

**SEEDA Management
Development Programme
End of Programme Review
Final Report**



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By:

**Sarah Mackey
Catherine Field
Charles Michaelis**

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Databuild Ltd 21 Graham Street Birmingham B1 3JR

tel 0121 687 1144 fax 0121 687 1155

email research@data-build.co.uk www.data-build.co.uk



INVESTORS IN PEOPLE

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1 Executive Summary

The South East of England Development Agency (SEEDA) is a government sponsored body with a mission to make the South East of England a world class region. SEEDA developed and sponsored a Management Development Programme consisting of seven pilot projects to trial a range of new and innovative approaches for developing managers and directors in SMEs. The projects employ a range of approaches including learning networks, mentoring and direct training. This report outlines the findings of the second phase (End of Programme Review) of a three stage evaluation of the programme.

Fieldwork for the End of Programme Review was undertaken between August and October 2004. A range of quantitative telephone interviews and qualitative face-to-face interviews have been used to gather data to inform the review. Research has been conducted with beneficiaries and the project managers of each of the projects within the Management Development Programme.

1.1 Business Benefits

In the baseline research beneficiaries of the management development were asked which competencies they expected to improve. The proportion of beneficiaries that expected to improve and have improved specific competencies so far, taken from the end of programme review data, is shown in the graph below.

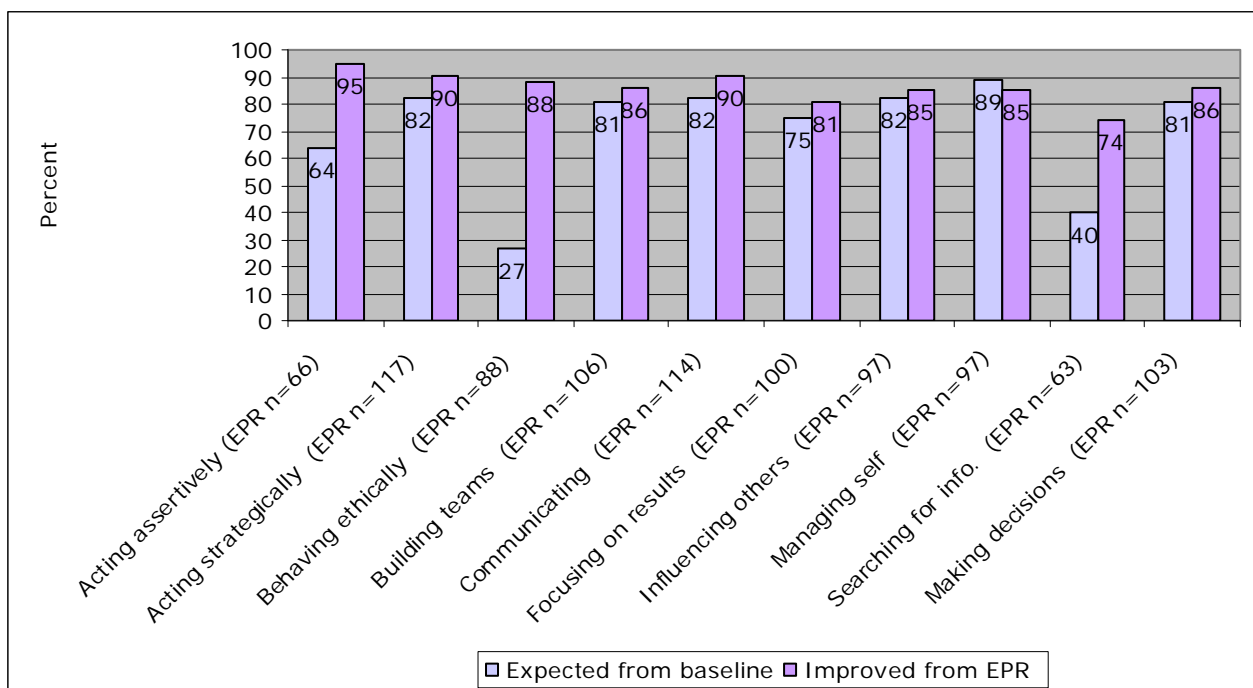


Figure 1: Beneficiaries that expected to improve competencies that have improved from End of Programme Review

Most improvements in competencies have been less intense with the majority of respondents mentioning either 'some' or 'a little' improvement. The main areas where the management development programme has helped beneficiaries improve a lot or a great deal are thinking and taking decisions (40%), managing themselves (40%) and communicating (35%).

1.2 Business changes

So far just over one quarter of businesses (28% of beneficiaries) participating in the management development have made changes to their business as a result of the development activity (28% of beneficiaries) and a further 10% plan to. Examples of improvements include:

- *'We improved communication with customers, which led to improved sales.'*
- *'Another company is cold calling and making appointments for us, which should generate new customers.'*

Analysis by job role shows that owners and directors that participated in the programme have proportionally implemented more changes to their business than senior managers. In terms of the proportion of beneficiaries making or planning to make changes to their business, management development through networks has been the most successful mechanism (54% of beneficiaries of networks have taken or plan to take action compared to 39% of those receiving management development delivered through training).

Just under half (48%) of beneficiaries that had made changes said that there were no obstacles to making these changes. However, 19% said that the main obstacle they faced was a lack of top management commitment. Some of the less senior beneficiaries may not implemented changes because they lacked the necessary authority to drive change through their business.

Most beneficiaries that had implemented changes felt that the management development had given them ideas about the type of changes to make (64% of those that have made changes and 52% of those that plan to).

1.3 Business benefits

The overall increase in sales attributable to the programme so far is over £5,000,000 and the overall increase in profits attributable to the programme so far is over £1,300,000.

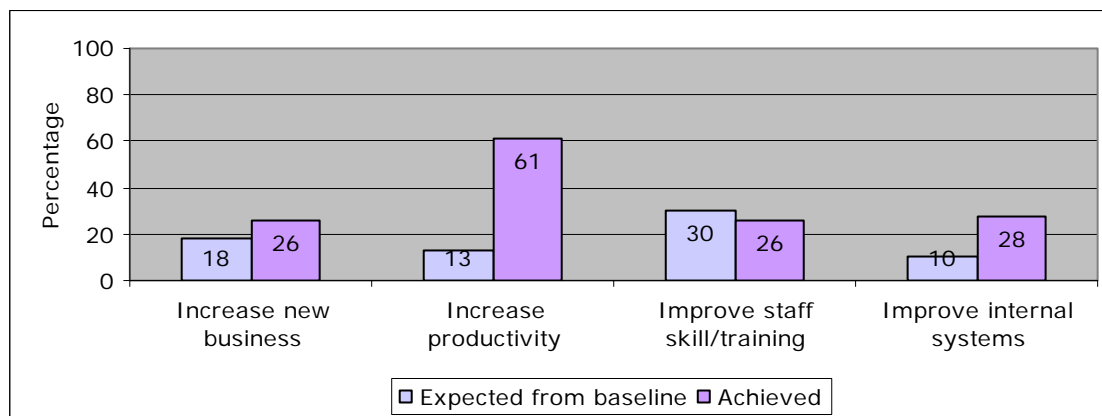


Figure 2: Expected improvements from the Baseline compared to achieved improvements from the End of Programme Review (Baseline n=138, EPR n=158)

The graph shows that a high proportion of beneficiaries expecting to improve staff skills or training have gained this benefit. Analysis by development activity shows that for beneficiaries that participated in training, expectations have been exceeded for improvements in staff skills and training, whilst for networks there have been fewer improvements than expected.

A high proportion of improvements in productivity and systems were unanticipated benefits (13% of beneficiaries in the baseline expected to improve their productivity and 61% had achieved this in the end of programme review). Some of this can be explained through respondents that said they expected the management development to give them new ideas, which appear to have been translated into improvements in systems. However, it is also apparent that many respondents were unclear about what to expect from the management development activity.

'I guess you could say we went into it blind. We weren't really sure what we should expect but I was willing to be open minded and that's how I approached it.'

Beneficiaries were unclear what to expect and therefore may have had either fewer or inappropriate expectations. As a result many beneficiaries have not achieved the benefits they originally hoped to gain.

1.4 Business benefits

Beneficiaries were asked to rate their satisfaction with particular elements of the management development. The results from the end of programme review are shown in the graph below.

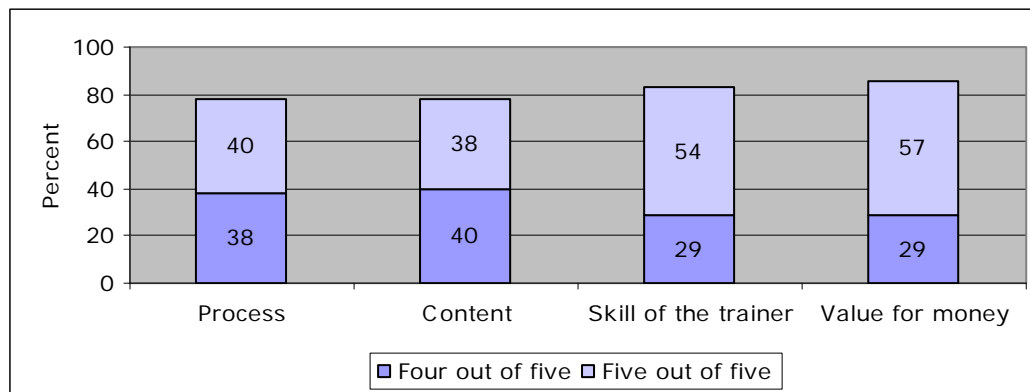


Figure 3: Satisfaction with the management development programme (n=158)

Satisfaction was relatively high for all aspects of the programme but satisfaction with the process and content of the management development were slightly lower. Beneficiaries' satisfaction with these areas was noticeably lower for the more innovative delivery methods (mentoring and networks) where a number of areas through which delivery and content could be improved were identified¹.

With regard to the content of the management development; respondents' comments show that beneficiaries were unclear what to expect to gain. In many cases this can be linked to poor communication at the start of the projects (during the recruitment process) either because of the drive to recruit quickly or because of the use of private contractors whose focus was on 'selling' the development rather than engaging and explaining the projects comprehensively to the beneficiaries (three of the seven project managers interviewed mentioned this issue). This approach may also explain why there was relatively more disappointment with the content of the management development, as beneficiaries did not have a clear understanding of what they would gain from the start of their involvement.

1.4 Conclusions and Recommendations

Although the marketing of the projects was successful in stimulating interest in the projects many beneficiaries did not know what to expect from the management development activity both in terms of outcomes (expectations) and the process (how the development would be delivered, what the process would involve etc.).

'It would have been good to have had something at the start of the project about who we [the delegates] were, what's involved, how it would work and what we could expect.'

¹ More detailed analysis of these specific improvements is included in the satisfaction sections of the relevant chapters (networks and mentoring).

'It wasn't until 3 or 4 months into it that we I developed a really good understanding of what it involved or what I could expect to get out of it.'

As a result of this many beneficiaries have either not achieved any tangible business benefits, have achieved benefits they had not anticipated or in the case of mentoring have left the projects. Improved clarity of communication at the recruitment and introductory stages of projects could help alleviate this issue in the future.

It is also essential that third party partners responsible for recruitment are managed carefully so that beneficiaries are not led to expect unachievable or inappropriate benefits.

'The private sector consultant was a little difficult to control. Impartiality is our USP as a service provider but he was a bit heavy on his sales pitch, which we had to watch. This highlighted this as an issue for us for the future.'

Where beneficiaries have expected competency improvements they generally obtained them, however they have been of limited intensity. Beneficiaries were unsure what to reasonably expect from the management development programme and this uncertainty is reflected in the low intensity of improvements in competencies (most respondents improved only 'a little' or 'some'). A more specific and clearer introduction to the projects and what could be expected from them could have helped to reduce this uncertainty and ensure beneficiaries' expectations were appropriate.

Despite the lack of understanding regarding expectation and how projects would be delivered satisfaction with the management development was very high. However there are clearly areas for improvement regarding delivery; especially for the more innovative projects. If the projects had been delivered more effectively it is likely beneficiaries would have gained more from their involvement. For example, if the support for the mentoring projects (management of communications, matching of mentors and mentees, introductory training at an appropriate level) had been improved it is likely that more beneficiaries would have pursued the mentoring relationship and as a result their business would have improved because of this.

'I only attended two sessions and I didn't get a mentor or find any of the information useful because it was directed to the executive level and we were just managers.'

'By the time I got a mentor, I didn't need them any more, so I didn't have much contact with them.'

With regard to improvement of the effectiveness of delivery the learning points for each type of development are different:

- **Networks** – beneficiaries would benefit from more formal structure to the networks and a better explanation of or introduction to the development. The recruitment of businesses with similar characteristics (particularly businesses of similar sizes) is key to their success.
- **Mentoring** – the matching of mentors and mentees is vital; as is a good support system to manage and facilitate the process.
- **Training** – beneficiaries would have liked the courses to be longer and offer greater depth.

Where the management development has been successful it has helped to stimulate ideas among beneficiary businesses and helped them to make positive changes (64% of those that have made changes to their business as a result of the management development said the development activity had given them ideas about the types of changes to make). However to be most effective in impacting upon businesses and helping them to implement changes resulting in tangible business benefits it is important to target the most senior level of management within businesses (only 25% of senior managers have implemented or plan to implement changes as a result of the management development activity compared to 46% of company directors and 44% of business partners).

Figure 4: Table showing summary of conclusions by type of management development activity

	Networks	Mentoring	Training
Participant profile	<ul style="list-style-type: none"> ➤ Senior ➤ Male ➤ More mature ➤ From small and micro businesses 	<ul style="list-style-type: none"> ➤ High proportion business owners ➤ Proportionally more female beneficiaries ➤ Mid-age (younger than networks, older than training) ➤ High proportion from zero businesses 	<ul style="list-style-type: none"> ➤ Senior managers ➤ ¾ male ➤ younger ➤ high proportion from small business
Changes & Benefits	<ul style="list-style-type: none"> ➤ A higher proportion implemented changes than for the other types of management development. ➤ Strategic and structural changes made. ➤ Main reason for not making changes is because it is too early in the management development activity. 	<ul style="list-style-type: none"> ➤ Made fewer positive changes to their business. ➤ Expected personal business benefits and improvements in their management skills, which may not yet have been translated into quantifiable business benefits. 	<ul style="list-style-type: none"> ➤ Some changes made. ➤ Benefits included staff training and improved internal systems (not necessarily translated into financial benefits) e.g. appraisals, improved communications.
Main competency improvements	<ul style="list-style-type: none"> ➤ Acting assertively ➤ Communicating ➤ Managing yourself 	<ul style="list-style-type: none"> ➤ Acting strategically ➤ Focusing on results ➤ Managing self 	<ul style="list-style-type: none"> ➤ Behaving ethically ➤ Acting assertively ➤ Communicating
Satisfaction	Overall a high proportion were satisfied	Much lower than for the other methods Delivery problems with the process and support meant that 13/27 interviewed had not pursued it fully.	Very high satisfaction in all areas.
Improvements	Improvements focused on the process; in terms of other members of the networking group and facilitation and management of the groups.	Mentor / mentee matching are vital. Organisation of and support for the mentoring are also key.	Longer and more intensive training more effective.
Marketing	Through events and mail outs followed by a visit. The marketing approach and delivery concept were not taken up by many women.	Via Business Links by e-mail.	Less personalised. Mail outs and telesales.

2 Introduction

2.1 Background to the research

South East England Development Agency (SEEDA) is a government sponsored body with the mission to make the South East of England a world class region, achieving sustainable development and enhanced quality of life as measured by:

- Economic prosperity
- Environmental quality
- Social inclusion – ensuring meaningful employment for all.

SEEDA covers Buckinghamshire, Oxfordshire, Berkshire, Hampshire, Isle of Wight, East Sussex, West Sussex, Surrey and Kent.

The Management Development Programme has been developed by SEEDA with four main aims.

- To significantly increase the number of individuals undertaking management development;
- To increase the number of mentors in the region;
- To motivate managers to learn;
- To develop a management development strategy for the region.

The programme consists of seven pilot projects which have been designed to trial a range new and innovative approaches for developing managers and directors in SMEs. SEEDA is in charge of the overall coordination of the Management Development Programme, whilst the delivery of the seven individual pilot projects is managed by Project Managers, from Business Links and Learning and Skills Councils.

The projects employ a range of approaches including learning networks, e-mentoring, business mentors, coaching and direct training.

The monitoring and evaluation of the Management Development Programme has three distinct phases:

- Establishment of a baseline (research undertaken in 2003)
- End of programme evaluation (research undertaken in Autumn 2004)
- Post Programme review.

2.2 Introduction to the report structure

This report details the findings of the end of programme review which was undertaken between August and October 2004. A range of data collection methods have been used for the evaluation:

- Quantitative interviews were undertaken with a sample of respondents from each project
- Face to face interviews were undertaken with a beneficiary from seven of the projects (one from each Business Link)
- Face to face interviews were undertaken with the project managers and partner organisations for each of the projects to assess the impact of the programme on their way of working.

The report has been structured as follows:

- The first section provides an overview of key results assessing the impact of the programme as a whole. This mainly consists of data gathered through the quantitative survey.
- Sections four, five and six outline the main results for the three methods through which the programme was delivered (networks, mentoring and training). This consists of analysis quantitative data gathered through the telephone survey and qualitative comments from relevant beneficiary interviews.
- Section seven analyses qualitative data gathered from face-to-face interviews with the project managers and beneficiaries to evaluate the impact of the programme on project managers' working practices.
- Section eight and nine outline conclusions drawn from the data and recommendations resulting from these.
- Section ten provides a detailed methodology.

2.3 Methodology

In order to evaluate the impact of the programme research was undertaken at two levels.

1. To assess the impact of the programme on beneficiary businesses, a combination of qualitative and quantitative research was undertaken. Seven in depth qualitative interviews were conducted (one with a beneficiary from each of the project management teams) and 170 quantitative telephone interviews (with respondents from each of the projects).
2. To review the process and assess the impact on project managers, their ways of working and their organisation, qualitative research was undertaken with project managers and representatives of third party partner organisations.

Seven qualitative interviews were undertaken with the project managers responsible for each of the management development projects. A further three qualitative telephone interviews were undertaken with partner organisations, such as further education colleges and Learning and Skills Councils.

2.3.1 Sample structure

The sample sizes used for the quantitative telephone interviews are shown in the table below.

Business Link Operator	Project Name	Sample	Number of beneficiaries	Number of businesses
Berkshire	Management development networks	25	178	160
	E-mentoring	30	96	96
Kent	Management enhancement programme	15	243	52
Milton Keynes Oxfordshire Berkshire	Management development strategy	23	90	83
Sussex Enterprise	Leadership for growth	10	29	29
	Management for growth	7	31	31
	Learning conference	7	260	260
Surrey	Managing director and director programme	7	31	31
	Strategic leadership programme	5	23	23
	Tricks of the trade seminars and workshops	9	116	115
	Online management training	2	26	26
Wessex	PLATO	30	142	125
Total		170	1,255	1,031

2.3.2 Refusal Rate

There was a refusal rate of 6% for this project².

2.3.3 Calculation of benefits

The profit increase has been calculated based on the difference between the value of profit before the management development and the value of profit afterwards (as a proportion of sales before and after the development).

The sales increase has been calculated using sales before and sales after the development. Where respondents could not give exact figures we have calculated it as a proportion of the increase in turnover.

Attribution has been calculated based on the questions 74 and 93 (*'How did/will the management development activity help you to make these changes?', 'It gave me ideas', 'It helped me implement the changes effectively', 'It helped me continue changes I had already started'*). From these questions respondents have been given a score of between 0.25 and 1 dependent on the extent to which they felt the programme helped them make the changes resulting in the benefit. The quantity of benefit has then been multiplied by this factor to calculate the total attributable benefit.

So, for example, if a respondent said their sales were £100,000 before and £110,000 after the development (a difference of £10,000); and they also said the development gave them *'Ideas of changes to make'* they would have been given a score of 1 for the extent to which the development helped them. The £10,000 sales increase would then have been multiplied by 1 making the attributable benefit £10,000.

² Refusals have been calculated as a fraction of completed interviews. A refusal occurs where a researcher contacts a respondent directly but the respondent declines to participate.

3 Networks

Some of the most innovative projects in the management development programme were delivered through networks. This section of the report details analysis relating to these specific projects outlining a profile of beneficiaries involved in these projects, the benefits to beneficiaries of these projects and satisfaction with the development through networking. The projects delivered through networking were:

- PLATO (Business Link Wessex)
- The Managing Director and Director Programme (Business Link Surrey).

This section includes data gathered through thirty seven quantitative telephone interviews with beneficiaries participating in networks and one face-to-face depth interview.

3.1 Respondent profile

Proportionately beneficiaries taking part in management development through networking were:

- Very senior (76% were company directors and only 8% were senior managers)
- Male (92%)
- More mature (54% aged 46 or over)
- From businesses with between one and nine employees (48%)

Nearly all (95%) of businesses involved in networking plan to grow moderately or substantially.

There were no participants in networks that were below 25. Just under half (46%) of beneficiaries of networking projects were under 45 compared to 65% of beneficiaries of mentoring and 63% of beneficiaries of training.

Nearly half of beneficiaries of management development through networks are from businesses with between one and nine employees compared to approximately one third of those participating in training (34%) and mentoring (29%). In contrast 3% of beneficiaries developing through networks are from businesses with no employees compared to 5% of beneficiaries involved in training and 51% of beneficiaries developing through mentoring.

3.1.1 Attitude

Of beneficiaries participating in management development through networks:

- 30% have liP which is higher than for the other types of development
- 94% thought that management development was important or very important to their business
- 60% of beneficiaries in networks have been involved in management development activity over the last two years.

Examples of other management development programmes beneficiaries had been involved in included:

- *'I attended some external courses run by Business Link: one on marketing; one on the WOW awards; one related to IIP; I also attended a County Council course on senior management development.'*
- *'I've been on various Business Link courses including 'Building a Better Future' (about general business); 'The Family Business' (about family businesses and succession and growing the business); 'The Entrepreneurs Tales' (a presentation by six entrepreneurs).'*
- *'A strategic planning and leadership course through Business Link and facilitated by Profit Through People'.*

Beneficiaries participating in development through networks expected fewer personal benefits than beneficiaries of the other types of management development activity. This may be reflective of the fact that proportionately more beneficiaries in this group were members of senior management teams (rather than sole traders that participated in mentoring or senior managers who participated in training) and therefore their focus is likely to be on the strategic direction of the business rather than personal improvement. Slightly under two thirds (65%) of beneficiaries in networks thought the management development would help them to improve their performance and 16% to progress in their career. Just under half (44%) rated the contribution of the management development in helping them reach their career objectives as important or very important. Examples of personal career benefits beneficiaries expected include:

- *'The ability to network and learn from other like minded businesses, in order to improve the way my business works'.*
- *'Sharing of experiences with other businesses to enrich my knowledge of business management'.*
'I wanted to take on other views and use them in my business'.
- *'I thought it would be an opportunity to meet others and exchange views and ideas to improve my company'.*
- *'I wanted to use the network group as a peer group sounding board to exploit and use their experience'.*

Development through networking appeals to, and has therefore been used by, more mature individuals who have had considerable training already.

3.2 Business benefits

The five main competencies that beneficiaries in networks have improved so far as a result of the management development are:

- Acting assertively (100% of those that expected to improve this competency, n=17)
- Communicating (94% of those that expected to improve this competency, n=27)
- Managing themselves (92% of those that expected to improve this competency, n=23)
- Acting strategically (87% of those that expected to improve this competency, n=30)
- Thinking and taking decisions (87% of those that expected to improve this competency, n=22)

3.2.1 Business changes

38% of beneficiaries in networks have made positive changes to their business as a result of taking part in the management development activity and a further 16% plan to.

'We've been able to strategically plan, to business plan, to think about where we want to be, to plan how we are going to get there and to put together a plan so that we can measure progress against this. That's not something you always have time to do in a small company like ours.'

Management development through networks has stimulated new ideas and has helped fourteen beneficiaries to make changes by:

- Giving them ideas about the types of changes to make (50%, n=7).
- Helping them to implement changes effectively (21%, n=3).
- Helping them to continue changes which had already been started (14%, n=2).

The management development through networks has helped a further six beneficiaries plan changes by:

- Giving them ideas about the type of changes to make (n=4).
- Helping them to implement changes effectively (n=1).
- Helping them to continue further changes in an area where changes have already been started (n=1).

The types of changes beneficiaries participating in networks had made to their business mainly focussed on structure, planning and strategic issues which is reflected in their focus on expectations of business rather than personal improvement to be gained through the management development. Comments included:

- *'More systemisation, more business planning, reporting more and focusing more on results.'*
- *'Our focus has become much more specific to the market we want to address rather than trying to be all things to all people. We have dropped activities that were less productive.'*
- *'We've improved our internal communications.'*

The changes beneficiaries participating in networks plan to implement were similarly strategic in their focus:

- *'Changes to our methodology and working practices. For example, looking at employment contracts, and making sure they are tight and up-to-date with current employment law.'*
- *'We plan to implement tighter manufacturing procedures. Also intend on being more efficient with our staff by identifying their unlocked potential and using it more.'*
- *'We intend to move to larger premises, to offer a wider range of courses, to cater for a different market.'*

3.2.2 Benefits expected and obtained

Beneficiaries were asked what benefits they expected to obtain as a result of the management development network activity in the baseline survey. The graph below shows the proportion of beneficiaries participating in networks that have gained specific types of benefit as a result of changes they have made to their business compared to the proportion of beneficiaries expecting that type of benefit from the baseline.

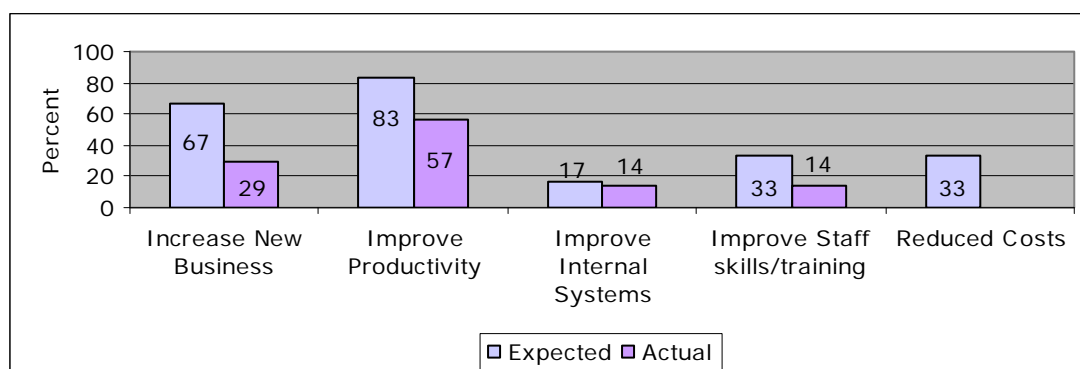


Figure 5: Expected benefits from the baseline and actual benefits achieved from the End of Programme Review

The graph shows that there is a discrepancy between respondent expectations and benefits gained, particularly for increases in new business and improvements in productivity. Qualitative data shows that beneficiaries did not have a clear understanding what to expect from the programme and therefore may have had inappropriate expectations. In part this could have been improved through better communication about the project at the recruitment stage.

It is important to note that some of the networking projects are ongoing, so beneficiaries may be part way through their involvement with the network and therefore have not implemented changes or gained benefits yet because of this. For those that have not made changes and did not plan to at the time of the interview, the main reason was because it was too soon into the development:

- *'It's too early. Nothing's come out of it yet; I'm still searching for ways to grow the business'*
- *'Nothing at this stage. We need to look at more details before we embark on something new.'*
- *'I intend to make changes, but nothing formal planned yet.'*

3.2.3 Sales and profit increases

Businesses that had implemented changes as a result of the management development programme were asked the extent to which they felt that these changes were attributable to the management development programme. They were also asked about the value of the increase in their sales and the increase in their profit (where benefits of this type had been achieved or were expected through implementation of planned changes). A full explanation of how these benefits have been calculated is included in the methodology (see 1.3.3).

The total value of increased sales attributable to the management development delivered through networks is over £3,900,000³, which is an average per company of over £500,000.

The total value of increase profits attributable to the management development delivered through networks is over £500,000⁴, which is an average per company of over £80,000.

3.2.4 Sustaining the changes made

Beneficiaries were asked how they would sustain the changes made to their business as a result of the management development. A high proportion (84%) of beneficiaries participating in networks have communicated what they have learned from the management development within their organisation.

Fourteen beneficiaries that had made changes or planned to make changes to their business as a result of the management development through networks had measures in place to sustain these changes:

- Five have made structural changes to their business and four plan to
- One is implementing IiP and three plan to
- Five have appointed someone responsible for ensuring changes remain in place and five plan to do this
- Eight have made procedural changes and six plan to.

The most frequently cited means through which beneficiaries that had participated in networking will sustain change within their business was through change to business practice or appointing someone responsible for implementing change. Examples of respondent comments included:

- *'The new systems that were put in place, such as IT based verification systems, are now part of the standard practice.'*
- *'Quality issues have been looked at, a quality manual has now been produced and new production standards are now in place.'*

³ Seven respondents had made or planned to make changes to their business as a result of the management development through networks and could provide enough data for the attributable increase in sales to be calculated.

⁴ Six respondents had made or planned to make changes to their business as a result of the management development through networks and could provide enough data for the attributable increase in profitability to be calculated.

- *'After the meetings I've come back and discussed them with my business partner. There was one of the meetings I couldn't attend because my mother was ill so I briefed my partner and she went. Since then we've alternated the meetings.'*
- *'The biggest thing we've changed is developing a more structured way of dealing with our employees. Before we hadn't been looking at the long term. Now we're developing a staff handbook and procedures formalising what we do. As a result of all that we're also going through IiP at the moment. It's all about giving us depth to move forward rather than rushing head on.'*

3.3 Satisfaction

Beneficiaries were asked to rate their satisfaction with the development activity on a scale of one to five. The proportion of beneficiaries rating elements of the networking at four or more out of five is shown in the graph below.

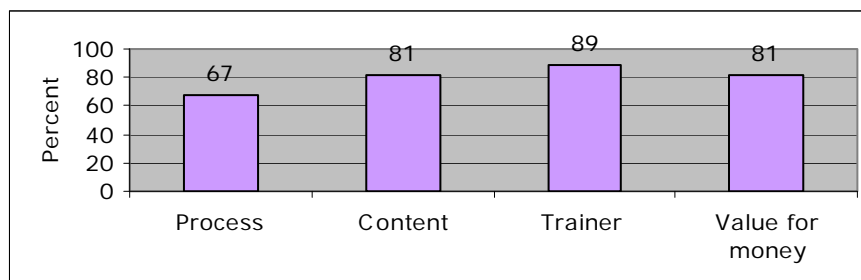


Figure 6: Satisfaction with different elements of networking (n=37)

Overall satisfaction was high; however it was noticeably lower for the process element of the development. Over half (54%) of beneficiaries participating in networks felt the management development could have been improved. Numerous beneficiaries commented about the structure of the network as an area that could potentially be improved in future:

- *'It would have been even better if the specific objectives and goals were introduced earlier.'*
- *'A more formal structure would be useful. I felt our group was missing some key skills.'*
- *'There could have been a crisper structure at the start. It would have been useful to be given an initial format that we could then change as we wanted rather than let us stand around talking about cricket for the first few meetings.'*

The effectiveness of management development through networks could be improved through more formal structure to the networks (such as better management of discussion) and a better introduction to and explanation of the development.

3.3.1 Recommendation and re-use

A very high proportion (91%) of beneficiaries participating in management development through networks would recommend development through networks to others. The main reason for recommendation was because this form of development enables beneficiaries to share information, ideas, experience and skills.

Comments included:

- *'It's a practical way to improve skills and can be used to benefit from others mistakes.'*
- *'It provides real examples of business problems that have been solved.'*
- *'It's an ideal way for people, especially those new or relatively new to business, to increase their knowledge. People can share good practices.'*

Nearly all (97%) of beneficiaries that had participated in development through networks would use development of this type again in the future.

3.3.2 Extra networks satisfaction questions

Beneficiaries in networks were asked additional questions regarding satisfaction with specific elements of the network. The graph below shows the proportion of beneficiaries involved in management development through networks rating particular attributes at four or five (out of five) for importance from the baseline, and the proportion rating that particular element as four or more out of five for satisfaction in the end of programme review.

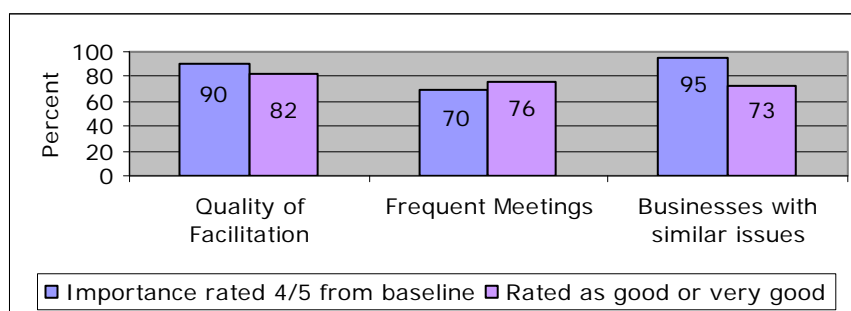


Figure 7: Importance of elements of networks compared to rating from End of Programme Review

The lower satisfaction with businesses with similar issues participating in the networking groups is apparent in beneficiaries' comments:

- *'It would be useful if there were other businesses there that were facing similar problems.'*
- *'There was a really broad cross section in the group. The course really covered very general issues and as a consequence I think people's commitment waned a bit and then as a result of that they got less still out of it.'*
- *'Possibly, as the programme itself is dependent on the facilitators and the people within the group'.*
- *'There should be smaller groups for networking, with more care taken in streamlining the networking partners (their size, growth objectives etc.).'*

The structure and management of networks, including the selection of businesses entering networks are essential elements in making them work for beneficiaries. In particular it is important that businesses of similar sizes participate in networks together.

3.4 Networking Conclusions and Recommendations

Development through networks has appealed to and been used by more mature very senior individuals from small and micro businesses, who have training already. The marketing approach (much of which was personalised) and development activity have also appealed to more men (92% of beneficiaries in networking projects are male compared to 74% in training and 67% in mentoring).

With regard to business improvement more businesses participating in management development through networks have made positive changes to their business as a result of the management development activity than the other types of development (38% of beneficiaries of networks compared to 26% of beneficiaries of mentoring and 29% of beneficiaries of training). The main reason beneficiaries of development through networking had not made changes to their business as a result of the management development was because it was too early in the development.

Beneficiaries involved in management development through networking expected to gain improvements in their business rather than personal benefits (65% expected to improve personal performance compared to 79% of mentees and 74% of beneficiaries of training). However there were disparities between the benefits expected and those achieved because many beneficiaries did not have a clear understanding what to expect from the development.

'What I was offered during the course was not what I had set out to get from the course.'

Qualitative data shows that beneficiaries did not have a clear understanding what to expect from the management through networks or what the process would include.

'It would have been even better if the specific objectives and goals were introduced earlier'.

'A more constructive plan from day one would have been helpful'.

These issues are the result of two main areas to target for improvement. The marketing for the networks could have been clearer in helping beneficiaries to understand what they could expect and what the process would involve. This would help ensure that beneficiaries have appropriate and achievable expectations. Also, once recruited, a more formal structure (management of discussion etc.) and introduction to the development activity could help to improve the effectiveness of the networking groups.

4 Mentoring

Mentoring was one of the most innovative elements of the management development programme, particularly the e-mentoring programme. This section of the report details analysis relating to these specific projects outlining a profile of beneficiaries involved in projects delivered through mentoring, specifically:

- e-mentoring (delivered across the South East)
- Best Practice Ambassadors '*Management for Growth*' (Sussex Enterprise).

In total 37 quantitative telephone interviews and one qualitative interview was conducted with beneficiaries in management development through mentoring. There was a lower success rate for the development delivered through mentoring. Of the 37 interviewed quantitatively:

- Seven did not pursue the mentoring relationship because they either lacked the time or their mentor was not responsive.
- Three beneficiaries had only started the mentoring relationship recently
- Three beneficiaries had been matched with a mentor but they considered it a poor match and had left the programme after a short time because of this.
- Consequently, 24 of the beneficiaries we interviewed could give full answers to all the questions required.

One third of those that had not pursued mentoring were from the Sussex Enterprise project and two thirds were from the e-mentoring project.

Throughout this section of the report, unless otherwise stated, results are for the 24 beneficiaries who had engaged fully with the mentoring process. Results reported in this section therefore have predominantly been reported by number rather than proportions due to the small sample sizes involved.

4.1 Respondent profile

Beneficiaries in management development through mentoring were proportionately:

- Business owners (46%, n=11) or company directors (33%, n=8); only 8% (n=2) were senior managers.
- Divided more equally between men and women (One third women compared to 26% in training and 8% in networks).
- Younger than those taking part in development through networks (67%, n=16, forty-five or under).
- From businesses with zero employees (54%, n=13)
- From businesses with a turnover of £500,000 or less (84%, n=20).

79% (n=19) of businesses involved in mentoring plan to grow moderately or substantially.

Development through mentoring has therefore appealed to, and been used by, middle-aged business owners, who work alone. This type of development has also (proportionately) appealed to and been used by more women.

4.1.1 Attitude

Three businesses involved in mentoring have IIP status. This is proportionately lower than for other types of development but there are more businesses without any employees involved in mentoring (51%) which negates the benefit of IIP status.

Ten beneficiaries involved in management development through mentoring had personally participated in other management development activity over the last two years.

- o *'Sunday Times Enterprise Networks one and two day courses. Breakfast briefings from the Institute of Directors where they are relevant. Also, I have a business coach, and have built up an advisory team.'*
- o *'Yes, management course run by A4E - Action for Education. Called Growing your Childcare Business. It was pretty comprehensive and very useful'.*

Fifteen beneficiaries that participated in mentoring felt management development was important or very important to their business (63%).

The aims of those participating in development through networking focus more on personal rather than business performance. Nine beneficiaries in mentoring felt that management development was important in helping them to achieve their career objectives. The most commonly expected personal benefit for mentees was improved personal performance, mentioned by nineteen beneficiaries (79%). Proportionally this was higher than for the other types of management development (74% of beneficiaries in training and 65% in networks).

4.2 Business benefits

The main competencies that mentees have improved are:

- Acting strategically (100% of those that expected to improve n=13)
- Communicating (93% of those that expected to improve n=13)
- Managing themselves (82% of those that expected to improve n=14)
- Focusing on results (82% of those that expected to improve n=14)
- Thinking and taking decisions (75% of those that expected to improve n=9)

The main competencies where beneficiaries had gained intense improvements (improved a great deal) were focusing on results and managing themselves.

4.2.1 Business changes

Of the 24 beneficiaries that had fully engaged with mentoring, seven had made or planned to make changes to their business as a direct result of the management development activity.

The six beneficiaries that had made changes resulting from the management development through mentoring said the mentoring had helped them by:

- Giving them ideas about the types of changes to make (n=4)
- Helping them to continue changes that had already been started (n=1)
- Helping them to implement changes effectively (n=1).

4.2.2 Business benefits

The majority of beneficiaries participating in development through mentoring were part of the e-mentoring project. This project was not included in the baseline survey so results can not be compared.

Overall six beneficiaries participating in mentoring had made changes to their business (25% of those who had actually engaged fully with the mentoring process). Of these:

- Two had gained new business as a result of the mentoring, resulting in an increase in sales of over £90,000.
- Four had increased productivity as a result of the mentoring increasing profits by £600,000.
- Two had reduced costs as a result of the mentoring
- Three had improved internal systems as a result of the mentoring
- Two had improved staff skills or staff training

Ways mentoring had helped beneficiaries make changes included:

- *'In terms of what he's helped us with, almost as soon as we met he identified that my relationship with my business partner was very stretched. But once I talked with my mentor I sat down with and had a proper chin wag with my partner and we moved forward from there.'*
- *'He's helped us to generate new business recommending us and acting as a sounding board for new product ideas. He's stopped us from pursuing certain things and saved us from wasting time and stress.'*

No beneficiaries participating in mentoring said there were any obstacles to making changes, which may be a result of their status (the majority of beneficiaries in mentoring were business owners or directors). However 17 of the beneficiaries that had fully engaged with mentoring had not made changes to their business as a result of the mentoring because:

- **Changes they had made to their business could not be attributed to the programme (n=4)**
'Any changes would have been made anyway - and it is just the usual thing of growing the business etc.'
- **The benefits of the mentoring have been more general (n=3)**
'I just wanted an insight into running a business and not to make any changes.'
- **They expect there will be changes but not at this stage of involvement with the mentoring (n=2)**
'I will probably make changes, but it is still early days and I have not planned the changes yet.'
- **The respondent did not feel they had got much or anything specific out of the mentoring relationship (n=8)**
'The programme did not add anything to the knowledge base of the company.'
'Nothing monumental came out of it, so no changes needed.'

4.2.3 Sustaining the changes made

In order to assess whether changes beneficiaries had made to their business would be sustained we asked them what measures they had put in place to make sure changes are sustained. Four beneficiaries had made structural changes to their business, two had appointed someone responsible for implementing change and three had made procedural changes; comments included:

- *'We have made procedural changes - it is now part of our company policy.'*
- *'We have split the company into two divisions and changed our attitude - much more focused and determined. We also have more accountability.'*

4.3 Satisfaction

Satisfaction with different elements of the process for the 24 beneficiaries that continued the mentoring relationship was:

- 11 were satisfied or very satisfied with the process (46%)
- 9 were satisfied with the content of the mentoring (38%)
- 11 were satisfied with the skill of the trainer (46%).
- 16 were satisfied or very satisfied with the value for money the mentoring offered (67%).

Satisfaction was therefore lower than for the other types of management development. Qualitative comments show that even where beneficiaries were able to engage fully with the mentoring, there remained areas where improvements could be made. Suggestions for improvements covered three main areas, which were:

The organisation of and support for the mentoring

- *'The organisation of the activity left much to be desired. After the initial meetings, there was no follow up.'*
- *'It all happens very slowly, which is no-one's fault. There has been a slow turnaround due to both my mentor and I being away. When they send me something it is quite substantial stuff - which is great, but a lot to think about.'*
- *'By having a feedback mechanism. The program didn't answer my needs, but there was no mechanism for feeding this back and getting a new mentor immediately. It was 4 months before I got contacted by the organisers.'*
- *'I would have preferred the programme to be shorter, with meetings held more frequently.'*
- *'The frequency of meetings could have been increased: there was a big gap in between.'*

The mentor themselves

- *'By having access to knowledge of any financial help available. The mentors should be able to get hold of this knowledge and facilitate it.'*
- *'The mentors did not seem to have enough information on what they should be doing, though I must add that they all did have lots of knowledge and experience to share.'*

For mentoring to be successful a thorough matching process is essential. There is also a need for beneficiaries to be offered an effective support system to contact if problems are encountered. Making it clear what can reasonably be expected from the start of the mentoring process could also help mentees to get more out of the mentoring relationship.

4.3.1 Recommendation and re-use

Of the 24 beneficiaries that participated fully in mentoring 20 would recommend it to others (83%) and 21 would use it again (88%). The data shows that even though beneficiaries feel there were areas where the mentoring could have been improved they were relatively satisfied with the process and think that mentoring itself is valuable. Respondent reasons for recommending mentoring to others included:

- *'It is useful to have someone you can run ideas past and get ideas from. The guy has vast skills and knowledge which he passed on to us. He helped us a great deal by providing suggestions.'*
- *'It provides a useful sounding board for ideas.'*
- *'It would be very useful to others that aren't part of a big organisation due to its user friendliness and practicality. Email is a good method of communication - friendly and practical.'*
- *'The basic concept is very good. It's one of the oldest forms of learning - learning your trade from someone more experienced. I have continued to meet with my mentor, and I learn from him and he learns from me, so a good exchange of knowledge.'*

Reasons beneficiaries said they would use mentoring again included:

- *'I would be willing to give it another go, in principal it is a good idea, and has potential. It can go on in the background without taking up too much time, but you still get advice.'*
- *'For continuous improvement - it is cost free and I can do it any time (in my own time), don't have to spend days on courses.'*
- *'There is nothing to lose with a free service. You talk through issues with the mentor, and they contribute help and advice. They know what I don't. They can't solve all the problems, but then I wouldn't expect them to.'*
- *'It is easier than using the phone and it is quicker to write an email than have a long rambling telephone conversation.'*

4.4 Beneficiaries that did not fully engage with mentoring

13 beneficiaries involved in mentoring did not become fully involved with the process either because:

- **They chose not to pursue it because their mentor was difficult to contact or for another reason**
 - *'The course was so awful that I only attended two sessions'*
 - *'By the time I got a mentor, I didn't need them any more, so I didn't have much contact with them.'*
 - *'The communication fell away as the person was very busy and didn't respond at all quickly to me. It took a lot of chasing, and then I just lost interest.'*
- **The mentor was a poor match**
 - *'He didn't have any more ideas or knowledge than I did, so we met once and then mutually agreed that there was no benefit and ended the mentoring.'*
- **They only recently began contact with their mentor**
 - *'I have just registered with the program and exchanged a couple of emails with my mentor. I have been so busy that I haven't had the time to use the scheme any further, so there has been no improvement with respect to the e-mentoring.'*

Even where beneficiaries did not engage fully with the programme and therefore did not improve competencies, get benefits or implement changes, there remained an interest in and optimism about development through mentoring. Two of the three beneficiaries that had not continued the relationship with their mentor because they felt it was a poor match were trying again with a new mentor:

- *'I emailed the mentor, but had no response, so there was no communication, and I didn't learn anything. I'm looking to try again with a new mentor. As my needs are more general this time I may be more successful.'*
- *'Too early in the program - first mentor dropped out and not had contact from second.'*

Of the 13 beneficiaries that had used mentoring but had not fully engaged with the process:

- Seven would recommend it to others (54%)
- 10 would use it again in the future (77%).

4.5 Mentoring Conclusions and Recommendations

Management development through mentoring has appealed to and therefore been used by business owners working either alone or in micro businesses (0-4 employees). Proportionately the marketing approach (email and mailshots) and delivery concept (e-mentoring and more traditional mentoring) have appealed to and been used by more women (33% of mentees are female compared to 26% of beneficiaries of training and 8% of beneficiaries of networking).

Beneficiaries of mentoring expected more personal benefits than those involved in the other types of management development (79% expected to improve personal performance compared to 65% of beneficiaries of networking and 74% of beneficiaries of training).

Overall 29% of beneficiaries of management development through mentoring have made or plan to make changes to their business as a result of the management development activity. This is proportionately fewer than for the other types of management development activity. However, the competencies mentees improved suggest improvements in management skills which may not yet have been translated into tangible business benefits (improvements in acting strategically, managing themselves and communicating). It is also apparent that process factors prevented some beneficiaries from pursuing their mentoring relationship (13 of the 37 beneficiaries interviewed had left the projects) and prevented others from potentially maximising the benefit of the mentoring relationship and related training activity.

'There was a lack of communication from the mentor (no response to my emails), so I didn't benefit from the activity.'

'The programme organisers did not adequately categorise the participants, and several directors ended up in a project chiefly directed at new managerial staff.'

'There could have been much better administration - no-one seemed to have a clue what was happening and it took too long to find a mentor.'

Qualitative data shows that in order for management development through mentoring to be effective, both in terms of retaining mentor/mentee involvement and helping mentees to benefit from the mentoring relationship it is important that there is an adequate management system to support the mentoring (feedback mechanism, someone to contact if problems are encountered, a faster matching process, a more appropriate level of training if training is to be provided as part of the mentoring project etc.). It is also vital that the mentor/mentee matching process is thorough; several of those who had left the projects had done so because their mentor was a poor match.

5 Training

The majority of projects provided through the management development programme were delivered through training. This section of the report details analysis relating to projects delivered through training outlining a profile of beneficiaries involved in projects delivered through mentoring, specifically:

- Management Development in Berkshire (Business Link Berkshire)
- Management Development in Milton Keynes, Oxfordshire & Buckinghamshire (Business Link MKOB)
- Best Practice Ambassadors '*Leadership for Growth*' & '*Learning Conference*' (Business Link Sussex)
- Management Enhancement (Kent Business Link)
- Management Development in Surrey '*Tricks of the Trade*' and '*Online Management Training*' (Business Link Surrey).

In total 96 beneficiaries involved in development through training were interviewed through a quantitative telephone survey and three were interviewed through a face-to-face depth interview.

5.1 Respondent profile

Proportionally the beneficiaries involved in training were:

- Less senior than those that participated in other forms of management development; (58% were directors, 31% senior managers and fewer were business owners than for other types of management development).
- More women participated in training (26%) than in development through networking.
- Younger (70% forty-five or under).
- From bigger businesses (78% from businesses with between 10 and 49 employees).

The majority (88%) of the businesses that participated in training plan to grow either moderately or substantially over the next three years.

Businesses involved in training are bigger; nearly half of beneficiaries involved in training are from businesses with twenty or more employees (45%) compared to one third of those involved in development through networks and 14% of those taking part in mentoring.

5.1.1 Attitude

Over a third (39%) of businesses involved in training are either recognised by, or committed to, Investors in People.

Just under half (43%) of beneficiaries involved in training had personally participated in other management development activity over the last two years, examples of which include:

- '*Workshops on customer satisfaction and teamwork. Various individual events from Sussex Enterprise.*'
- '*Courses and seminars run by Business Link, Institute of Directors, Surrey Business Club.*'
- '*A few Institute of Directors courses.*'

- *'I am constantly going on Business Link courses and attending seminars on developing a management team (including personality profiling etc.).'*

Just over half (55%) of beneficiaries that participated in training felt that management development was important or very important in helping them to achieve their career objectives. The most frequently expected personal benefit of participating in the management development was to improve personal performance expected by just under three quarters (74%) of beneficiaries in training. 13% of beneficiaries in training expected the management development training to help them progress in their career. Overall 55% of beneficiaries in training felt the management development had been important or very important in helping them to achieve their personal career objectives. Examples of comments included:

- *'I expected to gain insight on the role of management, in a hope to prepare for advancement in my career.'*
- *'To develop myself, and 'put forth goals and achievement through others'. In essence, more effective delegation and encouragement of company personnel.'*
- *'Interpersonal skills. Perhaps even hoping that the inputs would lead to a change in my career role.'*
- *'To help me be a better leader by identifying my strengths and weaknesses.'*

Training appealed to and was used by less senior managers from bigger SMEs than the other types of management development. The style of development offered (one day workshops, introductory sessions etc) was appropriate to this group who are the business leaders of the future.

5.2 Business benefits

The five main competencies that beneficiaries in training have improved so far as a result of the management development are:

- Behaving ethically (100% of those that expected to improve this competency, n=24)
- Acting assertively (97% of those that expected to improve this competency, n=43)
- Communicating (96% of those that expected to improve this competency, n=74)
- Influencing others (94% of those that expected to improve this competency, n=63)
- Thinking and taking decisions (94% of those that expected to improve this competency, n=69)

5.2.1 Business changes

Just under one third (29%) of beneficiaries in training have made changes to their business as a result of taking part in the management development activity and 10% plan to make changes. This is less than for management development through networks but more than for management development delivered through mentoring.

Just over half of the beneficiaries in training that have made changes to their business as a result of the management development said the training had given them ideas about the type of changes to make (15 beneficiaries) and seven (25%) thought the development had helped them to implement the changes effectively. Of beneficiaries that planned to make changes to their business as a result of the management development six thought the development had

given them ideas about the type of changes to make and four to implement the changes effectively.

The type of changes beneficiaries of management development through training had made were focussed on communication and strategy, examples included:

More formal coaching, appraisals

- o *'I now offer coaching services whereas before the conference I didn't.'*

Better communication

- o *'The emphasis has shifted towards better communication and information dissemination and improved personnel procedures.'*
- o *'I've changed the way we organise holidays and leave. We now have an online holiday chart and calendar which is managed and controlled by the admin team.'*

Focussing on business strategy

- o *'Better business planning and increased focus on staff development.'*

Examples of planned changes include:

- o *'The activity has highlighted the need for continuous development for people.'*
- o *'We didn't have a proper appraisal system before so now we're implementing an efficient, effective and uniform system that won't be as daunting.'*

5.2.2 Benefits expected and obtained

Beneficiaries were also asked what benefits they expected to obtain as a result of the management development activity in the baseline survey. The graph below shows the proportion of beneficiaries participating in training that have gained specific types of benefit compared to the proportion of beneficiaries expecting that type of benefit from the baseline.

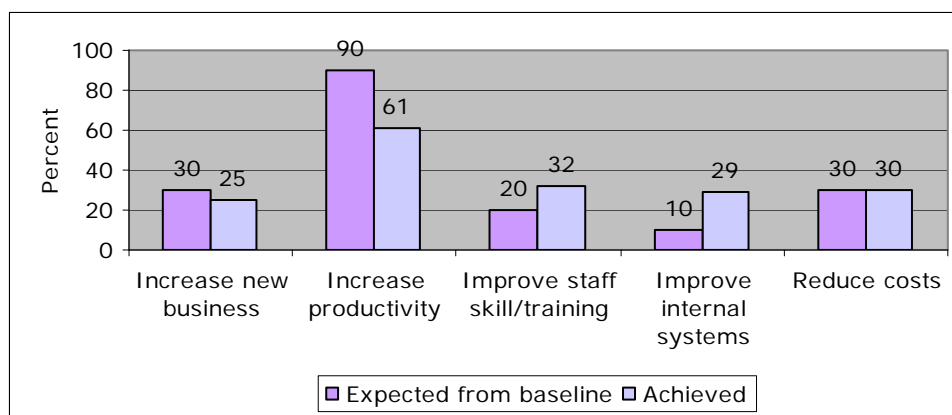


Figure 8: Expected improvements from the Baseline compared to achieved improvements from the End of Programme Review

The graph shows that where expectations have been exceeded it is in areas that beneficiaries may not have translated the benefits gained into financial data (such as improvements in staff skills/staff training). The disparity between expectations of increased sales and improved productivity are explained through beneficiaries' lack of understanding of what to expect from the management development when they began the development activity, this resulted in beneficiaries expecting benefits that were not achieved and may not have been

appropriate to the development they participated in. Better communication at the recruitment and introductory stages of management development could help to alleviate this issue in the future.

5.2.3 Sales and profit increases

Businesses that had implemented changes as a result of the management development programme were asked the extent to which they felt that these changes were attributable to the management development programme. They were also asked about the value of the increase in their sales and the increase in their profit (where benefits of this type had been achieved or were expected through implementation of planned changes). A full explanation of how these benefits have been calculated is included in the methodology (see 1.3.3).

The total value of increased sales attributable to the management development delivered through training is over £1,100,000⁵, which is an average per company of over £170,000.

The total value of increased profits attributable to the management development delivered through training is over £275,000⁶, which is an average per company of over £65,000.

5.2.4 Sustainability of changes

Of the 28 beneficiaries that had made changes to their business as a result of the management development through networks and the further 10 that planned to:

- 11 have made structural changes to their business and 3 plan to
- Five are implementing IiP
- 14 have appointed someone responsible for ensuring changes remain in place and six plan to do this
- 16 have made procedural changes and seven plan to.

So far just over three quarters (77%) of beneficiaries in training have communicated what they have learned from the management development within their organisation.

Examples of means through which changes will be sustained include:

- *'The procedures involving internal communications have been changed, and from now on they will be monitored to ensure that the new system is adhered to.'*
- *'We now have a Quality Assurance monitoring system run by a new (small) department responsible for it.'*
- *'Since the management development we've started pursuing IiP. I had to work hard to persuade the others, one of whom had done it at another business, in its previous form and he felt it was a rubber stamping exercise. It will instil discipline to communicate better and formally develop a plan to train people to fill the existing gaps.'*

⁵ Seven respondents had made or planned to make changes to their business as a result of the management development through training and could provide enough data for the attributable increase in sales to be calculated.

⁶ Four respondents had made or planned to make changes to their business as a result of the management development through training and could provide enough data for the attributable increase in productivity to be calculated.

5.2.5 Businesses that are not making changes

60% have not made changes to their business and do not plan to. Of beneficiaries that have not made changes, as a result of the management development through training, a large proportion suggested this was because they are making changes to the business, but not as a result of the management development activity. Beneficiaries' comments included:

- *'The business is changing but not as a result of the seminars.'*
- *'It was mainly for my own personal gain, so no concrete plans are afoot as yet.'*
- *'Everything we wanted to do was already on the agenda. The Activity just provided clarity on this.'*
- *'This was a contributing factor to changes made, not a direct factor.'*

It is also clear that beneficiaries of management development through training are less senior. Further analysis shows that beneficiaries that are less senior have implemented fewer changes and that one of the main obstacles to implementing changes was a lack of top management commitment. Potentially the reason fewer beneficiaries of training have implemented changes is because they lack the authority to drive change through the business.

In order to maximise the benefit to business management development activity should target the most senior managers who are more responsive to training through mentoring and networks than training.

5.2.6 Satisfaction

Beneficiaries were asked to rate their satisfaction with the development activity on a scale of one to five. The proportion of beneficiaries rating elements of the training at four or more out of five is shown in the graph below.

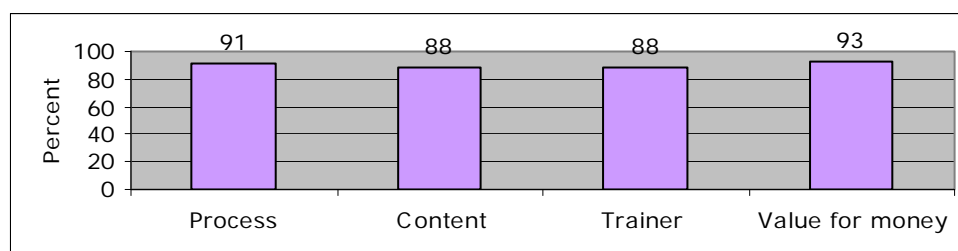


Figure 9: Satisfaction with different elements of training (n=96)

Satisfaction was extremely high in all areas for management development delivered through training.

40% of beneficiaries in management development through training thought the management development could have been improved, mainly through increasing the length of the course. Numerous beneficiaries made comments about the skill of the trainer and the intensity of the course, examples of which included:

- *'I would have liked more time as there was too much information to take in one day.'*
- *'It was too short and although we covered everything it could have been a little more in depth.'*

-
- *'The trainer could have been better, more motivated and better informed on the topics.'*
 - *'The person who ran it was quite poor – his presentation technique was quite surprising - he swore quite a lot.'*
 - *'The programme could have introduced new ideas. A more detailed programme would have been more helpful.'*
 - *'In the end the consultant took a bit of a mentoring role enabling each of us to air our views in a supportive environment.'*

Although the management development through training was well received beneficiaries may have benefited from longer and more in depth management development training.

5.2.7 Recommendation and re-use

The vast majority (97%) of those involved in training would recommend development of this type, through seminars and workshops, to others. Examples of reasons beneficiaries gave include:

- *'It's good to learn from people who been there and done that.'*
- *'I remember more when the learning activity is practical and hands on.'*
- *'It's a more interactive way of learning, which is good.'*
- *'It's good to get away from the day to day environment of business and workshops allow you to concentrate on your needs.'*
- *'What was most useful to me was the fact that it offered the opportunity to step back from the business for a committed amount of time. It was necessary for me to do that and to reflect on where we were.'*

Nearly all (99%) of beneficiaries in development through seminars and workshops would use this form of development again in the future.

5.3 Training Conclusions and Recommendations

Beneficiaries of management development through training are from bigger businesses (78% from businesses with 10-49 employees compared to 35% of beneficiaries of management development through networking), are younger (70% 45 or under compared to 46% from networking) and less senior (31% senior managers which was more than other types of development activity where proportionately more beneficiaries were owners, partners or directors).

Management development through training resulted in fewer businesses making positive changes than management development through networking but proportionately more than management development through mentoring (29% have made changes compared to 38% of beneficiaries of networking and 25% of beneficiaries of mentoring). However it is also evident that proportionately more senior managers (rather than owners/partners/directors) were beneficiaries of training and further analysis shows that senior managers planned and implemented fewer changes as a result of the development activity (25% of senior managers planned or implemented changes compared to 46% of directors).

Many businesses that participated in management development through training said the reason they had not made changes to their business because as a result of the development because they were making changes to their business anyway regardless of the management development activity.

'Everything we wanted to do was already on the agenda. The Activity just provided clarity on this.'

This shows that some businesses participating in management development through training may have been using the management development to support the process of change rather than using it to stimulate the change.

The management development delivered through training could have been more effective and potentially resulted in more businesses making positive changes if the development activity had been more in depth and longer (69% of businesses making positive changes were involved in management development involving high or medium intensity support).

'A more detailed programme would have been more helpful.'

'I would have liked more time as there was too much information to take in one day.'

6 Process

6.1 Introduction

The aim of this section of the report is to evaluate the impact of the management development programme on those involved in managing and delivering the programme. The Management Development Programme has four main aims (section 2.1). In addition to these aims, SEEDA had its own expectations about the MDP process. In particular SEEDA hoped that the process would result in:

- Improved communications within SEEDA, between SEEDA and project managers and between project managers
- Development of new delivery mechanisms
- Changes being sustained in long term activity.

The impact of the programme on the programme management teams has been evaluated through qualitative interviews with the project managers responsible for delivering the projects and their partner organisations.

6.2 Opinion of working with SEEDA

Business Link project managers unanimously felt the relationship with the SEEDA project manager was strong, supportive and had worked well.

'They were very active and always acted as key players. [The project manager at SEEDA] was very supportive. [The project manager at SEEDA] came to our steering groups and it was actually a useful power tool for managing the contractors. I'd say SEEDA were coming and they would all jump up and down.'

The quarterly steering group meetings were generally felt to have been worthwhile.

'We have started some good relationships with other Business Links. We've shared a lot of knowledge. We have common targets as Business Links and [another Business Link] was being very successful in this so I told my colleague who was responsible for this particular area and they went to talk to him about it.'

However, the project managers have not had much contact with other areas of SEEDA and expressed some concerns about contract management at SEEDA. Three of the seven project managers raised issues regarding administration and the timing and efficiency of contract delivery. As shown in the baseline report, there was also a lack of clarity and understanding of the aims of the project between the contract management team and SEEDA and the Business Links. For example, there has been some misunderstanding over the sustainability issue and how/if projects were expected to be sustainable. As a result of this lack of clarity at the initial stages of implementation of the management development programme the majority of the projects made no plans for sustaining the activity beyond the immediate funding.

6.3 Working with Further Education Colleges

One of SEEDA's aims for the project was to stimulate partner relationships between organisations involved in the delivery of management development training in the region. Five of the seven projects involved working with further education colleges with a mixture of results. For many of the Business Links it was the first time that they had worked so closely with Further Education (FE) Colleges, and across all the projects, the project managers have learned much about partnership working and working with FE providers.

What worked well?

One of the projects that has continued beyond the funding period involved partnership working between Business Link and FE colleges. The relationship developed here has evidently been strong and continued beyond the programme. It is interesting to note that this project began with the project management team conducting a mystery shopper exercise with local colleges to filter from six to four colleges that were interested in participating in the project.

Several project managers felt that the relationships they had developed and what they had learned from the management development programme would help them with future partnership working, which as the new brokerage model for Business Link is rolled out, will prove increasingly important.

'It's been good because we now have an ongoing relationship with them. We're working with them on Business Leaders and they are actually helping with an event we are organising next week for intermediary organisations. I think they were a bit wary of Business Link but they have a remit to get to SMEs.'

'Now we are working very closely together. I have seven brokers working in the colleges and Business Link have fourteen more and they all meet up and talk. I can't pretend that's a result of the MDP but certainly that was the area we were driving at and it's been a building block in developing that.'

The main areas where the colleges were able to add value were in the use of their brand in the marketing of the management development. Also, where strong relationships had developed between project managers and the colleges, the FE colleges added value by offering ideas and being responsive to what Business Link felt SMEs needed.

'For this project we outsourced everything to them [FE College]. We said what we wanted. They made suggestions and added value.'

6.3.1 Areas of improvement from working with FE colleges

There were several areas where partnerships with Further Education colleges could be improved. Learning points from these partnerships covered two main areas:

- o The products offered through the colleges, particularly in terms of flexibility
- o Marketing the management development.

Two of the projects offered accredited qualifications of some sort through the colleges. These appealed less to the beneficiaries, with few following them through.

'One thing we learned was not to attempt to wrap it up in a qualification as well. I think the vast majority of people weren't interested in that and only a few people finished it. It made us focus on different things when we could have focused more profitably on other things.'

SME beneficiaries therefore appear to be less interested in qualifications, one of the key reasons for this, from the project manager's point of view was flexibility.

'Businesses need flexibility. They want a quick general overview not thirteen weeks with an exam at the end. For most of them qualifications are irrelevant, it's experience they want.'

Several of the project managers mentioned flexibility in general as a barrier to working in effective partnership with the FE Colleges.

'The colleges weren't always as flexible as they should have been. At the time the colleges really found it difficult, difficult to accommodate relatively small numbers, difficult to understand the need for flexibility.'

There were issues with the colleges accommodating the needs of SMEs such as timetabling, structure of courses and the need for advance notice of what was happening. From the colleges point of view there also seemed to be an issue with the appeal of the SME market. In several instances it was the first time the colleges had worked with Business Link and project managers and the representative of an FE college interviewed identified that the SME market was not as lucrative or as commercially viable as colleges had initially anticipated.

Other areas for improvement were in the way that Business Link and the colleges worked together to promote and market the projects. For some of the programmes this seemed to have worked well, but for others there were areas to learn from, with colleges having less understanding of the SME market than the project managers assumed. Some of the project managers also commented that they were solely responsible for marketing the courses, which was something they had clearly not expected.

6.4 Working with Learning and Skills Councils

Four of the seven projects involved working with Learning and Skills Councils (LSC's). On the whole the LSC's have acted as silent partners offering some funding and advice but being less involved in the delivery of the projects.

'We've had a small amount of funding from the LSC but that is negligible and we don't really work very closely with them.'

'They didn't seem very interested in the project.'

For one Business Link in particular a very sound relationship has been formed with the LSC and this is being taken forward.

'We worked well with them [LSC]. I'm working on another project with them now.'

6.5 Working with private sector contractors

Nearly all of the projects involved working with private sector contractors, responsible for some frontline delivery. In most instances this relationship worked well and again there were some projects where successful partnership working was at the root of the overall success of the project. There was a widespread perception that the private sector is keen, has a sound understanding of the SME market and is a long term partner in delivering development to SMEs.

'We used their [private sector contractors] expertise. They helped us to pick things that were likely to be popular, like motivating and leading teams, then we marketed it like any commercial product really.'

Three of the seven project managers said that some of the important lessons they had learned from managing the project included managing and controlling private sector contractors. One project in particular had some ongoing issues with their private sector contractors:

'I think that's where so often on these types of projects we miss a trick because we employ quasi- sales people who want to get their sale, get in get out and are not looking at the greater picture.'

The project manager from this project commented that one of the most important lessons they had learned involved the tighter control and induction of contractors onto a project of this type.

Private contractors need to be managed carefully to ensure that they are communicating effectively and appropriately with beneficiaries. Unclear communication from these third party partners may have contributed to beneficiaries' unachieved expectations from the management development activity.

6.6 Working with other third parties

A number of the projects involved attempting to work with other third party organisations with limited success. This was generally felt either to be due to a lack of time or a lack of interest from the third party.

'We tried to work with them [CHAMBERS] but it depended on the personality of the person at the top. Some came on board others simply weren't interested.'

'We had thought we would use existing networks, like the Chamber of Commerce to reach the appropriate people but the reality was actually very different.'

6.7 Targeting beneficiaries

All bar one of the beneficiaries interviewed had found out about the project because they had been approached by Business Link. Most had received a mail shot and then had followed this up either by meeting with the project manager, Business Link advisor or participating in an introductory session.

The majority of the beneficiaries becoming involved in the projects and interviewed for the qualitative research said that they were not clear what to expect from the development, although some had embarked on the training with a specific aim. Although the marketing was successful in generating interest, this lack of clarity of expectation of outcomes was a result of the marketing of the projects:

'What I was offered during the course was not what I had set out to get from the course. My key issues were commercial strategy and planning. When I met with Business Link I was led to believe that this is what the course would cover because it would be people at a senior level who were participating in the course and driving its direction. Now I question whether this was the case.'

'I felt the objectives of this were quite poorly communicated. The meetings were general management training, which was fine and they were reasonably fun to do but they weren't exactly what I'd had in mind.'

6.7.1 Who was targeted and how were they targeted?

Most of the projects targeted businesses based on size; as specified in the original brief for the programme. The majority of project managers had also targeted businesses by capitalising on the existing market knowledge within Business Link, primarily through the Business Link client database and through the networks of advisors. Several of the projects started with a presentation or awareness raising initiative within Business Link itself.

6.8 Routes to market

The following routes to market were used:

- Mailing
- Personal selling
- Events

In terms of marketing, although nearly all the projects were either oversubscribed or at least met their recruitment targets, there were some important lessons learned and some clear successes.

For the more intensive projects, like the networking projects that involve a substantial time commitment the most effective routes to market were personalised:

- Either through a mail out, followed by a meeting and selection process (through a Business Link advisor or the project manager)
- Or through personal selling by using a specially organised and targeted event.

'I realised that you need to face to face; to get in front of these people and explain the benefits to them and what's involved.'

'The most effective marketing approach was a face to face meeting which was why the workforce development advisors were the best route. It was important to get to the individual and really tap into what they want. You really need a hook to pull them in on.'

Several of the projects capitalised on high profile partners and used their brands as leverage to promote the programme.

Telemarketing was also a successful route to market for one of the medium intensity projects (those involving a time commitment of more than a few days but less than twelve months). Where this was effective it involved a close briefing of the organisation or individuals delivering the telemarketing, where this was not achieved this route to market was less successful.

The use of mail outs had mixed success. For some of the less intensive projects (and even one intensive project) a brochure/mail shot was effective and there was no further need to market the project. For another project this was not a successful means of stimulating interest in the project. The key difference between where this approach was successful and where it was less so, is where there is a clearly defined offer which can be easily understood and visualised by the receiver this approach is appropriate. For some of the more innovative projects this was therefore less effective.

6.9 Sustainability

Two of the projects have continued beyond the programme and are now self-funding.

All the project managers said they had learned valuable lessons from running these projects and because of the changes in the operation and delivery of Business Link services these are likely to be increasingly important in the development of managers in the South East.

There were lessons learned in terms of the SME market, what their needs are and how they should be approached. For example, it is apparent that the most effective approach to SMEs is not to offer a qualification which has been shown to have limited appeal.

'That was a definite learning point. These were not your average students; they are entrepreneurs. I think we needed more sophisticated delivery for this element, offering a higher level of argument and discussion. Quite a few of them said they'd got less out of the workshops. They should have functioned more as self-help groups or action learning sets, this would have been a better approach.'

Some of the projects have put lasting resources and partnerships in place, which can hopefully be transferred onto future projects and some of the mentor/mentee relationships and networks have continued.

'The things we designed for the project, like the training needs analysis forms and our database are all still in use, they've been modified but they're pretty much the same.'

'The mentoring is also a form of peer exchange. They've continued to meet after the project has finished. I think we've seen the benefit here.'

'We've learned a lot which means that if we did this again we could do it more quickly and more cheaply.'

Several of the project managers said they had formed lasting relationships with new contacts, broadened their network and are now working in new ways with different partners.

'For me, I've developed my own relationships and a network of contacts and support people with whom I can work.'

'We've always worked together with Business Link but now we are working better. The SEEDA project manager helped to push us to sustain our work.'

The project managers also felt that much of the sustainability and lasting impact of the projects would occur through the beneficiary businesses and the impact on them.

6.10 Process review conclusions

Project managers were very satisfied with the level of support they received from the SEEDA project manager and worked closely with them. However, three of the seven project managers raised issues regarding administration and the timing and efficiency of contract delivery. As shown in the baseline report, there was also a lack of clarity and understanding of the aims of the project between the contract management team and SEEDA and the Business Links. For example, there has been some misunderstanding over the sustainability issue and how/if projects were expected to be sustainable. As a result of this lack of clarity at the initial stages of implementation of the management development programme the majority of the projects made no plans for sustaining the activity beyond the immediate funding. Better communication at the contract stage of future programmes could help project managers ensure they put projects in place which fully meet SEEDA's aims.

In the majority of cases the projects are not being sustained. This is because the project managers did not aim for sustainability in most cases. However in many respects the impact of the programme has continued because:

- Partnership working/relationships have been sustained between Business Link, Learning and Skills Councils and some colleges for some of the more successful projects.
- A high proportion of beneficiaries have communicated what they learned from the management development programme within their organisation, also just under one third have already implemented changes as a result of the management development.

Much has been learned regarding partnership working. With reference to relationships with the colleges there was an issue with flexibility and competing priorities between the colleges' need to plan and Business Links recruitment and need to offer flexibility to beneficiaries. Although these relationships have not necessarily been sustained much has been learned. It is also important to note that three of the project managers mentioned issues and learning points regarding the management of private sector contractors used to help recruit onto projects. Careful management of these partners is essential to ensure beneficiaries have a clear understanding and appropriate expectations from management development activity.

Qualitative data shows that many beneficiaries were unsure what to expect from the management development activity in terms of benefits or delivery. Although in most cases satisfaction with the programme is high this may be an area for future improvement. The discrepancy between respondent expectation and achievement shows that in some cases the benefits of the programme were oversold (training in particular) and in others (networks) that beneficiaries expected fewer financial benefits than they achieved.

The success of different marketing approaches depends on the product. For the less innovative more easily understood projects mail outs and telemarketing were effective. However, for more innovative projects face-to-face marketing and involved telemarketing (using either someone with a high level of project knowledge or using a detailed brief to a telemarketing agency) were more successful. The differing characteristics of beneficiaries involved in the different types of development activity shows that the marketing tools used and the type of management development activity appealed to different groups of people.

Marketing of the programme focussed on the use of the Business Link database and network of advisors. This means that the programme has not been reaching new businesses. To reach out to businesses beyond the Business Link database a clear marketing message and targeted marketing approach will be necessary.



DATABUILD
Research & Solutions

Databuild Ltd 21 Graham Street Birmingham B1 3JR
tel 0121 687 1144 fax 0121 687 1155
email research@data-build.co.uk www.data-build.co.uk