of EDS - it was considered that businesses have been choosing to not spend on export development focusing instead on the home market or existing markets in short term. A further suggested reason for the fall in uptake of the service was due to the restructuring of the Invest NI client base, with time needed for maturity purposes i.e. for clients to be EDS-ready in terms of company development, time and affordability.

6.4 Market Positioning

Consultation indicated that there is a strong focus on enabling and increasing exports by NI companies; with the near markets of GB and ROI regarded as the extent of some companies exporting remit or in other instances, a stepping stone to other markets further afield.

It was acknowledged that the EDS was set up at a different time to the current economic climate, with modifications in the service made on an ongoing basis to account for these changes e.g. removal of research focused on markets outside of GB and ROI due to increased in-market presence through expansions of TAS and in market trade advisers.

Further noting that there are plans afoot for the implementation of an International Trade Plan that will include a new Trade Advisory Board; the appointment of Northern Ireland Trade Ambassadors; the expansion of Invest NI's international presence in up to 10 more locations around the world by the end of 2017 and the creation of new trade, investment and innovation hubs in key global markets.

Notwithstanding the referred high regard for flexibility and agility, there were a number of consultees who were not as aware of the objectives of the service; with a general lack of awareness as to where EDS is positioned in the Export Matters Export Escalator scale, both currently and in the future. This was reaffirmed through varying views from the Client Executive group as to the target exporter status of participant companies i.e. new, less experienced or experienced exporters. The Evaluation Team considers that there would be benefit in clearly defining company exporting classifications that align to the Export Matters report and that this should be used consistently by Invest NI - reference to “early stage exporters” (above) and “less experienced exporters” (in the EDS objectives) does not align to the Export Pathway which is somewhat confusing and prohibits an objective understanding of the level the supports are being targeted.

It was generally felt by both the Client Executive and the Export Adviser groups that whilst the EDS is one of a number of tools available through the Trade services it was the key tool for “export market screening” in the past and its removal created a gap in provision for companies who, for example, are new to export and/or are not clear as to which market they should focus their detailed export development attentions.

6.5 Referral

Awareness of the EDS was considered to be good generally, particularly amongst long serving CEs; albeit that there was considered to be benefits of reminding CEs of both the objectives of the EDS and what it can do - with suggestions being that the examples could be by client type (particularly for new exporters) and detail of types of issues addressed - as a prompt for EDS to be used to a greater extent. Format of reminders was variable - some favouring news bulletins and others a trade team presentation to team or divisional meetings on a periodic basis.

Awareness amongst external consultees was much lower, with a call from DfE for better clarity of offering and visibility of the tool through either the Invest NI website and/or the www.nibusinessinfo.co.uk export signposting website.

6.6 Operating Model Appropriateness

In considering the future format of the EDS, the Evaluation Team notes the following feedback from companies, Export Advisers, Client Executives and key stakeholders with respect to the EDS design/ operating model.

Sectoral Spread and Export Adviser Availability
<p><u>Background data</u></p> <ul style="list-style-type: none"> • There were two sectors for which no export advisers were appointed i.e. aerospace and electronics; • There were six sectors for which only one export adviser was appointed i.e. biotechnology, medical devices, mobile telecoms, renewable energy (onshore wind), renewable energy (oil and gas) and tourism; • There were nine sector areas that had less than five projects over a 3.5 year period i.e. biotechnology, e-business, food and drink, materials handling, medical devices, printing and packaging, professional services, procurement and tourism; and • Whilst there were 27 named Export Advisers appointed, at the time of the evaluation, due to staff changes and the retention of the contract by the applicant company, this had fallen to 19 providers; • Of the 15 appointed companies, three had received no EDS work under this framework - in all instances they were placed second or third in their sector. • Nine Export Advisers had no allocated projects under this framework and six Export Advisers delivered the majority (70%) of projects; and • Delivery agents in other regions are mainly generalists providing non-sector specific information to increase marketing capability, although sectoral support is available where required in Wales and Ireland. <p><u>Feedback</u></p> <p>The consensus from the Client Executive and Export Adviser groups was for the continued sectoral specialism focus of the EDS, particularly following Invest NI’s structural move away from sector focus in the trade team. It was largely considered that the sector-specific experience was necessary for credibility purposes of the service. Notwithstanding this, there were varying opinions as to the format of the sectoral focus.</p> <p>In addition to advocating the retention of the existing model (which has a low administrative burden and cost on Invest NI), there were calls for the sectors to be refined e.g. the amalgamation of the ICT-related sectors on the basis that the distinctions/ definitions were outdated and arbitrary, the retention of highly</p>

Sectoral Spread and Export Adviser Availability

specialized sectors such as renewable marine energy and a catch-all generalist sector for advice on the likes of procurement.

In some instances there were frustrations as to the timeframes taken for work to be completed, which was perhaps a function of the waterfall system, and the reliance on the Export Adviser to indicate that their workload is perhaps too burdened. It is noted that in most instances the Export Advisers are not solely working on the EDS and therefore, the EDS team are reliant on a self-assessment by Export Advisers as to their availability.

Commentary

The Evaluation Team considers that the number of sectors is somewhat unwieldy and, given the low level of providers and uptake within some sectors, not wholly appropriate; and that a better approach would be to redefine the sectors in line with the draft Industry Strategy and to allow a larger list (say five) of providers to sit on a framework based on the six broad sectors:

- Financial, Business and Professional Services;
- Digital and Creative Technologies;
- Advanced Manufacturing, Materials and Engineering;
- Life and Health Sciences;
- Agri-Food; and
- Construction and Materials Handling.

This approach would perhaps attract consortium bids from the wider GB and/or ROI market, which may increase the pool of EDS advisers on the Framework. This approach would be best placed, if similar to the Welsh model, there were mini competitions run and judged by the applicant company to match the best Adviser from an experience perspective to the company's needs. The key positives of this approach are that it better matches experience to the companies, eliminates the risk that the framework will be reduced in its usefulness through the loss of key personnel from a list of only three companies and potentially ensures that bidding companies will only tender if they have the time to do so. The downside is that it places a burden on companies to undertake the tender evaluation process, which may be prohibitive in practice.

Selection Criteria

Background data

The EDS is open to all Invest NI client companies regardless of export status (i.e. new exporter, less experienced or experienced), company size classification and internal client classification (with the exception of the export market screening which is now only available to growth and scaling clients). This is in contrast to the benchmarked regions where, typically, there are restrictions placed on the companies targeted e.g. in Scotland there are varying tiers of support dependent on a company's export history and potential; and in Ireland higher support is available to growth companies.

Feedback

The feedback is that the flexibility of the EDS is highly desirable and beneficial to the Invest NI client base; with discretionary use of the support given in the current framework to experienced exporters due mainly to their client classification within Invest NI as growth and scaling clients. This discretionary flexibility has, arguably, created confusion as to the objectives of the EDS and it is not absolutely clear where the support is positioned.

Commentary

The EDS should be refined to ensure that there is no risk of duplication either internally or externally and to ensure that there are no gaps in export development support across the various client companies across the exporter sophistication range of new exporter to experienced exporter, with due consideration also given to additionality amongst medium and large companies in particular.

The approach taken going forward could consider placing restrictions on the uptake of the support by exporter sophistication - for example, only open to companies with less than 30% export sales overall or less than 10% in the target markets of GB and/or ROI so as to increase the additionality of the export development support and to assist Invest NI in its contribution to the new Export Matters targets of increasing export active companies.

Charging Policy

Background data

The charge paid by the company is £125 (plus VAT) per day (increased from £100 per day); and The benchmarked regions offer the support free of charge in Scotland and Wales; and at a grant rate of €175 per visit in Ireland.

Feedback

The majority (83%) of survey respondents considered the charge for the EDS to represent value for money, although most were not willing to pay more for the service, particularly the case amongst micro and small businesses.

Generally, it was considered that the requirement for companies to pay towards the EDS was key to ensuring that there is buy in and resource allocation provided by the participant company.

Commentary

The Evaluation Team considers that the rate for the service provides a challenge for some micro and small businesses but it not an issue or inhibitor for medium and large businesses. Therefore, due consideration should be given to retaining or reducing the existing contribution level for micro businesses and the introduction of higher charging rates for medium and large companies, say at 50% grant rate, due to concerns over additionality.

Framework Mechanics

Background data

The framework was appointed for a period of four years with the evaluation criteria being such that the tenderers were required to demonstrate a minimum experience level on a pass / fail basis; with the tenders then ranked on price and methodology. The contract was awarded to the company for the named staff and there was an opportunity for substitution of staff upon departure. Named personnel were limited to applying for only three sector lists to manage the risk of resourcing issues.

As noted above, whilst there were 27 named Export Advisers appointed on a one, two, three ranked position basis, at the time of the evaluation, due to staff changes and the retention of the contract by the applicant company, this had fallen to 19 providers, of which six had no allocated projects under this framework; and nine Export Advisers had no allocated projects under this framework, whilst six Export Advisers delivered the majority (70%) of projects.

Feedback

Most of the Client Executive and the Export Adviser groups did not favour the use of the waterfall system, on the basis that in some instances the second or third provider is better matched to the company's export development needs and it limits the pool of experienced advisers for the next framework.

Furthermore, export Advisers widely called for experience to be ranked; with a divided response to the appropriateness of a mini competition, given the scale of the project.

Finally, subject to the objectives going forward, there was recognition that working with new exporters was most challenging and therefore it was felt that the request for applicant advisers to demonstrate experience with new exporters is key to retaining the credibility and quality of the service.

Commentary

Based on feedback from Client Executives, Companies and Export Advisers themselves, and with reference to the benchmarked regions, the Evaluation Team recognises that there are two options with respect to procurement:

- To retain the waterfall system (with three providers); and
- The appointment of a primary framework of approved providers that is subjected to secondary competitions as required.

It is noted that the latter approach would allow the needs of clients to be tested against supplier's experience at the secondary competition stage, however, it could be administratively onerous for all parties and would place the requirement of project definition onto the client, when a core aspect of the current EDS is the ability of the provider to assist the client in developing an appropriate project brief. It also has the risk of some assignments not being sufficiently attractive for suppliers to tender for, where an assignment is for a small number of days work.

Management of the EDS

Background data

- The average uptake of days per consultancy contract per company and per contract was 8 days and 7.33 days respectively;
- Companies were required to almost immediately complete the post project survey to trigger payment of the Export Adviser; and
- Recording of enquiries that do not convert into a completed EDS project were not historically recorded, but is now captured through a system set up within the GB and ROI teams.

Feedback

The Client Executive and Export Adviser Groups:

- Are satisfied that the service works well at the ten day limit, with this providing adequate scope to address the issue identified to the appropriate level of detail. It was suggested that there is an implied tiering of the support through the monitoring and management role played by the EDS team.
- Mostly feel that the fee represents a sizeable investment for many businesses availing of the service but also ensures buy-in from the company.
- The timing of the post project evaluation, completed within ten days of the study completion, as part of the approval process to release payment to the Export Adviser, is timed too early to capture realistic and informed feedback and impacts;
- Are content with the application process, which was considered as being straightforward and not onerous on the client; and
- Are content that the 12-week reporting limit is reasonable on the basis that Invest NI are flexible enough to take account of situations whereby the support lasts beyond this e.g. assignments that require two way working or attendance at mentoring sessions can sometimes be difficult to schedule in 12 weeks.

With respect to the allocation of outcome targets to EDS, it was generally considered inappropriate at a programme level on the basis that the support genre varies so greatly; with a large proportion of the supports provided to companies that do not anticipate sales impacts.

Commentary

The Evaluation Team would suggest the following amendment to the operation of the EDS:

- Invest NI should consistently record when companies disengage, including rationale for doing so.
- The application form and/or project brief should categorise the project into the five categories (see Section 1.3.4) of support and should clearly state if the company is currently exporting and if so, provide details of same.
- The assignment of outcome targets to the EDS is not considered appropriate at a programme level due to the varying nature of the support provided. Notwithstanding this, the Review Team considers it appropriate that output targets are set with reference to the number of companies supported, in line with the selection criteria chosen. Furthermore, at a project level, it should be possible to agree at project initiation a number of SMART outcomes that are then specifically monitored against.
- Monitoring approach revised to survey companies within six months after the support and again at the evaluation stage - whilst the Welsh model is best practice (whereby the company is contacted until they state that either the intervention is no longer relevant or unlikely to deliver any results) it is not considered cost effective in the case of the EDS.
- Whilst happening informally in some instances, there could be more formalised sharing of the client satisfaction survey with the Export Adviser to ensure that lessons learned or constructive feedback is factored into the next project.

6.7 Views on Market Failure

Most of the Client Executive and Export Adviser groups felt that the key market failure that the EDS addresses is the lack of suitably qualified and experienced staff to undertake the research; with the feeling being that the companies do not know how to carry out the research and/or would be less efficient in doing so. The cited secondary market failures included affordability; knowledge of where to access the support; and an unawareness of the potential benefits to the company of undertaking this type of work.

6.8 Views on Impact

The majority of the Client Executive and Export Adviser groups considered the key benefit of EDS to participant companies was that of capability development. All considered that whilst the ultimate benefit of the support is a company's overall sales process and that sales and/or employment should ultimately be derived by participant companies, the connection between the advice and sales are often:

-
- Subject to time delays due to various reasons e.g. recruitment lag time, awaiting renewal of frameworks in the public sector, etc.
 - Reliant on the company adequately implementing the plans or actions - these may require GAP marketing or interim manager assistance to ensure the company is suitably placed to prioritise and drive these forward.
 - Dependent on how close to market the barrier to growth has been encountered.

“Programme sales targets for this type of support are misplaced - often the EDS addresses a problem and sales do not automatically result - much of the support is about capability development; creating stronger management teams, etc.”

“EDS provides companies with market intelligence to enable them to decide which region/product/distributor to choose - it is ultimately up to them to implement and action this market intelligence”.

“Companies are much more prepared to change their culture to an export-driven business - but whilst the focus is ultimately about sales, there are many other factors that influence a sales outcome”.

6.9 Conclusion

This section of the report has detailed the combined views of consultees to make a number of recommendations with respect to the strategic positioning and operational offering of the EDS. The key considerations relate to the introduction of eligibility criteria for client companies; the introduction of higher contribution rates by medium and large companies; revisions to the tendering approach taken away from a waterfall system; a streamlining of the number of sector specialisms covered; and improvements to the monitoring of the programme.

7. BENCHMARKING

7.1 Introduction

As part of the research process, the Evaluation Team benchmarked the support provided through the Export Development Service with export support available in Wales, Scotland and Ireland. Consultations were held with each of the agencies.

Where possible, detail has been set out on a standard basis in order to facilitate a comparison against EDS (as noted in para 7.6).

7.2 Overview

All benchmark regions had support programmes for first time or new exporters although for Scotland and Wales these were for exporting outside of the UK, while EDS supports export sales to GB as well as ROI, recognising the peripheral nature of the NI based businesses. Scotland and Wales both had External Delivery agents who provided one to one support, while companies in Ireland could avail of mentoring support in addition to mostly workshop based learning. These External Delivery agents were “generalists” and not sector specific in Scotland, Wales and Ireland (the latter for the workshops), although in Wales, the Delivery agent was expected to have a network of sectoral specialists that it could tap into. The overall approach was to provide new and/or inexperienced exporters with a general introduction to exporting.

It is noted that each of the regions also had “in-country” support similar to TAS that more experienced exporters could avail of.

Wales had a programme most similar to EDS, with support of circa 6 to 8 days (plus workshops), while Scotland had a two tier level of support, with circa one sixth of companies (deemed to be higher export growth potential) getting interventions of up to 10 days. The numbers supported were higher than under EDS (which is operating at circa 28 in the last 2 years), ie 50/60 a year in Wales, 1,000 in Scotland or whom circa 150 got up to 10 days support and 84 companies attending Exploring Exporting workshops in Ireland in 2016. As noted, however, these supports were mainly for export markets into Europe etc where there were different regulatory systems to be explored.

Frameworks for Delivery Agents exist in Wales and Scotland; in Wales, the client can choose a marketing adviser from a list of three, while, in Scotland, there are Delivery Agents assigned to each Business Gateway. In Ireland, companies can avail of sectoral specific mentors for up to three visits.

None of the programmes provided for the lead generation activity as provided by EDS but were largely targeted on market research and market capability.

Programmes range from free of charge (Wales and Scotland) to a small charge for the workshops and a grant towards the cost of the mentor in Ireland.

7.3 Wales

With regards to Wales, the most appropriate form of support to EDS is the First Steps programme, which supports 50/60 companies a year and is provided free of charge to companies. Details have not been made available on the cost to the Economic Development agency.

Offering
<p>Wales has three initiatives that it offers to clients:</p> <ul style="list-style-type: none">• First Steps Programme - this is a one-to-one intervention that is designed to help companies consider issues such as developing their export strategy, selecting the best market, defining the route to market or in-market partner. This one-to-one support complements fully subsidised one-to-many workshops on a range of topics, including: market overviews, smart exporting, and managing distributors and agents.• International Trade Opportunities Programme - Available when a chosen geographical market has been identified. In country support is provided through experts on the ground in foreign markets. This worldwide network can: provide business information at the local level; advise on local trading conditions and regulations; identify and contact potential customers, agents or distributors; and arrange

<p>face-to-face meetings with interested parties and even accompany companies if they need that level of support. This service is comparable to TAS.</p> <ul style="list-style-type: none"> • Overseas Business Development Visits Programme - Support for trade missions and exhibitions at global trade-shows.
Level of intervention
<ul style="list-style-type: none"> • First Steps Programme - there is no maximum number of days that a company can avail of support. The scheme is available to companies subject to De Minimis rules that can restrict the number of days. Typically, support would be around six to eight days per company. • International Trade Opportunities Programme - there is no maximum number of days that a company can avail of. The scheme is available to companies subject to De Minimis rules that can restrict the number of days of support, as can the cost to the company of 25% of total cost. Typically, support would be around 10 days per company. • Overseas Business Development Visits Programme - no restrictions apply, subject to case for support being made.
Cost to company
<ul style="list-style-type: none"> • First Steps Programme - this is free of charge although subject to De Minimis rules • International Trade Opportunities Programme - The Welsh Government contributes 75% of the cost of eligible projects. The typical cost to the Company is circa £1,250 to £1,500 • Overseas Business Development Visits Programme - grant support is provided to companies, typically at 50% of cost and subject to economy fares etc
Company Size Restrictions
<p>There is no restriction on the size of companies availing of the three schemes, large companies can apply although companies need to demonstrate additionality for “International Trade Opportunities Programme”.</p>
Delivery Agents
<ul style="list-style-type: none"> • First Steps Programme - Delivered under a Framework of three sub-contractors who are based in Wales/UK. The three subcontractors do not need to be sectoral specific but are expected to have a network of sectoral experts. Companies ask all three subcontractors to tender for assignment and company make decision as to who they work with. • International Trade Opportunities Programme - Delivered under a Framework that appointed three sub-contractors in each of seven regions, and who have their own network of sectoral experts. Companies ask all three subcontractors to tender for assignment and company make decision as to who they work with. • Overseas Business Development Visits Programme - not relevant.
Number of Participants
<ul style="list-style-type: none"> • First Steps Programme - 50/60 per annum (based on 2015 year) • International Trade Opportunities Programme - n/a • Overseas Business Development Visits Programme - n/a`
Impact Assessment
<ul style="list-style-type: none"> • Focus is on assessing impact on export sales although, also measures jobs created and jobs safeguarded. • Companies are contacted 6-9 months after intervention, 9- 12 months and annually thereafter to assess impact, until they say that the intervention is no longer relevant or not likely to deliver results. • The impact target for 2016 is £60m additional export sales - currently at £51m.
Marketing
<p>There are various case studies on the website and an email newsletter https://businesswales.gov.wales/zones/export/how-we-can-help/case-studies</p>

7.4 Scotland

In Scotland, the most relevant intervention is the export advisory support provided to Non-Management Relationship” (NMR) companies with a target of 1,000 unique company interventions a year, with more intensive support to circa 150 of these 1,000 companies. This service is provided free of charge to companies. The cost to Scottish Enterprise is an average of £600 per client.

Offering
<p>Clients are categorised by their export history and potential; with “Direct Relationship Management” (DRM) companies typically including larger clients who are exporting or with significant export potential - of whom there are circa 2,000; and “Non-Management Relationship” (NMR) companies typically being the smaller companies with lower export potential.</p> <p>Scotland has an ACE (Awareness; Capability and Exploitation and Market Entry) Programme for NMR clients. Awareness and Capability are most akin to EDS.</p> <ul style="list-style-type: none"> • Awareness - This is for early stage companies and those starting to export. Typically involves one to many seminars on topics covering general awareness of exporting; with the purpose of making companies start to think about exporting. • Capability - these are interventions that start to provide specific details for each company. The objective is to provide technical knowledge to companies i.e. legislation and paperwork to enter specific countries.

<p>The companies can be prepared for exporting over a series of weeks or through an intensive 2 to 3 days. Advice can include ecommerce solutions and market entry to cultural intelligence, export finance and logistics.</p> <ul style="list-style-type: none"> • Exploitation - Trade Missions and Market Visits - most are sector specific and organised by the in-country office or with UKTI. These will include “starter” markets such as ROI, Benelux, France, Italy and Poland etc but can also consider USA.
Level of Intervention
<ul style="list-style-type: none"> • Awareness - Seminars are open to participation by all companies. • Capability <ul style="list-style-type: none"> ○ DRM clients receive one-to-one advice from the sectoral team Trade Adviser; and ○ NMR clients can receive capability support through “Export Advisory Service”. This programme started in April 2014 and has a target of 1,000 unique companies a year (6,000 over six years). These companies will move through the ACE process, so more than 1,000 will be serviced at the Awareness stage. Under this programme, NMR clients are given one-to-one support and workshops. There are two levels of support - Level 1 and Level 2. Level 1 projects are given a couple of days of support, and Level 2 projects are given up to 10 days of support. The advisor has to make a case for a company to move from Level 1 to Level 2, i.e. has the potential to exploit export sales opportunity. The case then goes to the SE sectoral team for sign off and approval. • Exploitation - Depends on market visit programme.
Cost to Company
<ul style="list-style-type: none"> • Awareness - free of charge to companies - This is a form of state aid, on attendance it will count towards a company’s De Minimis allowance. • Capability - One-to-one support from export advisers is free to any company registered in Scotland. This is a form of state aid, and it will count towards a company’s De Minimis allowance. • Exploitation - full cost to company.
Company Size Restrictions
<p>There is no restriction on the size of companies availing of support including the Export Advisory Service or the ACE interventions. Larger companies are however unlikely to be able to make the case for Level 1 support on the basis that they should already have the resources either in-house or available to them in the market.</p>
Delivery Agents
<ul style="list-style-type: none"> • Awareness - series of marketing seminars and campaign as run by SE/SDI • Capability - The NMR Export Advisory Service is subcontracted to consultants. A new contract was awarded for the Export Advisory service in 2016. The cost of the Export Advisory service is circa £600k per annum (plus VAT). • Scottish Enterprise & Highlands & Islands Enterprise set up a framework of Export Advisers in 2016. There are 11 contracts (for 48 months) with a total of 17 sub contracted Advisers in geographical regions throughout Scotland, working closely with the Business Gateways. These are not required to have sectoral knowledge but to give general advice. The estimated value over 48 months is £1.5m to £2m per tender documentation. • Exploitation and Market entry - In country staff
Number of Participants
<p>For the Export Advisory service - In the year to date (Dec 2016) there were 606 Level 1 interventions and 103 Level 2 interventions. The ratio is typically 1:6 between Level 1 and 2. To access Level 2 support, companies must be able to access the range of SE grant support (same as the DRM clients). The target will be for 1,000 interventions, with 150- 200 being Level 2.</p>
Impact Assessment
<p>For the Export Advisory Service, SE measures the turnover and growth in turnover outside the UK at base and then one year later. The Scottish Government’s ambition is to have more Scottish based companies moving from non-exporters to become new exporters with international ex-UK sales part of a company’s overall turnover. Furthermore the aim is also to move companies from passive exporters to active exporters where a company has more than 15 % of turnover as ex-UK Sales. Increasing the number of exporters is also a key priority in ‘Scotland’s Trade and Investment Strategy’ with the same target measure and a longer term measure of increasing the number of exporters by between 30 % to 50 % in 10 years.</p>
Marketing
<p>Case studies are on the SE website</p>

7.5 Ireland

7.5.1 Enterprise Ireland

In Ireland, the most relevant interventions are the Export Awareness and Exploring Exports workshops, plus the Enterprise Ireland mentoring service. In 2016, 182 companies attended the Awareness workshop and 84 the Exploring Exports workshops (which includes mentors). This awareness service is provided free of charge to companies, with Exploring Exports costing each client €100, plus the cost (net of €525 grant) of 3 visits from mentors. Enterprise Ireland has not provided its cost to implement the programmes.

Offering (as relevant for EDS)
<p>EI hold export events, workshops and programmes for new and early exporters. There is customised training and access to experts, matched to the Company's level of export awareness.</p> <p>Export Awareness event - half day session for those thinking of exporting.</p> <p>Exploring Exporting Workshop is focused on helping first-time exporting companies become export ready. This is a one-day interactive workshop with a mix of individual and group exercises, best practice guidelines, worksheets and tools. The Company will have support (three visits) from EI's Mentor network to develop an action plan and can access the EI Market Research Centre to assist in market intelligence research. This is the main initiative by Enterprise Ireland for businesses new to exporting.</p> <p>Excel at Export Selling Workshop Series are one day in duration plus an individual company follow-up session with the expert facilitators to maximise impact. This is aimed at existing exporters. Participation in both elements of the programme - the workshop and follow-up session (usually 2-4 weeks after the workshop) - is essential to successful implementation. There will be 8 - 10 companies attending each workshop (each company can bring up to 6 colleagues) and each participant will work on their own company value proposition during the day</p> <p>Trade Missions and Trade Fairs - most are sector specific</p>
Level of Intervention
<p>Export Awareness - half day session</p> <p>Exploring Exporting is a one-day interactive workshop</p> <p>Excel at Export Selling Workshop is one day in duration with an individual company follow-up session with the expert facilitators. All companies will be offered a 30-minute coaching telephone conversation between the one-day workshop and the post-workshop follow-up session. The Post-Workshop Follow-up implementation session is a two-hour in-person session to stress-test the value proposition. There are three mentor visits.</p> <p>Graduates 4 International Growth (G4IG) - delivered over an 18 month period.</p>
Cost to Company
<p>Export Awareness - no charge.</p> <p>Exploring Exporting - €100 (VAT exempt) per client company with a maximum of two participating delegates. Mentors are funded by grant - three visits over six months, at €525 grant.</p> <p>Excel at Export Selling Workshops - Enterprise Ireland will significantly support each participating company. Companies pay €300, which allows companies to bring up to three participants per workshop. A maximum of six participants from any company can attend any workshop at a total cost of €600.</p> <p>Growth companies can secure 5-10 visits from a Mentor over a 6-12 month period. Grant support toward costs of mentor of €175 per visit (total €1,750)</p> <p>Trade Mission - contribution by EI</p>
Company Size Restrictions
<p>Exploring Exporting - early and pre export companies.</p> <p>Excel at Export Selling - Irish companies across all industry sectors who are looking to upskill for export growth and who want access to selling skills development - no size restriction.</p> <p>Mentoring support - excludes large companies >249 companies</p>
Delivery Agents
<p>Exploring Exporting Workshops - Delivered by sub-contractors, delivered externally 402 active mentors and constantly bring new mentors on to the panel</p>
Number of Participants
<p>Export Awareness events in 2016 - 182 attendees Exploring Exporting - 84 participants</p>

Impact Assessment
For Exploring Exports, when the assignment finishes, EI will get debrief from the company, key question asked is if they felt the business grew. 73% in 2015 say business grew. EI don't quantify the level of growth (this is not the only support so couldn't allocate benefits). EI also ask questions on management capability improvements.
Marketing
Case studies are on the EI website. There is an Export Start Guide, developed by Enterprise Ireland, Chartered Accountants Ireland and Invest Northern Ireland.

7.5.2 InterTradelreland

Of relevance too to NI companies are the support for cross border trade from InterTradelreland. InterTradelreland provides marketing support to companies seeking to export to ROI, mainly through Acumen and Elevate.

Offering
<ul style="list-style-type: none"> • Acumen - this programme was developed in response to barriers to cross-border trade identified by SMEs. Support entails a full time sales person, a part time sales person or market research. Companies should have a satisfactory track record in their home market (circa £1m sales) and less than 30% of total business in the target cross-border market already. Market research will not be supported as a standalone exercise. • Elevate - ITI has an expert panel of almost 100 consultants offering specific expertise to identify and capitalise on cross-border sales opportunities. The company chooses the expert that suits their company. • Trade Accelerator Voucher - funds professional advice in areas such as finance, regulation, employment law, currency, sales & marketing and tendering. Tends not to be marketing and for specialist one off advice.
Level of Intervention
<ul style="list-style-type: none"> • Acumen - sales staff will be supported in the first year. • Acumen (market research), Elevate and Trade Accelerator - support for consultancy time up to £4k (market research), £5,000 (Elevate) and £1,000 (Trade Accelerator)
Cost to Company
<ul style="list-style-type: none"> • Acumen - ITI will fund 50% of their cost to a maximum of £15,000/€18,750 for a full time position or £8,000/€10,000 for a part time position for the first year. • Acumen Market research - ITI can provide specialist consultancy support of up to £4,000/€5,000 to research cross-border opportunities and implement a cross-border strategy. • Elevate - £5,000/€6,000 worth of consultancy time is available. • Trade Accelerator Voucher - financial support worth up to £1,000/€1,200 plus VAT
Company Size Restrictions
<p>SMEs only can apply with some eligibility requirements.</p> <ul style="list-style-type: none"> • Acumen - no minimum size restrictions but need to be successfully trading and less than 30% of sales in other jurisdiction. Must be a client of Invest NI • Elevate - must be 10 employees or less and less than £1m turnover with less than 30% of sales in other jurisdiction. Have to be trading for at least 18 months. Do not need to be an Invest NI client. Additionality addressed in all instances.
Delivery Agents
Consultancy support will be drawn from a panel established by ITI and is fairly far reaching.
Number of Participants
Both Acumen and Elevate target is for 75 a year, split 70/30 between ROI and NI, i.e. 22 a year from NI on each programme. Circa 115 applications each year for each programme.
Impact Assessment
ITI generally seeks an overall Return on Investment of 12:1
Marketing
Case studies on ITI website

A key issue for Acumen and Elevate is the size issue. NI companies will only be supported under Acumen and Elevate if their cross border sales are 30% or less. Acumen typically supports companies with £1m plus existing sales and Elevate with less than £1m sales. Elevate does however require the company to be trading 18 months so that market capability can be embedded. In both instances, the company can choose their own consultant for market research from a large panel. There are therefore more restrictions than for companies seeking support from EDS. With high Return on Investment targets, applicants to Acumen and Elevate are fully assessed to determine the potential impact of the intervention.

7.6 Conclusion

In conclusion, the findings above can be summarised:

- The programmes in Wales, Scotland and Ireland are focused on new or inexperienced exporters;
- The Welsh and Scottish programmes provide support for those seeking to export outside of the UK, regardless of the proposed country targeted for exports, whereas EDS is focused on GB and ROI, with companies required to seek specific in-country support for outside of these regions;
- NI is unique amongst the regions in providing export supports to GB although this reflects the peripheral location of NI businesses;
- The programmes are free of charge or with a notional charge;
- The programmes are largely delivered by “generalists” although with access to specialists;
- The numbers participating in EDS are proportionately lower than in other regions and there should be a focus by Invest NI on increasing participation to drive export sales amongst NI companies;
- While Acumen provides support for companies already exporting to ROI, there is a capability restriction, i.e. they cannot be exporting more than 30% of sales.

The programmes can be compared as follows:

	NI - EDS	Scotland - Export Advisory Service	Wales - First Steps Programme	Ireland - Export Awareness and Exploring Exporting	ITI - Acumen and Elevate
No. of companies supported per annum	126 in three years - 45 in 2013/14, 49 in 2014/15, 28 in 2015/16 and 28 projected 2016/17	Target of 1,000 unique companies a year (6,000 over six years). Level 1 support to circa 850 companies and Level 2 support to circa 150 companies	50/60 per annum (based on 2015).	Awareness- 182 Exploring Exporting - 84	22 in Acumen and 22 in Elevate
Target	External sales to GB and exporters to ROI	New to exporting beyond UK	No target markets but new to exporting beyond UK	No target markets but new to exporting beyond ROI	Sales to ROI
Type of intervention	One to one, plus support at trade shows, etc	One-to-one plus workshops	One-to-one support plus one-to-many workshops.	Workshops plus mentor support (3 visits)	Acumen - sales staff plus Market research Elevate - market research
Sectors	21 sectors (23 targeted)	All	All	All	All
Stage of company	INI clients only new to exports and existing exporters in new markets/products	To access Level 2 support, companies must be a SE client	New to exports	New to exports	Can have up to 30% export sales to ROI
Size of company	All- SME and Large	All - SME and Large but larger companies unlikely to make additionality case	All - SME and Large but larger companies unlikely to make additionality case.	All but must be early and pre export companies	SMEs Elevate is for companies with sales up to £1m
Typical no of days for consultancy support`	Up to 10 days. Actual: 6.3 days for new to exports and 7.8 for existing exporters	Level 1 projects are given 1-2 days support, and Level 2 projects are given up to 10 days of support	Typically, 6-8 days per company.	One-day workshops plus three mentor visits	Acumen and Elevate support market research at £4/5k
Typical cost to Development Agency	Average cost to INI of £4,525	Average cost to SE of £600 for Level 1 and 2	Not available	Not available	Not available
Cost to company	£125 per day. The support counts towards De Minimis	Free but will count towards a company's De Minimis allowance.	Free of charge although subject to De Minimis rules.	Awareness- free Exploring Exporting - €100 plus mentor support €525 grant	Free for market research
Delivery	15 Export Advisory firms appointed over 21 sectors - NI based Ranked and appointed to company	11 contracts with a total of 17 sub contracted advisers in geographical regions throughout Scotland and linked to Business Gateways	Three sub-contractors - not sectoral specific but have network of sectoral experts - UK/Wales based. Mini competition held by company.	Delivery agents appointed to each workshop plus over 400 sectoral specific mentors	Large consultancy panel

	NI - EDS	Scotland - Export Advisory Service	Wales - First Steps Programme	Ireland - Export Awareness and Exploring Exporting	ITI - Acumen and Elevate
Impact measured	PPE post project completion to determine increase in sales	SE measures turnover and growth in turnover outside the UK at base and then one year later.	Companies are contacted 6-9 months after intervention, 9- 12 months and annually thereafter to assess financial impact	Assessment of management capability only	Companies contacted after one year to determine Return on Investment

In conclusion, there are lessons that can be learnt from the benchmarking:

- EDS should focus primarily on new/inexperienced exporters including those with global products or services;
- Invest NI should consider the need for marketing generalists as well as sector specific support;
- Support should be available to all sizes of companies although large companies may be mainly excluded on additionality grounds. Similar to Acumen, EDS might consider restricting access to companies exporting less than 30% or 40%; and
- Similar to EDS, and to Scotland in particular, there should continue to be discretion as to the intensity of the support. This level of intensity can be established at project commencement, with a break point for the EDS team to assess the need for continued support.

8. PROGRAMME FINANCE

8.1 Introduction

As detailed in Section 6.2, the EDS has not been classified as a programme to date, and instead is positioned and utilised as a Trade Team tool for the purposes of ultimately increasing export activity in the Invest NI client base. As such, the EDS does not have a projected spend profile against which to compare actual financial outturns. In practice, the two key market trade teams (GB and ROI) are given an annual allocation of funding for all Trade Team tools (as detailed in Section 1.2); with quarterly movement of budgets between these tools as appropriate, based on real time information and scheduling.

8.2 Actual EDS Costs in Review Period

Total EDS costs to date are as follows:

By Financial Year	Project Costs			Invest NI Staff Costs	Full Economic Costs
	INI Spend	Match Funding	Total		
2013/14	£232,307	£29,040	£261,347	£60,206	£321,553
2014/15	£227,159	£33,670	£260,829	£81,961	£342,790
2015/16	£167,039	£22,844	£189,883	£26,433	£216,316
2016/17*	£25,147	£3,125	£28,272	£11,212	£39,484
Total	£651,652	£88,679	£740,331	£179,812	£920,143
	70%	10%	80%	20%	100%

*to September 2016

Notes:

1. The actual EDS spend by year and EDS sub service is as set out below:

By Financial Year	Contracts	One to One	Sector Studies	Trade Event Support	Total Spend
2013/14	51	£205,847	£22,800	£3,660	£232,307
2014/15	54	£184,439	£39,175	£3,545	£227,159
2015/16	28	£123,663	£41,136	£2,240	£167,039
2016/17	4	£15,427	£9,720	-	£25,147
Total	137	£529,376	£112,831	£9,445	£651,652

2. Invest NI staff costs are best estimates (as this was not a programme, this data was not captured) and based on the following assumptions:

- 2013 - 2015 - 7 DPs and 2 SOs (all circa 15% of time) (one of SOs works 32 hour weeks)
- 2015 onwards - 2 DPs and 1 SO (all circa 15% of time) (SO works 32 hour weeks)

The higher level of staff intervention in 2013-2015 reflects the prevailing sectoral structure at that time in Invest NI.

Invest NI costs By Financial Year	DP (15% of time)	SO (15% of time)	SO (32 Hours) (15% of time)	Total
2013/14 - 9 months	£49,171	£5,955	£5,081	£60,206
2014/15	£66,938	£8,106	£6,917	£81,961
2015/16	£19,412	0	£7,021	£26,433
2016/17 - 5 months	£8,234	0	£2,978	£11,212
Total	£143,754	£14,061	£21,997	£179,812

The actual cost per project and per participant is shown annually below, with the average cost per contract rising in the last two financial years despite daily rates remaining unchanged.

By Financial Year	Contracts	Average Spend on Export Advisers	Average Match Funding	Total average	Match funding % total spend
2013/14	51	£4,555	£569	£5,124	11%
2014/15	54	£4,207	£624	£4,830	13%
2015/16	28	£5,966	£816	£6,782	12%
2016/17	4	£6,287	£781	£7,068	11%
Total	137	£4,757	£647	£5,404	12%

8.3 Projected EDS Costs to July 2017

Updated actual and projected spend to July 2017 is presented as follows, estimated at £1,155,315 including Invest NI costs:

By Financial Year	Contracts	Total Spend on Export Advisers	Invest NI cost	Total cost to INI	Match Funding	Full Economic Cost
2013/14	51	£232,307	£60,206	£292,513	£29,040	£321,553
2014/15	54	£227,159	£81,961	£309,120	£33,670	£342,790
2015/16	28	£167,039	£26,433	£193,472	£22,844	£216,316
2016/17	28	£157,173	£26,909	£184,082	£20,432	£204,514
2017/18*	9	£54,000	£9,122	£63,122	£7,020	£70,142
Total	170	£837,678	£204,631	£1,042,309	£113,006	£1,155,315
%		73%	18%	90%	10%	100%

*to July 2017

8.4 Comments on Economy, Efficiency and Effectiveness

Consideration is given to the economy, efficiency and effectiveness with which public funds have been used on the EDS.

Indicator	Evaluation Team's Commentary
Economy measures are concerned with showing that the appropriate inputs (i.e. the resources used in carrying out the project) have been used at least cost.	<p>The framework for the EDS was publicly tendered. A scoring exercise, which included a weighting for methodology and price, was used for the purposes of identifying the most economically advantageous bids in an order of one, two and three.</p> <p>Subsequently, in the operation of the "waterfall system" EDS projects were awarded to the first ranked provider (which represented the most economically advantageous tenderer) in the first instance and only offered to the second listed provider in the event that the first placed provider had no availability.</p> <p>Currently companies contribute £125 per day towards the cost of EDS framework consultants on one-to-one assignments. There may be scope for increased charging for medium and large companies (if they are retained in any future selection criteria), although it is recognised that comparable services in Scotland and Wales provide a similar service free of charge.</p>
Efficiency relates to measures that are concerned with achieving the maximum output from a given set of inputs.	<p>The full economic cost of delivering the EDS is estimated to total £0.92m to Sept 2016, increasing to £1.16m to July 2017 based on an estimated allocation of Trade Team time. Of this, £0.65m to Sept 2016, has been incurred by Invest NI on project costs, with the balance funded by company participants or representing Invest NI staff costs.</p> <p>The Evaluation Team understands that the number of consultancy days "purchased" is managed/ minimised by the EDS team. The EDS team has itself reduced in quantum and cost in the evaluation period through the restructuring of the Trade Team around geographic markets instead of sectoral specialisms. A review of the</p>

Indicator	Evaluation Team's Commentary
	<p>staffing input would suggest that the staff input has fallen by two thirds (reduction from nine to three staff); against a circa 50% (54 to 28 between 2014/15 and 2015/16) reduction in contract throughput. This would suggest that the revised structure is more efficient, which is self-assessed by the EDS Team as being attributable to more centralised management, with one person allocated to each of the two markets being a more efficient and streamlined operating model. The average INI funded cost per project was £4,757. We consider that from an operational perspective the EDS has achieved the maximum output from the given set of inputs in the more recent years of the programme.</p>
<p>Effectiveness measures are concerned with showing the extent to which aims, objectives and targets of the project are being achieved.</p>	<p>In discussing the achievements of the EDS the Evaluation Team notes that the EDS is not a programme with pre-determined SMART output and outcome targets, which precludes a meaningful assessment of how the spend has achieved compared to what it was expected to achieve. That being said, the following is noted with respect to the objectives:</p> <ul style="list-style-type: none"> • <u>Objective One [To help new and less experienced NI exporters to exploit export sales opportunities by offering advice and support on research and export action and planning, capability development and the identification of market opportunities]</u> <p>The EDS engaged with 126 companies through 137 EDS contracts with varying intentions (with 20% of companies only seeking capability development as opposed to increased sales), through the guises of support i.e. market research, market scoping, market entry, lead generation and capability development across a number of markets and sectors. During the course of the evaluation period, there has been a tightening of the eligibility requirements that has resulted in a much more stringent focus on the GB and ROI markets and the removal of the “export market screening” service that the EDS had delivered.</p> <p>A review of the datasets for the engagements suggests that, perhaps owing to the flexibility of the support and the lack of any formal eligibility criteria, there is no “typical company” type supported by the EDS; with micro through to large businesses supported; and both existing and new exporters supported.</p> <p>Whilst comment on the ability of the EDS to support the “less experienced” exporter is not possible (as there is no definition of what constitutes a less experienced exporter), the Evaluation Team considers that the <u>EDS is not currently focused on the “new and less experienced”</u> exporter owing to the fact that:</p> <ul style="list-style-type: none"> • Only 17% of companies supported were new exporters; and • Of the companies surveyed for whom pre EDS data was available, a sizeable percentage (43%) were already exporting to a significant extent (more than 40% sales); furthermore, support was provided to seven companies who, at the time of EDS, were wholly trading outside NI. • Across the companies surveyed (new and existing exporters) where export impacts were achieved to date or are anticipated to be achieved, the net GVA impact is estimated at between £0.51m and £1m, versus an actual cost of £0.92m. It is noted however that the estimated impacts are unlikely to take account of the full EDS impact on the basis: <ul style="list-style-type: none"> • That there was a short time lag between the EDS support being provided to companies and the evaluation survey being undertaken, particularly for companies supported in the 2015/16 period.

Indicator	Evaluation Team's Commentary
	<ul style="list-style-type: none"> • Companies that were in a position to put a value on the impact to date did not provide any further anticipated impacts; • The anticipated sales estimates (for companies that stated they had not yet realised sales but anticipated doing so in the future) were based on prudent estimates of average sales increases experienced to date, despite the fact that there is evidence of some significant outliers e.g. one company reported impact of £2m. <p>Owing to these outturns with respect to export baseline data of participant companies, the Evaluation Team consider that this objective was not fully met.</p> <ul style="list-style-type: none"> • <u>Objective Two [To develop a company's awareness of their strengths, support them to identify and understand the potential risks of developing export markets and improve their ability to grow their business]</u> <p>The feedback from participant companies has been resoundingly positive with respect to the quality of the service; with the following noted:</p> <ul style="list-style-type: none"> ○ Satisfaction levels of 91% and 88% with respect to the overall service and the quality and relevance of the information provided; ○ 44% of companies indicated benefits such as better strategic direction, new product development, increased sales in home market, idea generation, new networks and market insights. <p>In addition, there has been, or is expected will be, a positive sales impact in an estimated 55% of participant companies.</p> <p>Owing to these outturns with respect to impacts (monetary and non-monetary), the Evaluation Team consider that this objective has been met.</p>

9. CONCLUSION AND RECOMMENDATIONS

9.1 Conclusion

This section presents our conclusions as per the terms of reference:

To assess the extent to which the EDS is meeting its stated objectives
<p>The Evaluation Team considers that the EDS has not sufficiently met Objective One and has substantially met Objective Two; although this is caveated by the fact that the objectives are not SMART in nature and there is ambiguity as to the definition of the target export sophistication level of companies. Specifically:</p> <ul style="list-style-type: none">• Objective One The Evaluation Team considers that the EDS has not fully met this stated objective with respect to its focus on the “new and less experienced” exporter owing to the fact that:<ul style="list-style-type: none">○ Only 17% of companies supported were new exporters; and○ Of the companies surveyed for whom pre EDS data was available, a sizeable percentage (43%) were already exporting to a significant extent (more than 40% sales); furthermore, support was provided to seven companies who, at the time of EDS, were wholly trading outside NI.• Objective Two The feedback from participant companies has been resoundingly positive with respect to the quality of the service; with the following noted:<ul style="list-style-type: none">○ Satisfaction levels of 91% and 88% with respect to the overall service and the quality and relevance of the information provided;○ 55% of companies had delivered (or expected to deliver) on their intended output of increased sales;○ 44% of companies indicated benefits such as better strategic direction, new product development, increased sales in home market, idea generation, new networks and market insights. <p>In addition, there has been a positive (actual or anticipated) positive sales impact in an estimated 58% of participant companies.</p> <p><i>The benchmarking exercise undertaken, coupled with the forward focus on increasing exporting companies as well as sales values, suggests that the EDS in the future should focus primarily on new and inexperienced exporters, including those with global products or services. Any future programme should assign suitable programme output targets in this regard e.g. target overall companies supported, disaggregated between new and inexperienced (with clear definitions of both).</i></p>
To review the nature and scale of market failures and need for the intervention
<p>At the time of EDS’s approval the key strategic driver for Government to support export development was sourced from the Programme for Government, which called for a larger, more export driven private sector. In the period of the this EDS framework, government’s focus on the role of exports (including external sales), in terms of facilitating growth of the economy, is now more strongly evident in the current Draft Programme for Government, the Economic Strategy and Draft Industrial Strategy; all of which are underpinned by the Export Matters Action Plan.</p> <p>The Export Matters Action Plan sets key goals in terms of both growing the value of exports, but also increasing the number of businesses engaged in sales outside of Northern Ireland. In support of this call, Export Matters calls for co-ordination amongst support agencies to optimise the value and appropriateness of the support and to eliminate duplication.</p> <p>The key reason for companies not undertaking the EDS related export development activity relates to affordability - with 53% stating they were either unable or unwilling to fund the cost; perhaps as they are not aware of the impact that this investment can lead to, in terms of new sales.</p> <p>The survey would suggest that market failure thereafter is due to:</p>

- Companies are unclear of who / where to go to get advice on exporting (28%);
- Companies were not aware how to articulate their issue or barrier to exporting (30%); and
- Companies are not aware of the benefits of export development activities (11%).

The consultation exercise indicated that there is a continuing need for flexible EDS support for Invest NI client companies. The removal of the export market screening aspect of the EDS will likely reduce its uptake given the prevalence of this (circa 24% /28 companies) in the current evaluation period.

To assess the extent to which the EDS encompasses the breadth of related coverage required by Invest NI clients in terms of supporting exports into GB and ROI

The coverage of the EDS shows that the supports are being taken up by the breadth of Invest NI companies across the variables of company size, exporter sophistication and client classification within Invest NI.

Company Size Outturns

- The EDS has been mainly used by micro and small businesses, but is also used by pre revenue, medium and large businesses.

Sectoral Spread Outturns

- Construction is the sector with the highest level of uptake of the EDS consultancy service; accounting for 25% of EDS contracts; and
- No support was provided to the tourism sector; with minimal uptake (one contract per sector) amongst the biotechnology and diagnostics and the food and drink sectors.

Exporting Status Outturns

- The key recipient of the support was existing exporters (83%, N=91).

Client Status Outturns

- The categorisation of the companies e.g. pre entry, account managed, etc. at the time of the support was not captured and so no comment can be made on same.

To examine the degree of complementarity with other relevant Invest NI interventions; and to review the extent to which the intervention overlaps with or duplicates other publicly funded support.

In considering complementarity it has been shown that there are a number of supports that are either generalist or export marketing in focus available within Invest NI. In addition to the export-focused Trade team supports such as SOLEX, TAS, Export Market Visits, etc, there are also generalist marketing supports available e.g. Interim Manager, Consultancy Services and Growth Accelerator Programme. The complementarity section concluded that there was minimal scope for displacement and/or duplication across all such supports vis-à-vis the EDS due to differing focuses/remits of the support.

There were also a number of external supports (as provided by the Export Matters Team) through the likes of Intertradelreland e.g. Acumen and Elevate; Councils e.g. Belfast City Council's SXSW programme; and NI Chamber of Commerce e.g. Export First. The complementarity section concluded that there was minimal scope for displacement and/or duplication across all such supports vis-à-vis the EDS on the following bases:

- Existence of tailored selection criteria in other supports e.g. Acumen support is restricted by baseline data with respect to export sales, turnover and trading duration;
- Differing support type e.g. Export First provides members with access to leading exporters in a social private dinner setting; and
- Council and Chamber of Commerce programmes are specifically developed with complementarity of Invest NI supports in mind.

To assess the appropriateness of the operating model

Whilst the EDS is available to all sizes and export statuses of companies, with an implied emphasis on new and less experienced exporters, in practice the uptake of the service has been skewed

towards existing exporters - although the Evaluation Team notes that there is no guide to define what constitutes a “less experienced” exporter.

The continued appropriateness of having full availability of the EDS to companies, regardless of export status or size, is questionable on three fronts - firstly, it is difficult to argue the presence of market failure e.g. it is unlikely that experienced medium to large exporters i.e. those with at least 30% export levels lack the capability to source their own market research. And secondly, in all cases, additionality needs to be demonstrated, particularly amongst medium and large companies who are only paying £125 per day for expert advice. Thirdly, going forward, there is a new emphasis on increasing the number of companies that export, which implies a need to specifically target the new exporter i.e. those with no previous export sales but with an export ready product/service.

The Evaluation Team notes, as detailed in Section 3.3, the EDS has historically (and within the evaluation period) provided support for “export market screening”, which was formally removed when the remit of the EDS was honed completely to the GB and ROI markets following further investment in the TAS in new overseas locations. It would therefore appear that this change, if maintained in any future EDS, would reduce the number of companies that will likely come to EDS to be “better informed to make business decisions”.

The decision points for Invest NI going forward very much focus on ensuring that the trade team tools are fit for purpose to deliver on the mandated strategic policy of uplifting the volume of export “first timers” being called to action and supported in that process. In this regard Invest NI has introduced a “Trade Accelerator Plan” that both builds on recent export success as well as encouraging more first time exporters, which specific to the GB and ROI markets will introduce new supports to “early stage exporters”. The format of these programmes is only emerging and includes the likes of the GB Market Introduction Programme and the ROI Food Retail Development Programme, the latter being a pilot.

Benchmark the nature of support, management (including any charging structures), performance and impact of the Service against appropriate comparators offered by Enterprise Ireland, InterTradelreland and Scottish Enterprise.

Lessons that can be learned from the benchmarking:

- EDS should focus primarily on new/inexperienced exporters including those with global products or services;
- Invest NI should consider the need for marketing generalists as well as sector specific support;
- Support should be available to all sizes of companies although large companies may be mainly excluded on additionality grounds. Similar to Acumen, EDS might consider restricting access to companies exporting less than 30% or 40%; and
- Similar to EDS, and to Scotland in particular, there should continue to be discretion as to the intensity of the support. This level of intensity can be established at project commencement, with a break point for the EDS team to assess the need for continued support.

To assess the inputs, outputs, outcomes and gross and net impacts associated with the Service, to include a detailed assessment of the overall economic and wider impacts, clearly identifying actual and anticipated.

The following logic model holds:

Inputs	<p>The inputs for the EDS are:</p> <ul style="list-style-type: none"> • Framework of 15 companies providing export development consultancy support on a call-off basis at agreed daily rates; and • EDS Team consisting of two DP and one SO staff at 15% of their allocated working time. <p>The gross cost of these inputs is £920,143 and £1,155,315 to Sept 2016 and July 2017 respectively; with the net cost to Invest NI being £831,464 and £1,042,309 after company contribution.</p>
Outputs	<p>The outputs for the EDS are:</p> <ul style="list-style-type: none"> • 117 companies in receipt of one to one consultancy support at an average of 8 days per company, of which 91 were existing exporters and 18 were new to exporting; • 9 companies in receipt of trade show support; and • 16 trade show/sector reports.

Outcomes	The outcomes of the EDS were estimated at a net impact of between £0.51m and £1m; with 44% of companies also recording other impacts in the guise of better strategic direction, idea generation, etc.	
Assess the economy, efficiency and effectiveness with which public funds have been used on the EDS, and the Return on Investment. Assess VFM.		
Summary of Value to Money		
VFM Indicator		
Strategic Fit	At the time of EDS's approval the key strategic driver for Government to support export development was sourced from the Programme for Government, which called for a larger, more export driven private sector. In the period of the this EDS framework, government's focus on the role of exports (including external sales), in terms of facilitating growth of the economy, is now more strongly evident in the current Draft Programme for Government, the Economic Strategy and Draft Industrial Strategy; all of which are underpinned by the Export Matters Action Plan.	
Need & Market Failure	The need for the support was not robustly detailed in the business case that underpinned the EDS's approval. Notwithstanding this, it is clear that the need for export-related support is rooted in the market failures identified through both the evaluation survey of companies and the Export Matters Report, namely in relation to affordability and asymmetric information. The Evaluation Team notes that the need/market failure case was better articulated with the introduction of Export Matters which was published during the EDS delivery period.	
Additionality	The activity and outcome additionality of the EDS is within the respective ranges of 41% to 63% and 27% to 41% respectively.	
Displacement and complementarity	<p>There is minimal scope for duplication of the EDS with other services within Invest NI. There would not appear to be any supports that offers the sectoral-specific export focused support tailored to client company needs similar to EDS, in both GB and ROI markets.</p> <p>The opportunity for duplication of support outside of Invest NI (relating specifically to the Intertradelreland ROI offerings) is considered to be medium to low as the support is only available for a section of the Invest NI client base and is only into the ROI market. In addition, there are restrictions on eligibility in place that does not apply to EDS with respect to sectors, baseline export levels, trading duration and turnover.</p>	
Economy Efficiency and Effectiveness	Indicator	Evaluation Team's Commentary
	Economy	<p>The framework for the EDS was publicly tendered and scored tenders on their methodology and price; and suitably identified the most economically advantageous bids in an order of one, two and three.</p> <p>Whilst the Evaluation Team considers there may be scope for increased charging for medium and large companies, despite the fact that the comparable service in Scotland and Wales provides a similar service free of charge.</p>
	Efficiency	<p>The full economic cost of delivering the EDS is estimated to July 2017 at £1,155,315, which is based on an estimated allocation of Trade Team time. The Evaluation Team understands that the number of days is managed/ minimised by the EDS team. The EDS team has itself reduced in quantum and cost in the evaluation period through the restructuring of the Trade Team around geographic markets instead of sectoral specialisms. A review of the staffing input would suggest that the staff input has fallen by two thirds (reduction from nine to three staff); against a circa 50% (54 to 28 between 2014/15 and 2015/16) reduction in contract throughput. We consider that the EDS has achieved the maximum output from the given set of inputs in the more recent years of the programme.</p>
	Effectiveness	<p>The EDS has two objectives as per the original Business Case, namely:</p> <ul style="list-style-type: none"> Objective One [To help new and less experienced NI exporters to exploit export sales opportunities by offering advice and support on research and export action and

		<p>planning, capability development and the identification of market opportunities]</p> <ul style="list-style-type: none"> • Objective Two [To develop a company’s awareness of their strengths, support them to identify and understand the potential risks of developing export markets and improve their ability to grow their business] <p>In relation to Objective One, the EDS engaged with 126 companies through 137 EDS contracts with varying intentions (with 20% of companies only seeking capability development as opposed to increased sales), through the guises of support i.e. market research, market scoping, market entry, lead generation and capability development across a number of markets and sectors.</p> <p>There is no “typical company” type supported by the EDS; with micro through to large businesses supported; and both existing and new exporters supported.</p> <p>Whilst comment on the extent to which the EDS supported the “less experienced” exporter is not possible (as there is no definition of what constitutes a less experienced exporter), the Evaluation Team considers that the <u>EDS is not currently focused on the “new and less experienced” exporter owing to the fact that only 17% of companies supported were new exporters; and of the companies surveyed for whom pre EDS data was available, a sizeable percentage (43%) were already exporting to a significant extent (more than 40% sales); furthermore, support was provided to seven companies who, at the time of EDS, were wholly trading outside NI.</u></p> <p>Notwithstanding this, across the companies surveyed (new and existing exporters) where export impacts were achieved to date or are anticipated to be achieved, the GVA impact is estimated at between £0.9m and £1.52m, versus a cost of £0.92m. It is noted however that the estimated impacts are unlikely to take account of the full EDS impact on the basis there was a short time lag between the EDS support being provided to companies and the evaluation survey being undertaken, particularly for companies supported in the 2015/16 period; companies that were in a position to put a value on the impact to date did not provide any further anticipated impacts; the anticipated sales estimates (for companies that stated they had not yet realised sales but anticipated doing so in the future) were based on prudent estimates of average sales increases experienced to date, despite the fact that there is evidence of some significant outliers e.g. one company reported gross impact of £2m.</p> <p><u>Owing to these outturns with respect to export baseline data of participant companies, the Evaluation Team consider that this objective was not fully met.</u></p> <p>In relation to Objective 2 the feedback from participant companies has been resoundingly positive with respect to the quality of the service; with satisfaction levels of 91% and 88% with respect to the overall service and the quality and relevance of the information provided; and 44% of companies indicated benefits such as better strategic direction, new product development, increased sales in home market, idea generation, new networks and market insights. In addition, there has been or is expected will be a positive sales impact in an estimated 55% of participant companies.</p> <p><u>Owing to these outturns with respect to impacts (monetary and non-monetary), the Evaluation Team consider that this objective has been met.</u></p>
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Cost effectiveness	The average INI funded cost per project was £4,757.
Equality Considerations	
The EDS has been suitably available and accessed by all Section 75 groups. Going forward there would need to be an Equality Impact Assessment (including a Section 75 screening exercise or Human Right Impact Assessment) of the EDS.	

9.2 Recommendations

1. It is recommended that Invest NI, either itself for internal use or jointly with the Export Matters team, clearly define company exporting classifications across the exporter sophistication range that align to the Export Pathway within the Export Matters report and that this is used consistently by Invest NI.
2. It is considered appropriate that the Invest NI suite of trade supports is mapped to the Export Matters models, with an analysis undertaken to understand if the client base is being supported to progress through the supports and if there are any gaps in the progression pathway from new exporter outside NI, to new exporter outside GB and ROI, etc.
3. Invest NI to, based on the outworkings of Recommendation One and Two, determine the most appropriate format for the new EDS and how that will be structured. The Evaluation Team notes the following in this regard:

Sectoral Spread and Framework Appointment
<p>There are two key areas for Invest NI to consider in this regard:</p> <ul style="list-style-type: none"> • The redefinition of the sectors - with the key options being to review and consolidate the current list based on the throughput data held and feedback received e.g. remove sectors with low throughput e.g. tourism and food and to redefine the IT-related sectors into one sector; or to broaden the scope of the sector definitions in line with the draft Industry Strategy; and • The preferred framework approach with options being: <ul style="list-style-type: none"> • To retain the waterfall system (with three providers); • The appointment of a primary framework of approved providers that is subjected to secondary competitions as required. <p>It is noted that the latter approach would allow the needs of clients to be tested against supplier's experience at the secondary competition stage, however, it could be administratively onerous and would place the requirement of project definition onto the client, when a core aspect of the current EDS is the ability of the provider to assist the client in developing an appropriate project brief.</p>
Selection Criteria
<p>The appropriateness of having full availability of the EDS to client companies, regardless of export status or size, is not considered appropriate, primarily on the basis of additionality and strategic fit.</p> <p>Invest NI should consider the introduction of selection criteria around the following eligibility parameters:</p> <ul style="list-style-type: none"> • Company size (for example restricting EDS support to micro, small or medium companies); and • Company baseline export levels (for example lower than 30% in the target market of GB or ROI); and/or • Company baseline export levels of greater than 30% are permissible in defined circumstances e.g. where a construction company is seeking to directly enter a market, as opposed to being a sub-contractor to another NI firm.
Charging Policy
<p>Based on feedback from micro companies and benchmarking, due consideration should be given to reducing the existing contribution level for micro businesses.</p>
Format of the EDS
<p>Due consideration should be given to the following:</p> <ul style="list-style-type: none"> • Export market screening appears to be a newly emerging gap in the Invest NI export development supports provided. It is recommended that this is either permitted through EDS or covered in another support mechanism in the evolving Trade Team export development portfolio;

- One to one support should continue to be managed so as to allocate the minimum level of days through the EDS Export Adviser, with discretion retained by Invest NI EDS Team as to the appropriateness of the day allocation to the task and outcomes proposed;
- Informed by the decisions taken with respect to the definition of sectors, due consideration to be given to the introduction of generalist and sectoral-specific support through EDS, particularly if the focus shifts predominantly to new or less experienced exporters; and
- Sectoral reports are prepared on demand in response to identified needs, with no strategic approach to ensuring appropriate advice to key sectors (as noted by MATRIX and in the draft Industrial Strategy). This should be rectified through a new joint planning approach with sectoral teams, with, say, a one year forward plan agreed.

Management of the EDS

- The Evaluation Team would suggest the following amendment to the operation of the EDS:
- Invest NI should consistently record when companies disengage, including rationale for doing so.
 - The application form and/or project brief should categorise the project into the five categories (see Section 1.3.4) of support and should clearly state if the company is currently exporting and if so, provide details of same.
 - At a programme level, output targets should be set for the number of companies supported, disaggregated between new and less experienced exporters (with clear definitions of both categories provided).
 - At a project level, a number of SMART outcomes should be set and then monitored post EDS.
 - Monitoring approach revised to survey companies within six months after the support and again at the evaluation stage - whilst the Welsh model is best practice (whereby the company is contacted until they state that either the intervention is no longer relevant or unlikely to deliver any results) it is not considered cost effective in the case of the EDS.
 - Whilst there is an informal mechanism of feedback to companies, going forward there should be formalised sharing of the client satisfaction survey with the Export Adviser to ensure that lessons learned or constructive feedback is factored into the next project.

APPENDICES

EDS Sector Definitions

Throughout the current framework period (from July 2013) the EDS services have been available to companies that are engaged in activities in the following sectors (with associated description):

- **Biotechnology & Diagnostics:** Biotechnology includes any technological application that uses biological systems, living organism, or derivatives thereof, to make or modify products or processes for specific use. Diagnostics includes any kind of medical test performed to aid in the diagnosis or detection of a disease.
- **Consumer Goods:** includes products and services relating to clothing, footwear, fashion accessories, jewellery, art, toys/children's items, giftware and crafts.
- **Construction Products and Services:** All products and services targeted at any aspect of construction and fit-out.
- **Digital Content:** Includes web and mobile content, e-learning, serious gaming (linked to e-learning) console gaming and mobile gaming, digital animation and post production.
- **E-Business:** Involves business processes, electronic purchasing and supply chain management, processing orders electronically, handling customer service, and cooperating with business partners. Special technical standards for e-business to facilitate the exchange of data between companies. E-business software solutions to allow the integration of intra and inter firm business processes.
- **Engineering:** General engineering products and services not included in other categories.
- **Environmental, Bioenergy.** Includes all products and services relating to municipal and commercial waste, waste water, contaminated land remediation and the generation of energy from biomass, CHP, biogas and biodiesel.
- **Food & Drink:** All products and services targeted at any aspect of food and drink processing.
- **Furniture, Interior Products and Services and Textiles:** Products and services targeted at all aspects of the design and manufacture of domestic and contract furniture and fittings, kitchens, soft furnishings, textiles, interior design and accessories and homewares.
- **Materials Handling:** includes the design, engineering, manufacture and operation of equipment for movement, storage, control and protection of materials used in a broad range of industries including construction, quarrying, recycling, mining and transportation.
- **Medical Devices and Technologies:** includes products or technologies which are used for medical purposes for patients.
- **Mobile Telecoms:** includes (3G) activity such as video calling, video streaming and fast internet browsing, (4G) based on LTE and Wi Max Technologies and mobile applications.
- **Printing & Packaging:** all products and services targeted at any aspect of printing and packaging.
- **Professional Services:** Includes accounting, legal, medical or other services provided by a formally certified member of a professional body (excluding construction services which is included in Construction category).
- **Public / Private Sector Procurement:** All products / services targeted at government and public /private sector bodies.
- **Renewable Marine Energy - Offshore Wind/Wave & Tidal:** includes all products and services relating to the generation of energy from offshore wind and from wave and tidal sources.
- **Renewable Energy - Onshore Wind:** includes all products and services relating to the generation of energy from onshore wind sources.
- **Renewable Energy - Oil & Gas:** includes all products and services relating to the generation of energy from oil and gas sources.
- **Security and Defence:** All products and services targeted at any aspect of security or defence whether personal, property or national.
- **Software:** includes software development and engineering. System, programming and application software, industrial automation, business software, databases, medical software, military software, cyber security, image editing, spreadsheets simulation software, word processing, and financial services.
- **Tourism:** includes hotels, guest accommodation, self-catering accommodation and hostels. The aim is to enable this sector to increase export sales by improving market knowledge, awareness and capability in line with Northern Ireland Tourist Board and Tourism Ireland Limited strategies.

Appendix II - Redacted

Export Matters Mapping of Support Services

Intervention	Skills/targeting	Sector	Stage 1			Stage 2					Stage 3			Stage 4		Stage 5	
			Workshops	General export Advice	Awareness events	GB & ROI market development initiatives	Export Start - GB focused	Export Start - ROI focused	ROI & GB exhibition support	Doing business seminars	Workshops and 1:1	International market development initiatives	accompanied market visits	accompanied exhibiting	international exhibition support	Inward buyer visits	Export focussed market visits
Acumen	Sales & marketing. Funding for market research or hiring sales staff incl graduates	manufacturing or tradable service		✓				✓				✓					
Elevate	Sales development. £ or mentoring assistance	manufacturing or tradable service		✓				✓									
Trade Accelerator Vouchers	Professional advice. Vouchers for market research, financial & legal advice.	manufacturing or tradable service		✓				✓									
Meet the Buyer	public procurement market	manufacturing or tradable service			✓												
Go-2-Tender	tendering for public sector contracts	manufacturing or tradable service	✓										✓				
Consortia Facilitator	consortia advisory service. Tenders & bids	manufacturing or tradable service		✓	✓			✓			✓	✓					
Export First Programme	Inspiring business to export - case study events	multi-sector		✓	✓							✓					
Connecting for Growth Programme	sales & networking advice - meet the buyer events	multi-sector		✓	✓	✓		✓				✓					
NI Chamber Connections Programme	shared learning, introductions & advice. Events	multi-sector		✓		✓	✓	✓				✓					✓
Export Logistics & Processing Training	training and advice - export processes. Order enquiry to delivery	multi-sector		✓								✓					✓
Near Networks: GB Trade Mission Programme	Creating sales opportunities & building networks	multi-sector		✓		✓	✓		✓			✓					
Network & Learn Series	Stimulating leadership and developing sales skills	multi-sector	✓	✓		✓						✓	✓				
Scaling Up Series	Capability building for export	multi-sector	✓	✓		✓						✓	✓				✓
Export Conference 2017	Collaborative conference encouraging export growth	multi-sector		✓	✓							✓	✓				
South by Southwest (Austin Texas)	conference support	creative digital industries		✓	✓							✓	✓		✓	✓	✓
NI Tech Mission	market visit support	Tech & digital										✓	✓		✓	✓	✓
10by10 - closed?	building capability through knowledge transfer, skills development & access to new markets	creative digital industries	✓	✓		✓	✓	✓				✓					✓

Intervention	Skills/targeting	Sector	Stage 1			Stage 2						Stage 3				Stage 4		Stage 5
			Workshops	General export Advice	Awareness events	GB & ROI market development initiatives	Export Start - GB focused	Export Start - ROI focused	ROI & GB exhibition support	Doing business seminars	Workshops and 1:1	International market development initiatives	accompanied market visits etc.	accompanied exhibiting	international exhibition support	Inward buyer visits	Export focussed market visits	Intense export support aligned with company growth plans
Go for Growth	business growth mentoring - market research, financial & logistical advice	all sectors		✓		✓						✓						✓
Sister Cities - Nashville	developing trade links	creative digital, tourism, connected health, culture			✓								✓	✓			✓	✓
Sister Cities - Boston	developing trade links / trade missions	all sectors			✓								✓	✓			✓	✓
International Relations - China	developing trade links	all sectors			✓								✓	✓			✓	✓
International Relations - India	developing trade links	all sectors			✓								✓	✓	✓		✓	✓
Alchemy	all aspects of business support incl. export development	all sectors		✓								✓	✓					✓
Digital Innovation Hub @ Ecos	business support - office accommodation	Tech & digital																
Social Economy Mentor Bank	all aspects of business support incl. export development.	social economy		✓								✓						✓
Antrim & Newtownabbey BC	all aspects of business support incl. export development.	all sectors		✓								✓						
Antrim & Newtownabbey BC	all aspects of business support incl. export development.	all sectors	✓	✓	✓	✓					✓	✓						✓
Antrim & Newtownabbey BC	all aspects of business support incl. export development.	all sectors	✓	✓	✓	✓					✓	✓						✓
Specialist Trade Development Support	new markets	all sectors										✓	✓				✓	✓
Go to Cork Programme	export focussed trade mission	all sectors										✓						
Business Solutions - Business Mentoring	market access	all sectors		✓	✓			✓			✓	✓						
Sales through Tendering	sales - tendering support	all sectors	✓								✓	✓						✓
Sales Development Programme	sales advice - new business opportunities	all B2B sectors	✓	✓	✓	✓					✓	✓	✓					
First Stop Shop	sales and funding	all sectors		✓	✓	✓						✓	✓					✓
Tourism Clinics	tourism	Tourism	✓		✓	✓						✓						✓
Procurement Programme	tendering - ROI & UK markets	all sectors	✓	✓	✓	✓		✓			✓	✓						✓
Export Development Service	general business support	all sectors		✓								✓	✓					✓
Export Skills & Knowledge Workshops	Develop and strengthen export skills	all sectors	✓	✓								✓						✓
Business Information Centre	market research	all sectors		✓		✓						✓	✓					✓

Intervention	Skills/targeting	Sector	Stage 1			Stage 2						Stage 3				Stage 4		Stage 5
			Workshops	General export Advice	Awareness events	GB & ROI market development initiatives	Export Start - GB focused	Export Start - ROI focused	ROI & GB exhibition support	Doing business seminars	Workshops and 1:1	International market development initiatives	accompanied market visits	accompanied exhibiting	international exhibition support	Inward buyer visits	Export focussed market visits	Intense export support aligned with company growth plans
Trade Advisory service	market research and linkages to new markets	all sectors		✓		✓					✓	✓	✓	✓		✓	✓	
Overseas Market Introduction Service	market research and linkages to new markets	all sectors		✓		✓			✓		✓	✓	✓	✓	✓	✓	✓	
Seminars, Roadshows, workshops	linkages to new markets	all sectors	✓	✓	✓	✓			✓	✓	✓						✓	
Invest NI Overseas Events Programme	market research and linkages to new markets	all sectors									✓	✓	✓	✓	✓	✓	✓	
Export Market Visits	£ support. market research and linkages to new markets - market visits outside Invest NI programme	all sectors									✓	✓	✓	✓		✓	✓	
SOLEX	£ support to exhibit outside NI & independently from InvestNI	all sectors									✓			✓		✓	✓	
Translation, Interpreting, Legal Services	£ assistance for translation of marketing collateral, interpreting services, legal services	all sectors									✓			✓			✓	
Enterprise Europe Network	linkages to markets	all sectors			✓	✓			✓		✓		✓		✓			
Going Dutch	export focussed trade mission	all sectors									✓	✓	✓	✓		✓	✓	
Czech It Out	export focussed trade mission	all sectors									✓	✓	✓	✓		✓	✓	
Business Development Programme	sales, marketing, quality standards, business planning, pricing, financial & HR management	all sectors		✓		✓					✓							
Food Exporting Programme	business development & planning, sales and marketing	Agri Food Sector				✓					✓	✓	✓	✓		✓	✓	
Global Dimensions	business development & planning, sales and marketing	all key growth sectors incl. Health & Life Sciences, Digital Technologies, Food, Advanced Manufacturing		✓							✓							
Best Practice visit and pre export visit to Galway	quality standards, business planning	Health & Life Sciences						✓			✓	✓				✓		
Bridging Borders	innovation and funding support, develop and strengthen export skills	creative industry sector									✓							
Regional Trade Advisers	general business support incl. export	all sectors		✓	✓	✓	✓				✓							
Marketing Expertise from our Diaspora, 26th Feb	market research and linkages to new markets	all sectors									✓							

Intervention	Skills/targeting	Sector	Stage 1			Stage 2						Stage 3				Stage 4		Stage 5
			Workshops	General export Advice	Awareness events	GB & ROI market development initiatives	Export Start - GB focused	Export Start - ROI focused	ROI & GB exhibition support	Doing business seminars	Workshops and 1:1	International market development initiatives	accompanied market visits	accompanied exhibiting	international exhibition support	Inward buyer visits	Export focussed market visits	Intense export support aligned with company growth plans
New York Clipper RTW Activation	market research and linkages to new markets	all sectors								✓		✓	✓	✓	✓			
Boston Massachusetts Trade Mission	developing trade links / trade missions	all sectors esp. tourism			✓							✓	✓	✓	✓			
Sister Cities - USA (Southern Pines, Pinehurst & Aberdeen)	developing trade links	all sectors										✓						
Sister Cities - Russia (Kirovsk)	developing trade links	all sectors										✓						
Business Boost Programme	all aspects of business support incl. export development.	all sectors	✓	✓	✓	✓				✓	✓							

