

HATCH



Interim Evaluation of the Design for Business Programme, 2015-19

A Final Report by Hatch
January 2021

Invest Northern Ireland

Interim Evaluation of the Design for Business Programme, 2015-19

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Executive Summary

- i. Hatch was commissioned by Invest Northern Ireland (INI) to undertake an independent interim evaluation of its Design for Business Programme (DBP) activities between October 2015 and September 2019.
- ii. The DBP is delivered by Design Capital, a collective of 21 design professionals operating out of Queen's University Belfast, and by design consultancies appointed to a framework and which bid for individual business-led design projects.
- iii. The overarching aim of the DBP is to:

"Champion design as a key tool for business competitiveness and, as such, assist businesses to embed design into their business strategies."
- iv. The findings of this evaluation will be drawn on in the subsequent appraisal of a future Design for Business Programme.

The Strategic & Economic Rationale

Strategic & Policy Context

- v. The DBP supports the overarching aims and objectives of, and continues to have strong alignment with, key Northern Ireland strategy and policy. In particular, there is a clear and growing role for the programme in advancing the innovation agenda across Northern Ireland.
- vi. There is a clear and on-going rationale for public investment in the DBP, based-on several market failures, economic need and challenges to the business operating environment relating to Brexit and COVID-19.
- vii. The DBP is designed to address two core market failures in the provision of support for businesses:
 - Information Failure covering asymmetric Information and network and coordination failure
 - Positive Externalities.

The Need for the DBP

- viii. Northern Ireland continues to lag behind on a number of key economic indicators. The DBP is able to boost economic performance and address the changing economic landscape. This includes the potential to **1)** lift business and wider growth and productivity rates, **2)** increase business innovation activity, **3)** grow export sales, **4)** support businesses in re-defining themselves and accessing new markets providing resilience against the dual challenges of COVID-19 and the UK's exit from the European Union.
- ix. In addition, Outside of INI, there is no comparable publicly funded design support provision available across Northern Ireland. Some very broadly design focussed support is delivered by local councils, although it this typically take s the form of light touch support on marketing and branding.

A Review of Best Practice

- x. Our review of the literature and evidence points to a number of areas of best practice:
 - 1) **Introducing early-stage design concepts:** such as the DBP awareness raising events and workshops and free one-to-one consultations with design experts for Invest NI businesses. As well as building awareness this can encourage a 'culture shift' within companies and generate a pipeline of clients for more intensive support.
 - 2) **Building positive relationships with designers:** building relationships with designers is pivotal in changing working practices and results in positive outcomes for both participants and designers.
 - 3) **Supporting a long-term approach to design:** delivering along a staged 'design journey' to reflect each company's design maturity and to promote the long-term benefits of incorporating design into their operations and/or strategy.

Performance Review: Spend & Outputs

- xi. The programme's core output target were reduced in March 2016, due to 1) lower than expected take up during an initial six month pilot period (and mostly attributable to the increase in fees for DesignActive and DesignForward), 2) lower than expected programme management staff capacity and 3) the original targets having been based on the previous Design Service Programme structure.
- xii. Target outputs for the first six months were too high. Targets for any future programme should account for a period of build-up in activity.
- xiii. The revised core output targets have been surpassed to date across all DBP support strands, demonstrating the strength of demand and successful programme delivery, despite limited Programme Management Team staff resource.
- xiv. If the programme continues to deliver at the same rate from April 2020 to programme delivery closure in September 2020 it will exceed each of these targets. This needs to be balanced against the challenges presented by the COVID-19 pandemic. Based on these two counteracting factors, we recommend the core revised targets are maintained for the remainder of the programme delivery period.
- xv. The pilot Design Strategy recommended in the 2015 appraisal for the DBP has not been implemented. The upcoming appraisal should explore the potential for such an initiative.
- xvi. Promotional/awareness raising events, delivered as part of wider INI-led innovation-focused events, should be considered for any future programme (i.e. beyond September 2021).
- xvii. The findings from this evaluation in terms of best practice in design-led innovation should be communicated to the relevant contacts leading the innovation agenda within the NI Government (including the Department for the Economy).
- xviii. More client case studies should be developed and these should be positioned more prominently, for example on the INI and DBP programme website and at events.
- xix. Focus on product design has fallen from 40% to close to 10%. This mostly results from the increased range of product development support provided by INI. The programme should

continue to promote and deliver product design support, to ensure that businesses are aware of and the benefits of a design approach to product development.

- xx. The DBP should look to monitor new products, branding and packaging developed as a result of the DBP. This would better highlight the progress that has been made by businesses in terms of implementing design and innovation and moving towards bottom-line and GVA benefits. This should be explored as part of the upcoming appraisal, alongside resourcing implications.
- xxi. Efforts should be made to better align the DBP with the INI Innovation Accreditation scheme. Design activity should be clearly recognised by the scheme. Invest NI should explore the options to make the scheme clearer and more consistent as it relates to the DBP, and review the level of accreditation awarded to DBP clients. This would allow DBP to stand alongside other programmes that deliver support to develop new products or deliver R&D/collaboration. Invest NI should also consider how other programmes have aligned with the scheme.
- xxii. The upcoming appraisal should test the case for opening up to the wider NI business base within the options longlist assessment.
- xxiii. Project spend is significantly below budget. This is mainly as a result of the £7.1 million budget not having been reduced in line with reduced outputs targets. Adjusting the spend target to account for 1) 5 of 6 years of the DBP being delivered, 2) the reduction in targets mentioned above and 3) non-delivery of large scale events and the Strategic Design initiative suggests programme spend is broadly in line with what should be anticipated.
- xxiv. Programme spend to date appears to be in line with what might be expected. This is based on a high level assessment of the proportion of the total £7.1 million budget that should have been spent by March 2020, and accounting for reduced output targets and non-delivery of the Strategic Design strand. On this basis target spend to date could be expected to be around £3.25 million, just below the £3.259 million spent to March 2020.

Delivery Review: Part 1: Governance & Management

Governance and Management

- xxv. The structure of the DBP works effectively and lines of communication between the key delivery partners are strong and effective.
- xxvi. Delivery partner consultation points to the professionalism, experience and skills deployed by Design Capital, its mentors and the INI teams in delivering the programme.
- xxvii. The programme has been responsive in the face of the challenges that have arisen, largely because there are clear channels for communicating and addressing challenges quickly.

Staff Resource

- xxviii. The 2015 Appraisal recommended a Programme Management Team staff complement of three FTEs. For the majority of the evaluation period the programme has operated with a core team of 1.5 FTEs, although significant Director level input was provided in the early stages to address the issues faced.

- xxix. The targets were revised partly because of the lower than envisaged staff complement. With this in mind, and the other challenges highlighted in this evaluation, the programme's over-delivery on the revised targets should be seen as a significant success.
- xxx. The upcoming appraisal should ensure that future staffing is in line with the scale of activity proposed for any future programme. If future activity is to be delivered in line with the original targets for the DBP then the original staff complement of three FTEs should be in place. The Programme Management team should be led by someone at Programme Manager Grade (DP).

Programme Administration

- xxxi. The programme has been effectively administered, with all programme events and arrangements planned and delivered seamlessly and successfully.
- xxxii. The Programme Management Team should ensure that all indicators and monitoring information are collated within a single easy to use and easy to access system.

Managing Key Challenges & Risks

- xxxiii. Design Capital and the Programme Management Team have responded to key challenges by adjusting the structure and content of the programme and ultimately delivering beyond the core output targets to clients that are (for the vast majority of cases) highly satisfied.

Client Engagement

- xxxiv. Client Executives have performed effectively in driving demand for the DBP. Regional Awareness Design Events (RADEs) and Design Bites have also acted as a key means for developing the pipeline of future clients.
- xxxv. Consultation should be undertaken with INI Regional Managers as part of the upcoming economic appraisal, to understand how local partners could be better engaged with the programme, and the benefit of efforts to stimulate such engagement.

Marketing

- xxxvi. DBP branding and marketing materials should be refreshed, and provide an example of good design principles.

Stakeholder Engagement

- xxxvii. INI and the DBP Programme Management Team should:
- test the potential to engage, share and collaborate with similar programmes of support in the Republic of Ireland and UK
 - engage with the Design Council encourage greater involvement and representation in NI.
 - ensure a visible presence at Belfast Design Week.

Delivery Review: Part 2: The DBP Support Offer

Programme Objectives

- xxxviii. The overarching aim of the Design for Business Programme is to:

"Champion design as a key tool for business competitiveness and, as such, assist businesses to embed design into their business strategies."

xxxix. The DBP offers a design journey supporting companies to access design expertise:

- *to provide businesses with an understanding of the importance of using design strategically as a business tool capable of delivering top and bottom line benefits"*
- with the ultimate aim of *"creating more competitive businesses, contributing to export development and improving company level productivity.*

xl. DBP objectives should be revisited during the appraisal that follows this evaluation, reflecting the need to position innovation more prominently.

The DBP Support Offer

xli. DBP activities are aimed at supporting clients to better understand the importance of good design to their business, and to develop design approaches and projects that will generate concrete benefits. The programme consists of four¹ key strands of delivery:

- Design Ladder step 1 – DesignAwareness - managed by the DBP Programme Team: which aims to raise awareness of the strategic importance of design within the NI business community through the provision of awareness raising and promotional events
- Design Ladder step 2 – DesignAdvice - delivered by Design Capital (inc. Mentors). Available to pre-entry, entry and INI Account Managed businesses: which provides INI companies with a half day visit, with a design expert visiting the business to undertake a diagnostic, explore ideas and provide advice on a range of design issues from packaging to product design. Participation is stimulated through INI Client Executives and creates a pipeline for the DesignActive Programme.
- Design Ladder step 3 – DesignActive - delivered by Design Capital (inc. Mentors) and Design Consultancies. Fee: £1,250. Available to pre-entry, entry and INI Account Managed businesses. Under DesignActive clients work with experienced mentors and design professionals on small to larger scale projects.
- Design Ladder step 4 – DesignForward - delivered by Design Capital (inc. Mentors) and Design Consultancies. Fee: £1,800. DesignForward provides further assistance to businesses who have completed DesignActive and require additional support to implement their design projects. There is an additional 10 days consultancy support provided. This focuses on engagement with the senior management of the business, and offers up to ten additional design days and one mentoring day. Companies participate in this strand individually.

¹ It was intended that there would also be a Strategic Design element to encourage companies to implement design in a strategic way in their business and make it integral to their operations. This wasn't implemented, predominantly due to a lack of resource, a relatively limited pool of companies from which to draw and operational challenges in aligning the Design Strategy initiative with other Invest NI business improvement programmes.

The Design Approach

- xlii. The DBP is structured in line with the Danish Design Ladder, a four-step model which groups companies' design maturity on the basis of their attitudes towards design and design activity (see Annex B).
- xliii. Design Capital deploy an extended version of the Design Council's Double Diamond Framework for Innovation² to guide clients through the design process (see Annex B as well as p. 20 of the Design in Innovation Strategy). This supports businesses through the stages of:
 - Design discovery: to understand the importance and relevance of design and the nature of the challenges they face as a business
 - Defining: to develop the initial design brief
 - Development: a collaborative stage that seeks a range of options and answers to the brief
 - Delivery: testing a range of solutions at small scale to refine the preferred way forwards
- xliv. The addition of DesignForward in 2015 adds two more stages to the process supporting businesses to:
 - Refine: eliminating errors, building confidence in the approach and improving on the initial concepts
 - Implement: delivering at scale on the final implementation brief.

Findings on the Nature and Balance of Support

- The structure of the support offer and design approaches deployed by the DBP lay the foundation to deliver against the programmes core objectives.
- The introduction of DesignForward has been a key success.
- Design Capital and its mentors deliver strong support and provide clear design experience and expertise.
- Improvements to the application and gateway process between DesignAdvice and DesignForward have been successful.
- The key DBP support strands (Design Advice, Active and Forward) are delivered at an appropriate level of intensity and are widely seen as successful in embedding design into wider business strategy.
- Cohorts of between 12 and 15 are ideal and support peer-to-peer learning, including over the longer-term³.
- The programme is supporting small and traditional businesses to understand the importance of design for the first time.
- The BDP is reaching a broad range of sectors and is focused on appropriate areas of design.
- DBP objectives should be revisited during the appraisal that follows this evaluation, reflecting the need to position innovation more prominently.

² designcouncil.org.uk/news-opinion/what-framework-innovation-design-councils-evolved-double-diamond

³ Based on interviews with Design Capital, Design Advisors, design consultancies and client beneficiaries.

- The Economic Appraisal should explore further the level of consultant support under DesignActive and mentor support under DesignForward. The evaluation finds that these should ideally be increased, by up to three days and one day respectively, subject to budgetary/funding constraints.
 - Keynote speeches should be scaled up.
 - The upcoming appraisal should consider the implementation of a strategic design support strand.
 - The programme acted swiftly and effectively to react to COVID-19.
- xliv. A small but significant number of businesses have reported having been significantly dissatisfied with the support they have received from the Design Consultancies. The appraisal that follows this evaluation should consider a range options for a changed or adjusted consultancy procurement approach.

Alignment & Complementarity

- xlvi. The DBP is seen internally as a popular and effective contribution to the INI offer and represents a key strategic programme.

Client Journey and Outcomes

- xlvii. Evidence from a beneficiary web survey and four in-depth case study consultations with beneficiaries has provided the following insights:
- Key barriers to investing in design prior to receiving support from the DBP included the costs associated with investing in design, not having access to expert advice and having limited in-house design skills / capabilities among staff.
 - The responses suggest that the DBP has been particularly successful in supporting businesses to better integrate design into more parts of their business and to strengthen their brand identity.
 - 35% respondents indicated that COVID-19 had at least partially affected their ability to benefit from the programme⁴.
 - Overall satisfaction with the support received was high (92% survey respondents indicated that they were satisfied or very satisfied with the support received).
- xlviii. Key suggestions for improvements to the programme raised include:
- allowing businesses to have some input into the designers they are matched with
 - increasing focus on online design support for social media platforms
 - providing more financial support for small businesses to enable them to access the support and implement design changes
 - better promotion of what is available from Invest NI and who the main contact is for each programme to make it easier to access support.
- xlix. These areas should be explored within the Economic Appraisal where appropriate and deliverable.

⁴ Note: beneficiary web survey was carried out between June and early October 2020, before any subsequent waves of COVID-19

Assessing the Impact on the Northern Ireland Economy

- I. The scale of the net additional impacts from the DBP are subject to some uncertainty due to:
 - the timing of the evaluation, with some businesses having only recently received support or not yet implemented business changes as a result of the support
 - significant growth expectations among participants that are yet to be realised and therefore subject to greater uncertainty
 - the impact, deadweight and displacement estimates being based on self-reported perceptions of firms
 - the margin of error for survey responses overall is 11%, however there is a significantly higher margin of error for the responses from beneficiaries that received lighter touch support (Design Advice) due to only seven responses being received from these clients.
- li. Our assessment suggests that the DBP has created an estimated £4.5 million in net additional GVA for the Northern Ireland economy to date.
- lii. The majority of the economic value generated as a result of the DBP is expected to emerge over the next three years, as the supported businesses continue to implement design changes that they expect will lead to growth in business performance.
- liii. Drawing on the estimated impacts to date and future growth anticipated by businesses surveyed, we estimate that the business growth among beneficiaries supported to date could lead to £21.6 million in net additional GVA for the Northern Ireland economy by 2023.
- liv. Due to the uncertainty regarding future impacts estimated and the limitations of the analysis outlined in this section, these impact estimates should be treated with caution and considered as indicative.
- lv. £2.89 million has been spent on the programme to date which we estimate has so far generated £4.5 million in net additional GVA and which could by 2023 (subject to businesses continuing to make the progress planned) rise to £21.6 million. Discounting future benefits at 10%, in line with the NI Guide to Expenditure Appraisal and Evaluation (NIGEAE)⁵, this would result in £1.40 generated for every £1 of public money invested to date, rising to £5.50 by 2023.
- lvi. The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, the estimates of return on investment to date (£1.40) and to 2023 (£5.50) can be judged as positive.

Recommendations

- lvii. Subject to INI budgets and the availability of funding a future Design for Business programme should be developed within the upcoming economic appraisal and drawing on the findings of this evaluation.
- lviii. We set out the specific recommendations that the Appraisal should build upon below.

⁵The standard discount rate as per NIGEAE is 3.5%. However, as per INI policy a 10% discount rate is applied as projects are usually of a commercial or industrial nature. See 2.8.18 & 2.8.19 in the link: <https://www.finance-ni.gov.uk/articles/step-eight-calculate-net-present-values-and-assess-uncertainties>.

lix. Through this evaluation we have made a number of recommendations that should be delivered upon, ideally within the currently delivery timeframe (to September 2021), or implemented within any future programme:

- 1) The DBP should look to monitor new products, branding and packaging developed as a result of the DBP. This would better highlight the progress that has been made by businesses in terms of implementing design and innovation and moving towards bottom-line and GVA benefits. This should be explored as part of the upcoming appraisal, alongside resourcing implications.
- 2) The Programme Management Team should ensure that all indicators and monitoring information are collated within a single easy to use and easy to access system.
- 3) Promotional/awareness raising events, delivered as part of wider INI-led innovation-focussed events, should be considered for any future programme (i.e. beyond September 2021).
- 4) More client case studies should be developed, and these should be positioned more prominently, e.g. on the INI and DBP programme website and at events.
- 5) The findings from this evaluation in terms of best practice in design-led innovation should be communicated to the relevant contacts leading the innovation agenda within the NI Government (including the Department for the Economy).
- 6) DBP branding and marketing materials should be refreshed, and provide an example of good design principles, championing the success stories from client businesses.
- 7) Efforts should be made to better align the DBP with the INI Innovation Accreditation scheme. Design activity should be clearly recognised by the scheme. Invest NI should explore the options to make the scheme clearer and more consistent as it relates to the DBP, and review the level of accreditation awarded to DBP clients. This would allow DBP to stand alongside other programmes that deliver support to develop new products or deliver R&D/collaboration. Invest NI should also consider how other programmes have aligned with the scheme.

lx. INI and the DBP Programme Management Team should:

- 1) test the potential to engage, share and collaborate with similar programmes of support in the Republic of Ireland and UK
- 2) draw on additional staff resource to engage more regularly and formally with local councils and chambers of commerce (when this resource becomes available)
- 3) engage with the Design Council to encourage greater involvement and representation in NI.
- 4) ensure a visible presence at Belfast Design Week.

Appraisal Tasks

lxi. We have also made a number of recommendations that need to be explored in full detail within the upcoming DBP appraisal:

- 1) DBP objectives should be revisited during the appraisal that follows this evaluation, reflecting the need to position innovation more prominently.

- 2) Targeting of outputs should account for a period of build-up in activity for any future programme.
- 3) The case for opening up to the wider NI business base should be considered within the options longlist assessment.
- 4) It should be ensured that future Programme Management Team staffing is in line with the scale of activity proposed for any future programme. The Programme Management team should be led by someone at Programme Manager Grade (DP).
- 5) The Economic Appraisal should explore further the level of consultant support under DesignActive and mentor support under DesignForward. The evaluation finds that these should ideally be increased, by up to three days and one day respectively, subject to budgetary/funding constraints.
- 6) Keynote speeches should be scaled up.
- 7) The implementation of a strategic design support strand should be considered in detail.
- 8) A range of options for a changed or adjusted consultancy procurement approach should be explored in detail.

1. Introduction

- 1.1 Hatch was commissioned by Invest Northern Ireland (INI) to undertake an independent interim evaluation of its Design for Business Programme (DBP) activities between October 2015 and September 2019. This study has been undertaken alongside our final evaluation of the preceding Design Service Programme (DSP) covering 2012 to 2015.
- 1.2 The £7.1 million DBP runs until September 2021 and is funded through £2.84m of INI funding (40%) and £4.26m of ERDF (60%).
- 1.3 The DBP is delivered by Design Capital, a collective of 21 design professionals operating out of Queen’s University Belfast, and by design consultancies appointed to a framework and which bid for individual business-led design projects.
- 1.4 The overarching aim of the DBP is to:
“Champion design as a key tool for business competitiveness and, as such, assist businesses to embed design into their business strategies.”
- 1.5 The DBP offers a design journey supporting companies to access design expertise:
- *to provide businesses with an understanding of the importance of using design strategically as a business tool capable of delivering top and bottom line benefits”*
 - *with the ultimate aim of “creating more competitive businesses, contributing to export development and improving company level productivity.*
- 1.6 The findings of this evaluation will be drawn on in the subsequent appraisal of a future Design for Business Programme.
- 1.7 This evaluation is undertaken in line with HM Treasury’s Green Book guidance on appraisal and evaluation: Appraisal and Evaluation in Central Government”, Current Edition, HM Treasury⁶ and Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEA)⁷.

Evaluation Approach

Evaluation Objectives

- 1.8 The evaluation spans seven sections. These are set out below alongside the key lines of enquiry for the evaluation, drawing on the objectives provided in the evaluation Terms of Reference and the relevant recommendations made in the 2015 evaluation of the 2012-15 DSP.

Section 1: The Strategic and Economic Rationale

- Does the original underpinning rationale for the DBP still stand, in terms of the market failures, strategic aims and/or equity issues that it is seeking to address?
- Does the DBP draw sufficiently on best practice and lessons learned from design support programmes delivered elsewhere?

⁶ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

⁷ <https://www.finance-ni.gov.uk/topics/finance/northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae>

Section 2: Programme Performance: Spend and Outputs

- How has the programme performed to date against outputs and spend targets? Are these targets appropriate?
- What external factors have impacted upon the performance of the DBP?

Section 3: Delivery Review: Part 1 - Governance and Management

- Are management and operating structures effective⁸?
- Are programme staffing levels appropriate?
- Are client application and appraisal processes, engagement with participating businesses and the financial management and output monitoring arrangements appropriate?
- Have risks been managed and mitigated appropriately?

Section 4 & 5: Delivery Review: Part 2 – The DBP Support Offer

- Does the current DBP structure and delivery model represent an appropriate and effective means for delivering against programme objectives?
- To what extent has the DBP met its objectives?
- Does the DBP complement other Invest NI interventions and avoid duplication of other publicly funded support?

Section 5: Client Journey & Outcomes

- Are clients satisfied with their experience throughout their journey with the DBP?
- What barriers are faced by clients in implementing design practice? What were their motivations for accessing support?
- What outcomes have been achieved? How do these compare with the outcome targets?
- Do DBP clients feel that the fees charged for higher value DBP support are appropriate?

Section 6: Assessing the Impact on the Northern Ireland Economy

- What outcomes and impacts have DBP clients generated?
- What economic impact has the DBP generated to date, and what is it likely to be generated in future? Does this represent a strong return on the investment being made by Invest NI?
- Will the current DBP targets deliver Value for Money by the end of the programme?

Section 7: Key Findings and Recommendations

- Taking account of all of the evidence gathered during the evaluation, what are the key findings?

⁸ It should also encompass an analysis of risk management, engagement with any External Delivery Organisations (EDOs) and an assessment of the effectiveness of any management/delivery of European Regional Development Funding (ERDF) (e.g. the administrative arrangements including vouching requirements and expenditure eligibility).

- Have the recommendations from the 2015 DSP evaluation been implemented effectively?
- What recommendations can be made for the upcoming appraisal for the future delivery of the DBP to enhance the economy, efficiency and effectiveness of the DBP?

Evaluation Research

- 1.9 We have consulted with a wide range of participants, delivery staff and wider stakeholders to inform the evaluation:
- the core DBP Programme Management Team at INI
 - seven INI Client Executives who engage with and provide individual on-going support to businesses to access the suite of enterprise support services delivered by Invest NI
 - the DBP delivery team at Design Capital, Queen’s University Belfast:
 - three of the Design Capital mentors delivering support to clients taking part in Regional Awareness Design Events (RADES), DesignAdvice, DesignActive and DesignForward
 - four Design Consultancies, delivering design projects for clients taking part in DesignActive and DesignForward
 - three Design Consultancies that are not currently appointed to the DBP consultancy framework but which have shown an interest in responding to the next framework tender
 - members of the INI Senior Management Team, including the Director of Innovation, Research & Development, Executive Director of the Business Solutions Group and EU Programmes Team
 - five of the clients supported through the higher value elements of the DBP (DesignActive and DesignForward), to inform the client case studies provided in Annex A.

Client Survey

- 1.10 We sent a survey to the 464 of the 512 businesses that benefitted from DesignAdvice, DesignActive and DesignForward between October 2015 and March 2020, and for which contact details were available.
- 1.11 The survey explored client satisfaction, opinions on the support provided and expertise/capability of design advisors, barriers faced and outcomes and bottom-line and employment benefits achieved (and expected in future) as a result of their time with the DBP.
- 1.12 Overall, there were 66 respondents to the survey, which represents a 12.9% response rate (on the basis of 512 beneficiaries in total supported to date). At the 95% confidence level, the confidence interval for the sample as a whole is $\pm 11\%$. These confidence intervals broken down by type of support are summarised in the table below.
- 1.13 For the lighter touch support (Design Advice only), we have not been able to achieve a response rate that will provide a robust estimate of the impacts generated. Considerably fewer beneficiaries that had received lighter touch support responded to the survey and therefore these estimates are subject to a larger margin of error.
- 1.14 A response rate that is lower than hoped for can be attributed at least in part to the on-going circumstances surrounding COVID-19, whereby some employees have been furloughed and all businesses have had a range of competing demands and challenges.

Table 1 Confidence Intervals for the Client Survey (95% Confidence Level)				
	Sample Size	Grossing Up Level	Population Size	Confidence Interval
High Value Support (Design Active, Design Forward)	59	Beneficiaries supported to date	232	±11%
Lighter Touch Support (Design Advice only)	7		280	±37%

Source: Hatch

2. The Strategic & Economic Rationale

Key Findings & Recommendations

- The DBP supports the overarching aims and objectives of, and continues to have strong alignment with, key Northern Ireland strategy and policy. In particular, there is a clear and growing role for the programme in advancing the innovation agenda across Northern Ireland.
- There is a clear and on-going rationale for public investment in the DBP, based-on several market failures, economic need and challenges to the business operating environment relating to Brexit and COVID-19.

2.1 In this section we set out:

- the areas of NI strategy that the DBP is set to secure progress against
- the underpinning rationale and need for public investment in the programme
- a summary of findings from a review of the best practice and lessons learned from other design support programmes, based on UK and international case studies and wider literature and evidence.

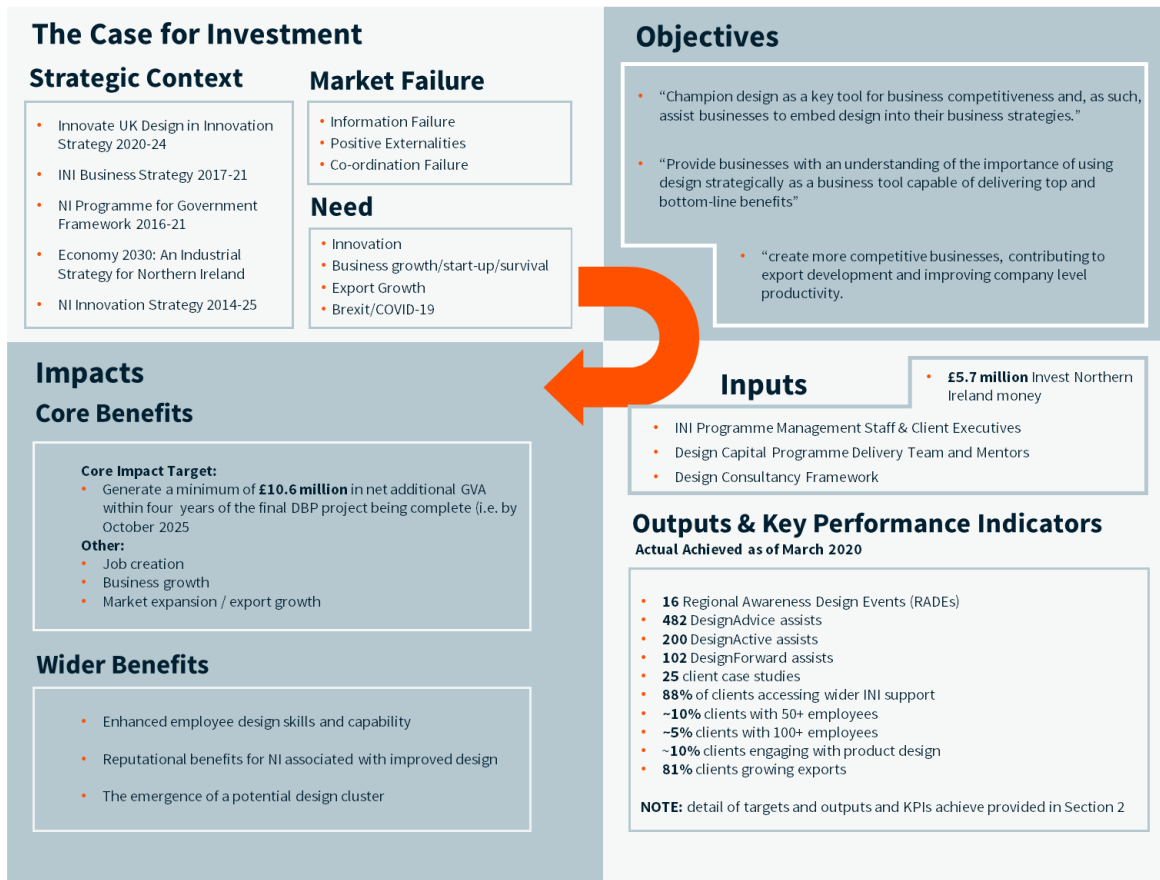
The Programme Logic Model

2.2 The logic model shown below establishes the underpinning requirement for the DBP and the programme inputs, outputs and outcomes that have been agreed. It provides an overview of:

- the underpinning logic for public investment, including the strategic context, strategic and economic need and market failure rationale
- the proposed response through the DBP
- programme inputs, outputs, outcomes and impact targets.

2.3 We explore the DBP objectives in further detail in Section 3, to explore alignment with the package of support provided, and benefits being realised by client businesses.

Figure 2.1 Design for Business Programme Logic Model



Source: Hatch

Strategic & Policy Context

- 2.4 The DBP supports the overarching aims and objectives of, and continues to have strong alignment with, key Northern Ireland strategy and policy. In particular, there is a clear and growing role for the programme in advancing the innovation agenda across Northern Ireland.

Design in Innovation Strategy 2020-2024

- 2.5 Innovate UK’s Design in Innovation Strategy 2020-2024 puts design at its core and places the design themes of problem solving, human-centred innovation and practical skills at the centre of the approach to innovation that it advocates for. The DBP stands as a direct response to the strategy’s four strategic themes:

- To make the case for investment in design:** The DBP works with businesses to better make the case for investment in design, particularly among businesses that have not done so previously. As stated in Section 4, the marketing and branding for the service should be refreshed, with particular emphasis placed on championing the success stories among client businesses.
- To reduce the cost of entry for those new to design:** Similar to above, the DBP has made design support and investment accessible and affordable for a wide range of businesses that have not previously engaged with design practice.

- **To help businesses access the best design talent:** The DBP directly links clients to the burgeoning design industry in NI and to the design expertise held within Design Capital.
- **To help businesses maximise the value contribution of design:** The DBP enables businesses to understand their business better and to develop and implement design briefs that enable them to improve market share and open new markets, hence securing growth and economic value for the NI economy.

Invest Northern Ireland’s Business Strategy for 2017-21⁹

2.6 The Invest NI Business Strategy calls for Invest NI to “*emerge as a strategic partner and catalyst for sustainable regional growth*” in Northern Ireland with ambitions to:

- support the development of local infrastructure, to enable export-led businesses to grow and attract inward investment
- become a leader in entrepreneurship and facilitate engagement with partner organisations and wider stakeholders, and
- reduce the complexity of the business landscape and help to progress businesses in their journey.

2.7 The DBP contributes to each of the three main areas of focus outlined in the strategy:

- **A focus on growth sectors:** the programme supports businesses from a range of sectors to innovate, export and grow through raising the levels of engagement with design.
- **To drive higher levels of innovation:** the programme increases the awareness of wider sources of innovation and deepens business capacity, capability and design activity.
- **To stand out in international markets:** the programme supports businesses on a design journey, where through design expertise, companies are encouraged to become more competitive, develop their exports and improve productivity.

The Draft Programme for Government Framework 2016-21¹⁰

2.8 The DBP stands to deliver directly against three of the 14 outcomes that form the focus of the Draft Programme for Government. Table 2.1 provides a summary of the indicators and measures that could be used to track the contribution of the DBP to these outcomes.

⁹ secure.investni.com/static/library/invest-ni/documents/invest-northern-ireland-business-strategy-2017-2021.pdf

¹⁰ www.northernireland.gov.uk/sites/default/files/consultations/newnigov/draft-pfg-framework-2016-21.pdf

Table 2.1 NI Programme for Government: Direct Outcomes, Indicators & Measures for the Design for Business Programme

Outcomes	Indicators	Measures	Links with the DBP
O1: A strong, competitive, regionally balanced economy	I20: Increase the size of the economy	Private Sector Northern Ireland Composite Economic Index (NICEI)	Supporting businesses to be more competitive in domestic and international markets.
	I21: Increase the competitiveness of the economy	External sales	Supporting businesses to capitalise on new, emerging markets.
O5: An innovative, creative society, where people can fulfil their potential	I22: Increase innovation in our economy	Regional innovation ranking	Strengthening the resilience of businesses and driving growth in employment and turnover.
O12: A place where people want to live and work, to visit and invest	I40: Improve our international reputation	National brand index	Increasing export development and encouraging more sustainable economic growth in Northern Ireland.

Source: Draft Programme for Government Framework 2016-21; Hatch .

- 2.9 Going forward, the DBP could also contribute more indirectly towards *O13: To connect people and opportunities through our infrastructure*. DBP activity could lead to wider opportunities for collaboration, as businesses in each supported cohort interact and work with one another, as well as build long-lasting relationships with design experts. This will help maximise economic opportunities as well as raise employment levels in Northern Ireland.

Economy 2030: An Industrial Strategy for Northern Ireland¹¹

- 2.10 The Draft Industrial Strategy proposes a Framework for Growth based on five pillars. This is closely related, and in response to, the UK Government’s Industrial Strategy White Paper. The pillars cover overarching themes include inclusivity, prosperity and achieving economic rebalance. The DBP will help to underpin progress against:
- **Pillar 1 – Accelerating Innovation and Research:** by encouraging innovation, creativity and entrepreneurship in the business community through improving access to design.
 - **Pillar 3 – Driving Inclusive, Sustainable Growth:** by supporting businesses to establish sustainable growth in Northern Ireland’s key sectors.
 - **Pillar 4 – Succeeding in Global Markets:** by raising business competitiveness and contributing to export success in international markets.

¹¹ economy-ni.gov.uk/sites/default/files/consultations/economy/industrial-strategy-ni-consultation-document.pdf

The Northern Ireland Innovation Strategy 2014-2025¹²

- 2.11 The DBP will contribute directly to three key themes outlined in the Innovation Strategy, as summarised in Table 2.2.

Table 2.2 Key Links with Northern Ireland Innovation Strategy		
Key Innovation Areas (& summary description)	Relevant Strategy Achievements / Actions	Links with DBP
Culture Change <i>"changed attitudes and behaviour towards collaboration, and openness towards the use of new ideas, innovation and risk taking"</i>	Strong leadership to drive innovation for growth	Through supporting senior management within companies to consider the strategic importance of design for business operations.
	More collaboration	Through businesses building relationships with design experts as well as interacting with other businesses within their cohorts.
	Celebrate innovation	Through marketing / promotional events and case studies.
Knowledge Generation <i>"creating an environment which encourages research and creativity"</i>	Enhancing creativity and design Supporting businesses with high growth and export potential	Through businesses having improved access to design expertise. Facilitating export development and increasing competitiveness in domestic and international markets through improved knowledge of design.
Knowledge Exploitation <i>"transformation of knowledge into products and services which can add value and be exported"</i>	Innovation infrastructure to be exploited to its full potential	Encouraging businesses to tap into design networks to drive and enable innovation.

Source: Innovation Strategy 2014-2025; Hatch

The Rationale for Public Investment

- 2.12 There is a clear and on-going rationale for public investment in the DBP, based-on several market failures, economic need and challenges to the business operating environment relating to Brexit and COVID-19.

Market Failure

- 2.13 The DBP is designed to address two core market failures in the provision of support for businesses:

1) Information Failure

- 2.14 The economic appraisal identified two existing market failures which the DBP is designed to address and which lead to lower business competitiveness.

¹² economy-ni.gov.uk/sites/default/files/publications/deti/Innovation-Strategy-2014-2025_2_o.pdf

- **Asymmetric Information:** businesses do not have ready access to all the information or resources that demonstrate the benefits of implementing design in their operations. This can often act as a barrier to engagement and prevent businesses from building knowledge and capabilities in design. The DBP seeks to address this failure through the provision of workshops and awareness events on the benefits of design, introducing a wider range of companies to design expertise.
- **Network and Coordination Failure:** businesses are unable to invest in design, as there is a lack of specific business support expertise available which facilitates engagement and collaboration between companies and design experts. The DBP seeks to address barriers to investing in design and support innovation through building business confidence in design and promoting engagement with design experts. Clients have also noted the benefits they have drawn from peer-to-peer learning and networking with other businesses included in their DesignActive cohorts. For example three of the businesses we interviewed for case studies (provided in Appendix A) highlighted the benefit gained from peer-to-peer learning. 26% of survey respondents indicated that networking opportunities was one of the wider benefits of the programme.

2) Positive Externalities

- 2.15 A benchmarking exercise which was undertaken as part of the economic appraisal, suggested that there is a strong positive correlation between the use of design and national competitiveness. Businesses that choose to invest in design tend to be more innovative and can help drive economic growth. Beyond the benefits secured by the businesses themselves, there are societal benefits of design investment which include: delivering more jobs, raising innovation in key sectors and increasing output for the Northern Ireland economy. Public investment can be justified to help secure these wider outcomes which may not otherwise occur to the same degree.

The Need for the DBP

- 2.16 Northern Ireland continues to lag behind on a number of key economic indicators. The DBP is able to boost economic performance, and also address the changing economic landscape:
- **Growth and Productivity:** in 2017, GVA in NI was £3.97 bn, and grew by 7.1% during 2015-17, slightly behind the UK average (7.8%)¹³. GVA per job in Northern Ireland is £50,646, which falls 10% below the UK¹⁴. The DBP supports businesses to access design expertise to improve their competitiveness and increase productivity.
 - **Innovation:** in 2014-16, 39% of enterprises in NI were estimated to be innovation active, down from 45% in 2012-14 and lower than the UK equivalent (49%). At 39%, NI was estimated to be the least innovation active country in the UK¹⁵. The DBP targets businesses at different levels of design maturity to increase implementation of design and raise innovation performance.
 - **Exports:** total NI exports in 2018 stood at 36% of GVA, compared to 28% across the UK in 2018. The number of NI exporter businesses in 2018 was 12% of the total business base, compared with 6% across the UK. A higher export rate is unsurprising for an economy with a smaller internal market and large land border to its south. Through more businesses

¹³ ONS Regional Gross Value Added (Income Approach): December 2018

¹⁴ ONS Subregional Productivity in the UK: February 2020

¹⁵ NISRA, UK Innovation Survey 2017: Northern Ireland Results

adopting design in their production and strategies, the DBP supports export development and plays an important role in growing NI's share in international markets and delivering additional economic growth.

- **Covid-19:** research suggests that the Covid-19 crisis has resulted in more businesses rethinking how to bring innovation to new products and services, putting customers and users at the forefront of the design process. This has reinforced a greater need for businesses to collaborate and engage with designers, to benefit from design expertise. The DBP's role is to facilitate collaboration through introducing businesses to design experts and supporting design projects.
- **EU Exit:** since the 2016 UK referendum on EU membership, the agenda has created an uncertain climate for businesses with respect to the future status of a range of trade, employee and other considerations. As NI prepares to leave the EU, design is expected to play a crucial role in helping NI respond to long term economic shifts and challenges, through driving improvements in innovation and productivity. The DBP supports increasing investment in design across a wide range of sectors, helping to accelerate growth and increase resilience.

2.17 In addition, Outside of INI, there is no comparable publicly funded design support provision available across Northern Ireland. Some very broadly design focussed support is delivered by local councils, although it this typically take s the form of light touch support on marketing and branding.

A Review of Best Practice

2.18 We have undertaken a review of the best practice and learning on design support, drawing on examples of programmes delivered in the UK and internationally and the wider literature and evidence on what works well.

2.19 The review draws on best practice and learning available from eight design support programmes including the Design-Driven Innovation Programme delivered in Norway, the Innovation by Design Programme delivered in Ireland and the Designing Demand Programme delivered across the UK. The DBP reflects many of the areas of best practice found elsewhere:

- 1) **Introducing early-stage design concepts:** the DBP provides a series of awareness raising events and workshops available to all NI businesses, as well as free one-to-one consultations with design experts for Invest NI businesses. Aligned with the Danish Design Ladder step 1, these strands of support aim to inspire businesses with lower levels of design maturity to learn design concepts and understand the strategic importance of design. In line with best practice, the review demonstrated that this helps to encourage a 'culture shift' within companies and support businesses to be nearly twice as innovative as they otherwise would be.
- 2) **Building positive relationships with designers:** the DBP plays an important role in providing access to design experts to meet specific design needs facing companies and implement design projects within the business. Evidence from the best practice review shows that building relationships with designers were pivotal in changing working practices within companies and resulted in positive outcomes for both participants and the designers.
- 3) **Supporting a long-term approach to design:** by offering support which targets businesses at different levels of design maturity, the DBP provides a 'design journey' for participants and promotes the long-term benefits of incorporating design into their

operations and/or strategy. The best practice review suggested that a number of programmes were able to achieve positive legacy impacts through one-to-one coaching and workshops. Programme participants were reported to have felt more committed to ongoing investment in design as a core business function. In tandem, our interviews with a number of the DBP consultancies suggests that some participants continued to collaborate with designers beyond the lifetime of the project.

2.20 The best practice review also highlighted a number of areas that should be addressed in future delivery:

- 1) to explore the need for additional support to some businesses that are looking to more fully integrate design into their corporate strategy and operations. This should be explored as part of the upcoming appraisal, looking at the potential for additional strategic support following DesignForward for larger businesses in particular.
- 2) to ensure that delivery is sufficiently flexible to accommodate different business needs. Based on our engagement with clients and on the structure of support provision, it is clear that the DBP delivers flexible and bespoke support to clients. The clear majority (83%) of survey respondents said that the support provided and topics covered were well aligned to their business needs and opportunities¹⁶. This flexibility is facilitated through the access clients have to specialist and tailored support from Design Capital advisors and DBP design consultancies.

¹⁶ n=66, Margin of error = 11%.

3. Performance Review: Spend & Outputs

Key Findings & Recommendations

- The programme's core output target were reduced in March 2016, due to 1) lower than expected take up during an initial six month pilot period (and mostly attributable to the increase in fees for DesignActive and DesignForward), 2) lower than expected programme management staff capacity and 3) the original targets having been based on the previous Design Service Programme structure.
- Target outputs for the first six months were too high. Targets for any future programme should account for a period of build-up in activity.
- The revised core output targets have been surpassed to date across all DBP support strands, demonstrating the strength of demand and successful programme delivery, despite limited Programme Management Team staff resource.
- If the programme continues to deliver at the same rate from April 2020 to programme delivery closure in September 2020 it will exceed each of these targets. This needs to be balanced against the challenges presented by the COVID-19 pandemic. Based on these two counteracting factors, we recommend the core revised targets are maintained for the remainder of the programme delivery period.
- The pilot Design Strategy recommended in the 2015 appraisal for the DBP has not been implemented. The upcoming appraisal should explore the potential for such an initiative.
- Promotional/awareness raising events, delivered as part of wider INI-led innovation-focussed events, should be considered for any future programme (i.e. beyond September 2021).
- The findings from this evaluation in terms of best practice in design-led innovation should be communicated to the relevant contacts leading the innovation agenda within the NI Government (including the Department for the Economy).
- More client case studies should be developed and these should be positioned more prominently, for example on the INI and DBP programme website and at events.
- Focus on product design has fallen from 40% to close to 10%. This mostly results from the increased range of product development support provided by INI. The programme should continue to promote and deliver product design support, to ensure that businesses are aware of and the benefits of a design approach to product development.
- The DBP should look to monitor new products, branding and packaging developed as a result of the DBP. This would better highlight the progress that has been made by businesses in terms of implementing design and innovation and moving towards bottom-line and GVA benefits. This should be explored as part of the upcoming appraisal, alongside resourcing implications.
- Efforts should be made to better align the DBP with the INI Innovation Accreditation scheme. Design activity should be clearly recognised by the scheme. Invest NI should explore the options to make the scheme clearer and more consistent as it relates to the DBP, and review the level of accreditation awarded to DBP clients. This would allow DBP to stand alongside other programmes that deliver support to develop new products or deliver R&D/collaboration. Invest NI should also consider how other programmes have aligned with the scheme

- The upcoming appraisal should test the case for opening up to the wider NI business base within the options longlist assessment.
- Project spend is significantly below the total programme budget. This is mainly as a result of the £7.1 million budget not having been reduced in line with reduced outputs targets. Adjusting the spend target to account for 1) 5 of 6 years of the DBP being delivered, 2) the reduction in targets mentioned above and 3) non-delivery of large scale events and the Strategic Design initiative suggests programme spend is broadly in line with what should be anticipated.
- Programme spend to date appears to be in line with what might be expected. This is based on a high level assessment of the proportion of the total £7.1 million budget that should have been spent by March 2020, and accounting for reduced output targets and non-delivery of the Strategic Design strand. On this basis target spend to date could be expected to be around £3.25 million, just below the £3.259 million spent to March 2020.

Programme Outputs

Revisions to Output Targets

- 3.1 As shown in 3.9, core outputs targets were reduced in March 2016. This was for three key reasons:
- The current programme started in October 2015 with the implementation of DesignAdvice and two competitive calls for applications that ran as pilots for DesignActive. A lower than anticipated uptake was recorded. This can be largely attributed to the introduction of increased fees for DesignActive from £500 (+VAT) under the 2012-15 DSP to £1,250 (+VAT).
 - Targets were set in 2014 before the current phase of the programme was launched and are based on the previous delivery model. This included Design Clinics – a high volume one-to-one predecessor to the RADEs.
 - With reduced uptake, programme management staff capacity was not increased in line with the original Economic Appraisal and approval (we explore this in more detail in Section 3).
- 3.2 A further review of targets was proposed in early 2017. However at that time there was an encouraging upturn in participation levels and positive customer feedback despite a subsequent streamlining/reduction of eligible Invest NI client numbers. Design Forward was also introduced to provide follow on support to implement design activities. Based on continued monitoring of improved activity levels, the Programme Management and Economics teams concluded in May 2017 that an evaluation in September 2018 (in line with the original approval timetable) would be appropriate which would include a review of performance targets and resourcing against the original programme plan.
- 3.3 From late 2018 through to March 2020, resource constraints and competing priorities coupled with the complexity of and time spent to quality control CRM data for external release pushed the evaluation out to April 2020.
- 3.4 A review of the recommendations from this evaluation and subsequent economic appraisal will form the basis for any formal request for amendment to the original Design for Business programme approval.

- 3.5 Table 3.1 summarises the revisions in targets for the period up to up to March 2020 (aligning with the actual performance data available at the time of writing, set out in Table 3.3 later in this section).

	Original Target to March 2020	Revised Target to March 2020	Difference	% Difference
Design Awareness/RADEs	53	14	-39	-74%
Design Advice Service	648	454	-194	-30%
DesignActive	345	170	-175	-51%
DesignForward	170	89	-81	-48%

Source: Hatch; INI Programme Monitoring Data

- 3.6 Table 3.2 shows revised targets for the full six year programme delivery period. This suggests a smaller reduction overall versus the 4.5 year period to March 2020 above.

	Original Target	Revised Target	Difference	% Difference
Design Awareness/RADEs	70	25	-45	-64%
Design Advice Service	864	686	-178	-21%
DesignActive	450	257	-193	-43%
DesignForward	222	146	-76	-34%
DesignStrategy	30	0	-30	-100%

Source: Hatch; INI Programme Monitoring Data

Proposals for an Enhanced Design Strategy initiative

- 3.7 The 2015 Appraisal of the 2015-21 programme recommended that a pilot Design Strategy initiative should be delivered to around 30 INI growth clients to increase integration of design into their business strategy. This has not been implemented. A number of meetings were undertaken within Invest NI to introduce the initiative. There were substantial operational challenges in ensuring that businesses and Invest NI staff understood the nature of the Design Strategy offering and the value that the initiative would bring to businesses. These challenges and the lack of demand are due in part to a limited or misunderstanding of design; most businesses associate it with how to make things look good, and not the use of design in relation to wider innovation and the creation of value.
- 3.8 We recommend that the upcoming appraisal for the DBP re-considers the potential to implement such an initiative (See Section 5).

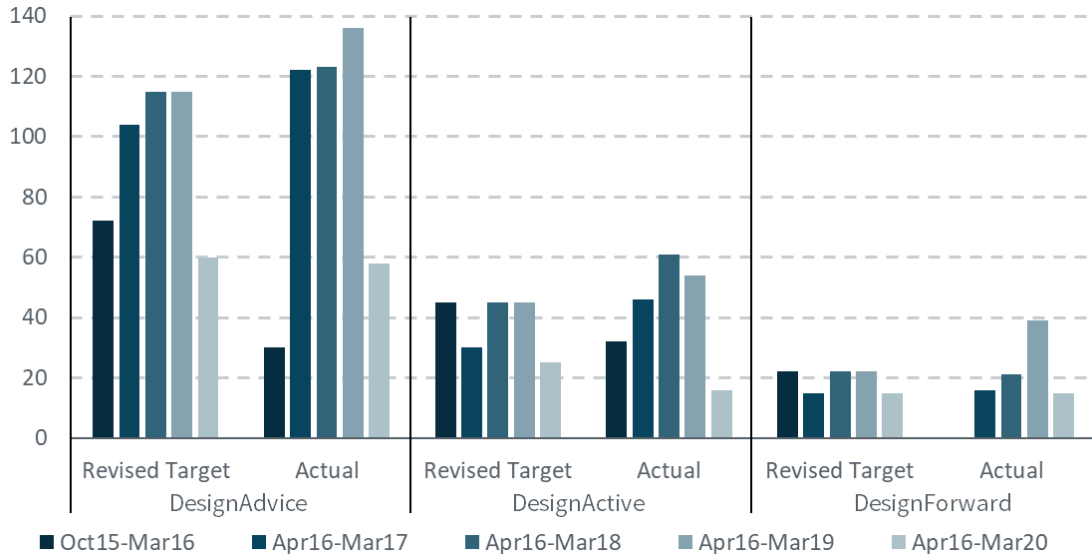
Core Outputs

- 3.9 Figure 3.1 shows performance against the revised targets over the four and a half years since the start of the project for three of the four core programme support strands. The programme has consistently out-performed its revised targets across the last four years of available data.
- 3.10 Targets for the first six months were higher than for any other year: 25% higher than for any other year when pro-rated for DesignAdvice and twice as high for DesignActive and DesignForward. In retrospect, these should have been lowered, to account for:
- a period in which the programme was only just beginning to operate in its new form

- and, changes to the previous Design Service Programme, including a rise in fees, which clients needed to adjust to (see Section 5).

3.11 The appraisal that follows this evaluation should factor this into the profiling of future outputs.

Figure 3.1 Output Performance, DesignAdvice, Design Active & Design Forward



Source: Hatch; INI Programme Monitoring Data

3.12 As targets were positioned too high in the first six months of delivery, we have focussed on the last four years of data (from April 2016 to March 2020) to provide a reasoned assessment of performance. This highlights:

- that across each of the four core strands of DBP activity, targets have been surpassed, by up to 18% for DesignActive
- the strength and reliability of demand for the service
- the success of DesignForward, introduced in 2015 as a means for clients to properly invest in and implement design briefs/projects and a high conversion rate; more than 50% of those that participated in DesignActive went on to DesignForward
- the success of the programme in delivering beyond target despite:
 - limited staff resource within the INI Programme Management Team (see Section 4)
 - the increase in programme fees: many companies on the waiting list (from the previous DSP) decided not to go forward following the rise (we explore programme fees in more detail in Section 5 and 6).

Table 3.3 Summary of Performance Against Core Outputs, April 2016 to March 2020

	Revised Targets	Actual	Difference	% Difference
Design Awareness/RADEs	14	16	+2	+14%
Design Advice Service	454	482	+28	+6%
DesignActive	170	200	+30	+18%
DesignForward	89	102	+13	+15%

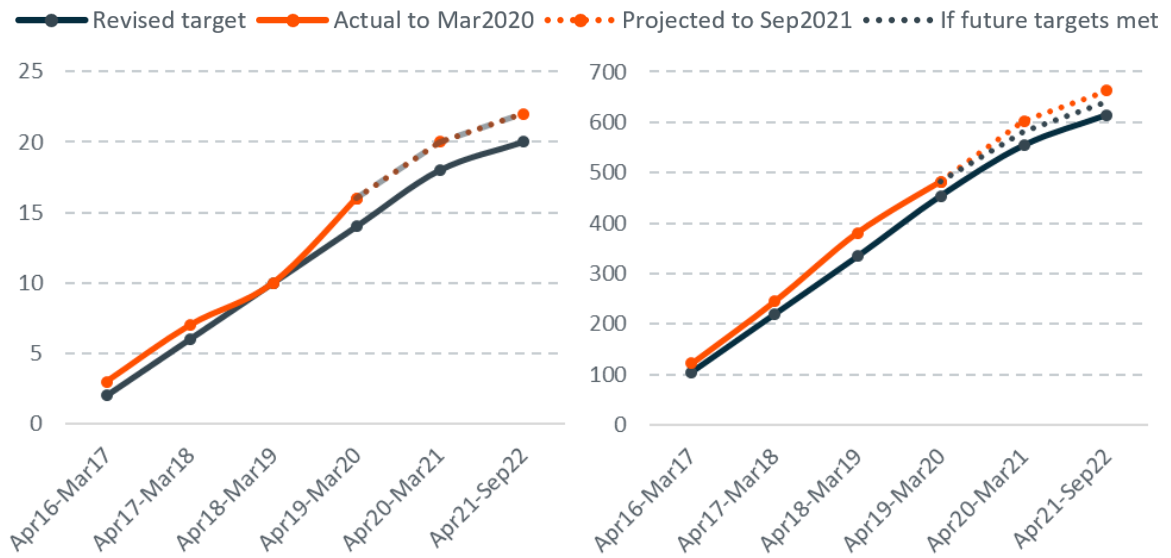
Source: Hatch, INI Programme Monitoring Data

- 3.13 Figure 3.2 shows the performance of achieved core outputs to date against the revised targets.
- 3.14 If the programme continues to deliver at the same rate from April 2020 to programme delivery closure in September 2020 ('projected' in o), it will exceed each of these targets by an average of 17% (ranging from 10% for DesignAdvice to 31% for DesignActive). If the programme were to meet its remaining targets for April 2020 to September 2021 it would exceeded the total target for the six year delivery period by 15% on average (ranging from 8% for DesignAdvice to 28% for DesignActive).
- 3.15 This needs to be balanced against the challenges presented by the COVID-19 pandemic. Based on these two counteracting factors we recommend the core revised targets are maintained for the remainder of the programme delivery period.

Figure 3.2 Actual and Projected Performance of Support Outputs Vs Revised Targets

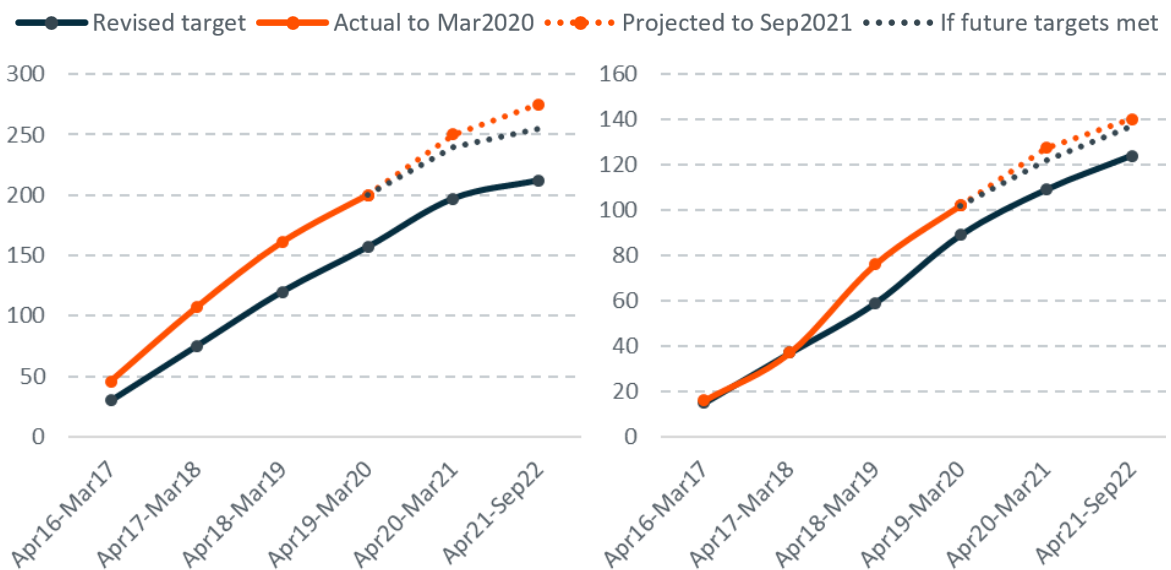
Design Awareness/RADEs

Design Advice Service



DesignActive

DesignForward



Source: Hatch; INI Programme Monitoring Data. Note: April21-September21 covers a six month period. Although there appears to be a drop off in targets and projected performance the monthly rate of delivery is similar to previous months.

Wider Outputs

3.16 The 2015 Appraisal for the DBP set out a series of wider targets:

- **Large scale high profile promotional/awareness raising events:** none of these events have gone ahead. This partly results from understaffing within the Programme Management team but also from some indecision as to the appropriate format for these events. It had been suggested within INI that instead of having DBP specific events, wider innovation-focussed events could be held. However, this has not been acted upon. Larger scale events should be explored among the leads for all innovation related support delivered by INI, for implementation in any future programme (i.e. beyond September 2021). This will help to ensure a joined up approach to promotional and awareness raising activity, avoid duplication of activity and align with the strategic push to enhance NI's standings on the UK and international innovation standings.
- **Innovation best practice watching brief:** Not delivered. The findings from this evaluation in terms of best practice in design-led innovation should be communicated to the relevant contacts leading the innovation agenda within the NI Government (including the Department for the Economy). This should focus on a summary of the best practice review provided in Section 1 and the wider findings summarised in Section 8, that highlight the best practice that has been established by the DBP itself.
- **Client case studies:** the programme has developed 25 case studies, compared with target of 54 in the first 4.5 years of delivery (12 pa). The case study target was not reduced in line with other targets (as set out in Table 3.1) and so performance to date should be seen as reasonable. Nonetheless, more case studies should be developed and these should be more visible, i.e. positioned more prominently on the INI and DBP programme website and made available to potential clients at the RADEs. Client case studies provide a means of communicating the real-life experience of participating businesses and the relevance of design to potential future clients.

It should also be noted that the programme has delivered eight showcase events where clients have been able to demonstrate progress made and successes achieved.

DBP case studies and showcase events can be viewed at investni.com, on Invest NI's YouTube channel [YouTube channel](#) and nibusinessinfo.co.uk.

- **Clients accessing wider INI support:** INI client data suggests that this has been exceeded by 47%, showing that INI clients are often supported on an on-going basis as they develop and grow and look to tackle new challenges. This will support sustainable outcomes. The programmes that clients have moved often on to after the DBP include the Technical Development Incentive (TDI)¹⁷, the Pre-Propel Accelerator and Accelerator programmes, Management Information Systems (MIS) Grants, Grants for Research & Development and Trade Advisory Service.
- **Clients increasing export sales:** The client survey indicates that 81% of businesses have made progress in better accessing new markets. This suggests that the programme is close to achieving its target.
- **Targeting larger scale businesses:** The data provided on client employee size brackets is based on Full Time Equivalent Employees (FTEs). As a result the figures presented in **Error! Reference source not found.** are a likely underestimate. Nonetheless, the programme appears to have delivered to fewer businesses employing 50+ and 100+ people than

¹⁷ investni.com/support-for-business/do-more-research-and-development

targeted. Any future programme should maintain the current targets, to maintain the potential to generate higher scale impacts. Our recommendation that a pilot Strategic Design initiative be considered in the upcoming appraisal would provide an opportunity to increase support to larger businesses.

- **Clients focussing on product design:** consultation with delivery partners suggests the focus on product design has fallen from 40% to close to 10%¹⁸. This mostly results from the increased range of product development support provided by INI¹⁹ (see Section 5 for more detail). The programme should continue to promote and deliver product design support, to ensure that businesses are aware of and the benefits of a design approach to product development.
- **Account Managed clients:** The 2015 evaluation of the predecessor Design Service Programme recommended that Account Managed businesses (or those with the potential to be within five years) be targeted to drive up GVA impacts.

The Programme Management Team have not been able to monitor accurately the proportion of clients that are Account Managed. Client segmentation has been regularly changed and these have not always been communicated clearly. Client segmentation is captured in the programme monitoring data at application stage but changes in segmentation are not accurately tracked over time, in part due to the changes that have been made in recent years. . A short exercise based on current status of participants indicates that just over 26% of Design Active participants could be considered as being in the Account Managed category.

As a result, this indicator has not provided a useful distinction or measure of progress for the DBP. A simplified re-segmentation exercise is currently on-going; all clients will be considered Account Managed, with the exception of those that are marked as an Export Opportunity. This could serve to make tracking of clients easier in future. Nonetheless, the appraisal, that follows this evaluation should consider the relevance and inclusion of tracking Account Managed businesses in the monitoring framework for any future programme.

There is also question of whether the programme should be opened up to the wider NI business base, particularly in light of the need for support to mitigate the effects of COVID-19 and Brexit. This could allow the programme to reach more businesses that do not have a clear understanding of the benefits that can be generated through a design-centred approach. There currently appears to be sufficient demand from within the INI client base. Our discussions with delivery partners suggest that the programme should continue to focus on INI clients. Nonetheless, the upcoming appraisal should test the case for opening up to a broader market within the options longlist assessment.

Output Target (Oct15-Sept21)	Summary of Performance to Date
Three large scale high profile promotional/awareness raising events	Not delivered. Recommended to go ahead as wider INI innovation events
Provide watching brief to Gvt on best practice in design led innovation	Not delivered. Best practice findings from this evaluation should be communicated.

¹⁸ We have not been able to isolate the effect of this change; the sample size for businesses delivering product development projects is too small to provide a reliable assessment of the economic impact associated with this trend.

¹⁹ This is likely to have had some effect on demand for the DBP. However, there is no evidence to suggest demand has been affected significantly.

12 case studies per annum	25 in total (2015-2020); To be positioned more prominently.
=/> 60% accessing wider INI support	88%
=/> 60% increasing export sales	81% of survey respondents indicate that they have made progress towards better accessing new markets
=/> 15% 50+ employees	10% of participants employed >50 FTE employees*
=/> 5% 100+ employees	5% of participants employed >100 FTE employees*
=/> 10% product design	Consultants/mentors indicate that product design has represented around 10% of client projects
=/> 10% Account Managed, rising to => 30% by year 3	Not delivered. Proved difficult to track due to changes to INI client segmentation. A short exercise based on current status of participants indicates that just over 26% of Design Active participants could be considered as being in the Account Managed category. The Appraisal should consider whether this indicator should be tracked in future
=/> 75% account managed, or the potential to be	

Source: Hatch; INI Programme Monitoring Data. Based on the client survey. * The data provided on client employee size brackets is based on Full Time Equivalent Employees (FTEs). As a result these figures are a likely underestimate.

Proposals for New Output & Outcome Indicators

- 3.17 In addition to the outputs set out above, the DBP should look to monitor new products, branding and packaging developed as a result of the DBP. This would better highlight the progress that has been made by businesses in terms of implementing design and innovation and moving towards bottom-line and GVA benefits. This should be explored as part of the upcoming appraisal, alongside resourcing implications.

The INI Innovation Accreditation scheme

- 3.18 The INI Innovation Accreditation scheme was launched recently. This provides bronze, silver, gold and platinum accreditation to businesses that have engaged with innovation and developed new approaches, processes, products and services. There has been some confusion among the Programme Team as to what levels of DBP engagement register a business as eligible for accreditation. It was suggested that DesignActive support could lead to bronze accreditation and DesignForward to silver accreditation. However, there appears to be some inconsistency in the award of certifications to DBP clients; DBP activity appears to have more recently counted towards accreditation but not qualified beneficiary businesses for accreditation in its own right.
- 3.19 Efforts should be made to better align the DBP with the INI Innovation Accreditation scheme. Design activity should be clearly recognised by the scheme. Invest NI should explore the options to make the scheme clearer and more consistent as it relates to the DBP, and review the level of accreditation awarded to DBP clients. This would allow DBP to stand alongside other programmes that deliver support to develop new products or deliver R&D/collaboration. Invest NI should also consider how other programmes have aligned with the scheme.

Programme Spend

- 3.20 Table 3.5 shows annual project spend to date. Management Fees paid to Design Capital total £967,000 (30%) of the full economic cost of the programme to date (and 33% of programme delivery costs). £367,000 has been accumulated in terms of Invest NI employment costs, covering the Programme Management Team. The remaining costs have been spent on consultancy fees and other operational costs (e.g. events and marketing).
- 3.21 At £3.26m, eligible programme spend between March 2015 and 2020 is significantly (54%) below the original £7.1 million²⁰ budget for the full six-year delivery timescale for the DBP.
- 3.22 The £7.1 million budget was not reduced in line with the reduction with the revised outputs outlined at the start of this Section 3. We have adjusted the £7.1 million target to account for:
- the proportion of the delivery period that had passed by March 2020: the project had delivered five years of its planned six-year delivery timeframe (83%)
 - a 40% overall reduction in the core targets shown in Table 3.1 above
 - non-delivery of large-scale events and the Strategic Design initiative, estimated in the 2015 Appraisal to cost a combined £286,000.
- 3.23 On this basis target spend to date could be expected to be around £3.25 million. Programme spend to date therefore appears to be in line with what might be expected.
- 3.24 Given that the revised output targets have been surpassed, the project can be seen to have exceeded expectations on output delivery given spend to date and resource available (particularly INI staff resource).

Note: This provides only a rough assessment of the scale of spend that should be expected by March 2020. A target annual spend profile was never put forward for the project. In addition, it is not possible to match original cost lines to specific areas of DBP activity. As a result, this assessment should be viewed with caution.

	Programme Delivery Costs	Invest NI Staff Costs	Full Economic Cost
Mar15-Mar16*	536,700	76,900	613,600
Apr16-Mar17	421,000	71,000	492,100
Apr17-Mar18	491,200	71,000	562,200
Apr18-Mar19	830,200	71,000	901,200
Apr19-Mar20	612,900	76,800	689,700
Total to March 2020	2,892,000	366,700	3,258,800

Source: Hatch; INI Programme Monitoring Data. Figures rounded to the nearest £100. *NOTE: The programme started in October 2015 but some expenditure was incurred prior to this in the development of the programme.

Assessment of Equality Impacts

- 3.25 Section 75 of the Northern Ireland Act 1998 (the Act) requires public authorities, in carrying out their functions relating to Northern Ireland, to have due regard to the need to promote equality

²⁰ This is the projected full economic cost associated the DBP, covering programme delivery costs and INI employment costs. Based on the original casework papers for the programme.

of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Act.

- 3.26 Invest NI has published its Equality Scheme which sets out how it proposes to fulfil the Section 75 statutory duties, and the Disability Discrimination Act 1995.
- 3.27 Participation in the Design for Business Programme is open to all Invest NI client businesses and is understood to be compliant with all equality policies and procedures that govern how the organisation operates.

4. Delivery Review: Part 1: Governance & Management

Key Findings & Recommendations

- The structure of the DBP works effectively and lines of communication between the key delivery partners are strong and effective.
- Delivery partner consultation points to the professionalism, experience and skills deployed by Design Capital, its mentors and the INI teams in delivering the programme.
- The programme has been responsive in the face of the challenges that have arisen, largely because there are clear channels for communicating and addressing challenges quickly.
- The 2015 Appraisal recommended a Programme Management Team staff complement of three FTEs. For the majority of the evaluation period the programme has operated with a core team of 1.5 FTEs, although significant Director level input was provided in the early stages to address the issues faced.
- The targets were revised partly because of the lower than envisaged staff complement. With this in mind, and the other challenges highlighted in this evaluation, the programme's over-delivery on the revised targets should be seen as a significant success.
- The upcoming appraisal should ensure that future staffing is in line with the scale of activity proposed for any future programme. If future activity is to be delivered in line with the original targets for the DBP then the original staff complement of three FTEs should be in place. The Programme Management team should be led by someone at Programme Manager Grade (DP).
- Design Capital and the Programme Management Team have responded to key challenges by adjusting the structure and content of the programme and ultimately delivering beyond the core output targets to clients that are (for the vast majority of cases) highly satisfied.
- The programme has been effectively administered, with all programme events and arrangements planned and delivered seamlessly and successfully.
- The Programme Management Team should ensure that all indicators and monitoring information are collated within a single easy to use and easy to access system.
- Client Executives have performed effectively in driving demand for the DBP. Regional Awareness Design Events (RADEs) and Design Bites have also acted as a key means for developing the pipeline of future clients.
- Consultation should be undertaken with INI Regional Managers as part of the upcoming economic appraisal, to understand how local partners could be better engaged with the programme, and the benefit of efforts to stimulate such engagement.
- DBP branding and marketing materials should be refreshed, and provide an example of good design principles.

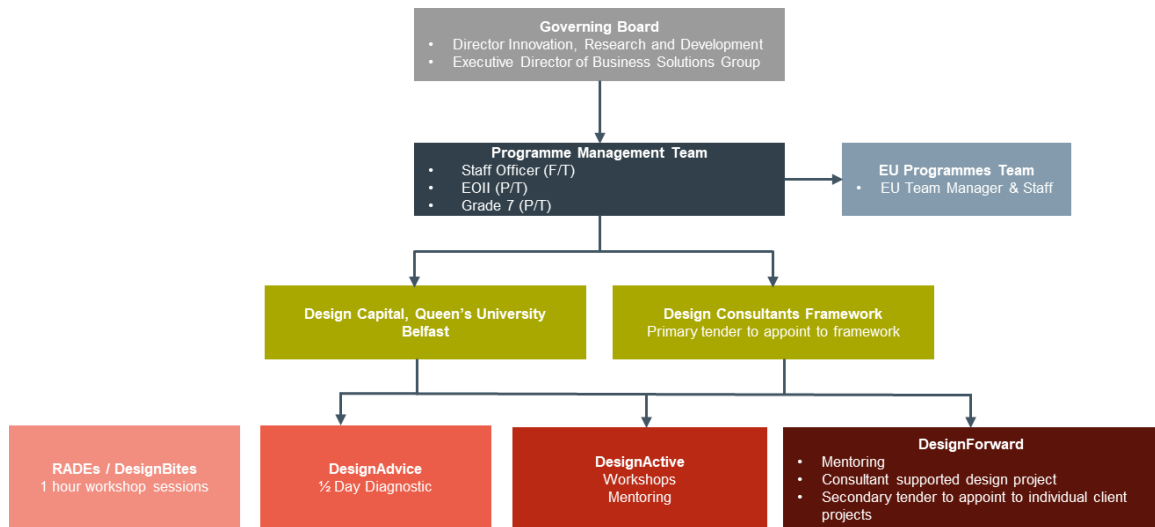
INI and the DBP Programme Management Team should:

- test the potential to engage, share and collaborate with similar programmes of support in the Republic of Ireland and UK
- engage with the Design Council encourage greater involvement and representation in NI.
- ensure a visible presence at Belfast Design Week.

Governance and Management

- 4.1 Figure 4.1 shows the structure of the governing, management and delivery teams and staff across INI, Design Capital and design consultancies.
- 4.2 Our consultation with key delivery partners suggests that the structure works effectively and that lines of communication between the key delivery partners are strong and effective.
- 4.3 All delivery partner consultation has also pointed to the professionalism, experience and skills deployed by Design Capital, its mentors and the INI teams in delivering the programme.

Figure 4.1 Summary of DBP Governance and Management Structure



Source: Hatch; DBP Evaluation Terms of Reference

- 4.4 The programme has proved to be responsive in the face of the challenges that have arisen (and raised in this evaluation). Where challenges arise at any stage/strand of the programme there are clear channels for communicating and addressing them quickly. A number of factors have influenced this:

- The Programme Management Team and Design Capital have built a strong and close working relationship, having worked together for a number of years. This has engendered a mutual respect, willingness to understand how things can be done better and to implement changes where needed. It has enabled the programme to adapt to changing circumstances and feedback from clients, e.g. in changing the format of awareness raising events and implementing the recommendations from the 2015 evaluation.
- Many of the Design Capital mentors have owned or work for consultancies appointed to the Design Service consultants framework previously (and vice versa). This too has ensured that there is an in-depth understanding of consultancy capabilities on the part of the mentor, mutual respect, close contact and clear lines of communication between the two.

This aligns closely to the best practice findings presented in Section 2, that design programmes need to build strong relationships with designers.

- Monthly meetings are held between Design Capital and the Programme Management Team to discuss progress and issues as they arise. The two teams also meet on an annual basis to reflect on examples of best practice and key challenges and to devise ways in which the programme can be enhanced. For example, Design Capital have revamped the

areas of focus for the DesignActive workshops and made the programme more commercially focussed, drawing on the attested design thinking and client feedback.

- The DBP Programme Manager attends workshops held in the early stages of each DesignActive cohort, to identify any issues early on, ensure visibility of INI's role and communicate the INI Design Team's availability to participants. This helps to establish and consolidate the Programme Management Team's relationship with clients and Design Capital (including its mentors). It also ensures that the Programme Management Team are closer to day-to-day delivery of the DBP.

Programme Management & Administration

Staff Resource

- 4.5 Under the 2012-15 DSP the Programme Management Team had a Grade 7 staff member, a Staff Officer (SO) and two part time Executive Officers (EOIs). This staff complement was expected to be maintained under the DBP.
- 4.6 The staff complement within the core Programme Management Team was reduced as some team members moved to other roles. These vacancies were not backfilled despite the recommendation set out in the 2015 Appraisal for the service that a new Design Manager should be appointed. For the majority of the period covered by this evaluation the DBP has been under resourced by 50% when compared with the original staff complement put forward in the programme appraisal. The programme has been predominantly managed by one full time SO and one part time EOII, although significant Director level input was provided in the early stages to address the issues faced in initial start-up and delivery.
- 4.7 With this in mind, and the other challenges highlighted in this evaluation (e.g. demand, ERDF requirements), the two members of the Programme Management Team have had to work outside of their contracted hours and have over-delivered on the revised targets. This position would not be sustainable going forward if a similar scale of activity is to be delivered.
- 4.8 INI has undertaken a benchmarking exercise on the staff complement and seniority within programme teams across a range of INI programmes of a similar complexity and budget to the DBP. This suggests a requirement for between 1.5 and 2 FTE staff members in addition to Grade 7 oversight. Only one other programme (Knowledge Transfer Partnerships) is managed by a Staff Officer.
- 4.9 The upcoming appraisal should consult with the Programme Team and INI senior management to ensure that future staffing is in line with the scale of activity proposed for any future programme. If future activity is to be delivered in line with the original targets for the DBP then the original staff complement of three FTEs should be in place. The Programme Management team should led by someone at Programme Manager Grade (DP).

Monitoring and Administration

- 4.10 The programme has been effectively administrated, with all partners indicating that programme events and arrangements are planned and delivered seamlessly and successfully.
- 4.11 The Programme Management Team should ensure that all indicators and monitoring information are collated within a single easy to use and easy to access system.

ERDF Funding Requirements

- 4.12 Given the challenge associated with the under-staffing of the Programme Management Team, the detailed requirements associated with ERDF monitoring, reporting and regular auditing placed a heavy burden on the programme. This is compounded because DBP is responsible for delivering 65% of INI's Priority 1 target for face-to-face contacts with SMEs. If the DBP does not meet those targets, it could affect funding coming into INI and NI as a whole, as there would be a risk that clawback could be implemented.
- 4.13 Nonetheless, the INI EU Team report that the programme has managed ERDF requirements effectively and in a timely fashion. This is a key positive, especially in light of the benchmarking exercise undertaken by INI (and referred to in para. 4.8). None of the other programmes included in this exercise were ERDF funded. They did not carry the associated administrative burden, despite having a larger project management staffing complement.

Managing Key Challenges & Risks

- 4.14 The programme has faced a number of challenges. Key amongst these have been:
- the increase in client fees from the start of the programme in October 2015, affecting demand during an initial six month pilot period and contributing to a reduction in target outputs
 - significant dissatisfaction among a small minority of clients (6% of respondents to the beneficiary evaluation survey carried out between June – October 2020 indicated they were very dissatisfied with the programme, further comments were provided which have been outlined in Section 5 of this report)²¹. This has been corroborated by reports of dissatisfaction among a relatively small number of businesses among Design Capital Design Advisors and INI Client Executives. These instances of dissatisfaction principally appear to be related to support delivered by design consultancies, rather than by through the strands of support delivered by Design Capital.
- 4.15 As highlighted in this section (above) the programme also faced challenges in terms of:
- limited staff resource within the INI Programme Management Team
 - the detailed requirements associated with ERDF funding in term of monitoring reporting and administration.
- 4.16 The Design Capital and the DBP Programme Management Team have shown the ability to respond to these challenges by adjusting the structure and content of the programme and ultimately delivering beyond the core output targets to clients that are (for the vast majority of cases) highly satisfied.

Client Engagement

- 4.17 Client engagement is key given that many potential clients do not have a clear understanding of how design is relevant to them and stands to generate significant benefits for their bottom-line.
- 4.18 The DBP cannot be marketed openly due to its focus on Account Managed businesses. As a result, responsibility for client engagement and demand stimulation falls largely to INI Client Executives. Consultation with key deliver partners points to the effective job that the Client Executives have

²¹ Note: sample size = 65, which represents a response rate of 13% and an 11% margin of error

done in this regard, working across multiple business networks and sectors to drive what has been stable demand for the DBP.

- 4.19 Regional Awareness Design Events (RADEs) and Design Bites have also acted a key means for developing the pipeline of future clients.

Marketing

Client case studies are a strong means of communicating the relevance of design and benefits that can be secured through the DBP

- 4.20 As shown in Section 3, 25 client case studies have been produced highlighting the experience and benefits generated by participating businesses.
- 4.21 Views from a range of partners (INI senior management, Design Capital, DBP mentors and consultancies) have suggested that case studies (including written and video content) provide an effective means of communicating the real-life experience of participating businesses and the relevance of design to potential future clients. Consultation also suggests that these case studies need to be more visible, i.e. positioned more prominently on the INI and DBP programme website and made available to potential clients at the RADEs.

DBP branding and marketing materials should be refreshed, and provide an example of good design principles

- 4.22 After the first six months of pilot delivery, the different DBP support strands were rebranded. A significant internal communication exercise (education/marketing) was undertaken to promote the new programme. This was based on comments from Client Executives on increased DBP fees, customer re-segmentation and the competitive application process for the Design Active element of the programme.
- 4.23 The DBP Programme Team should work with the INI Communications Team to develop a further re-design of DBP branding and marketing materials to ensure that (while adhering to INI corporate guidelines) it represents a clear and modern example of best design practice in time for any future programme.

Stakeholder Engagement

- 4.24 Desk-research and consultation has confirmed that there is no industry representative organisation (such as the Design Council) present in NI. Prior to the DBP the Design Service has:
- engaged with design support services delivered in the Republic of Ireland: If this were to be re-instigated, this could lead to sharing of best practice, collaboration and alignment of support for businesses that trade both sides of the border.
 - engaged with local councils and chambers of commerce: with INI, Design Capital and mentoring visiting to increase awareness and promote INI design services and to ensure alignment of support particularly for businesses that are not eligible for design service support. Such activity has not been undertaken under the DBP, due to the understaffing of the Programme Management Team. Consultation should be undertaken with INI Regional Managers as part of the upcoming economic appraisal, to understand how local partners could be better engaged with the programme, and the benefit of efforts to stimulate such engagement.
- 4.25 The Design Council has no representation in NI. It has recently held a workshop and was present at Belfast Design Week.
- 4.26 INI and the DBP Programme Team should:
- test the potential to engage, share and collaborate with similar programmes of support in the Republic of Ireland and UK
 - engage with the Design Council to better understand why there is not a presence in NI, and how they could work together to better represent and promote the design sector in the country.
 - ensure a visible presence at Belfast Design Week.
- 4.27 In Section 2 we also recommended that the best practice findings from this evaluation should be collated and shared with relevant contacts in NI government departments.

5. Delivery Review: Part 2: The DBP Support Offer

Key Findings & Recommendations

- The structure of the support offer and design approaches deployed by the DBP lay the foundation to deliver against the programmes core objectives.
- The introduction of DesignForward has been a key success.
- Design Capital and its mentors deliver strong support and provide clear design experience and expertise.
- Improvements to the application and gateway process between DesignAdvice and DesignForward have been successful.
- The key DBP support strands (Design Advice, Active and Forward) are delivered at an appropriate level of intensity and are widely seen as successful in embedding design into wider business strategy.
- Cohorts of between 12 and 15 are ideal and support peer-to-peer learning, including over the longer-term²².
- The programme is supporting small and traditional businesses to understand the importance of design for the first time.
- The BDP is reaching a broad range of sectors and is focused on appropriate areas of design.
- DBP objectives should be revisited during the appraisal that follows this evaluation, reflecting the need to position innovation more prominently.
- The Economic Appraisal should explore further the level of consultant support under DesignActive and mentor support under DesignForward. The evaluation finds that these should ideally be increased, by up to three days and one day respectively, subject to budgetary/funding constraints.
- Keynote speeches should be scaled up.
- The upcoming appraisal should consider the implementation of a strategic design support strand.
- The programme acted swiftly and effectively to react to COVID-19.
- The DBP is seen internally as a popular and effective contribution to the INI offer and represents a key strategic programme.
- A small but significant number of businesses have reported having been significantly dissatisfied with the support they have received from the Design Consultancies. The appraisal that follows this evaluation should consider a range options for a changed or adjusted consultancy procurement approach.

²² Based on interviews with Design Capital, Design Advisors, design consultancies and client beneficiaries.

Programme Objectives

- 5.1 The overarching aim of the Design for Business Programme is to:
- "Champion design as a key tool for business competitiveness and, as such, assist businesses to embed design into their business strategies."*
- 5.2 The DBP offers a design journey supporting companies to access design expertise:
- *to provide businesses with an understanding of the importance of using design strategically as a business tool capable of delivering top and bottom line benefits"*
 - *with the ultimate aim of "creating more competitive businesses, contributing to export development and improving company level productivity."*
- 5.3 DBP objectives should be revisited during the appraisal that follows this evaluation, reflecting the need to position innovation more prominently.

The DBP Support Offer

- 5.4 DBP activities are aimed at supporting clients to better understand the importance of good design to their business, and to develop design approaches and projects that will generate concrete benefits. The programme consists of four²³ key strands of delivery:

Design Ladder step 1 - DesignAwareness: managed by the DBP Programme Team

- 5.5 The Design Awareness Service aims to raise awareness of the strategic importance of design within the NI business community through the provision of awareness raising and promotional events (including through RADEs)
- 5.6 In May 2019 RADEs were rebranded as **Design Bites**. These are shorter (one hour) lunchtime presentations and a Q&A led by a design specialist and focusing on particular design topic²⁴. This was a response to **1)** client feedback that the RADEs were too long, **2)** challenges in securing full attendance and **3)** some businesses not attending despite having signed up. Initial indications, based on three months of delivery suggests that overall attendance at Design Bites exceeds average monthly attendance at RADEs over the previous 30 months²⁵.
- 5.7 Consultation with key partners suggests the introduction of Design Bites has been effective. It also highlights the flexibility of the programme to respond to client need and challenges as they arise.
- 5.8 Design Awareness events are delivered across NI providing a route for businesses to access design support provided locally (often by local councils).

²³ It was intended that there would also be a Strategic Design element to encourage companies to implement design in a strategic way in their business and make it integral to their operations. This wasn't implemented, predominantly due to a lack of resource, a relatively limited pool of companies from which to draw and operational challenges in aligning the Design Strategy initiative with other Invest NI business improvement programmes.

²⁴ It should be noted that no specific design was recommended for the RADEs in the 2015 Evaluation or Appraisal.

²⁵ Based on DBP monitoring data.

Design Ladder step 2 – DesignAdvice: delivered by Design Capital (inc. Mentors). Available to pre-entry, entry and INI Account Managed businesses.

- 5.9 DesignAdvice provides INI companies with a half day visit, with a design expert visiting the business to undertake a diagnostic, explore ideas and provide advice on a range of design issues from packaging to product design. Participation is stimulated through INI Client Executives and creates a pipeline for the DesignActive Programme.

Design Ladder step 3 – DesignActive: delivered by Design Capital (inc. Mentors) and Design Consultancies. Fee: £1,250. Available to pre-entry, entry and INI Account Managed businesses.

- 5.10 Under DesignActive clients work with experienced mentors and design professionals on small to larger scale projects that they have identified. Design Active consisting of two key elements:
- Companies participate as part of a cohort of 12-15 businesses, attending a series of group workshops and presentations and receiving mentoring over a period of weeks/months. This is aimed at promoting a better understanding of design in terms of strategic and applied knowledge
 - the knowledge from the workshops and mentoring is brought to life when participants are paired with a design consultants from a framework of providers appointed through a procurement. Each commission comprises seven days where the design consultants partner with businesses to deliver projects in line with an agreed design brief.

Design Ladder step 4 – DesignForward: delivered by Design Capital (inc. Mentors) and Design Consultancies. Fee: £1,800.

- 5.11 DesignForward provides further assistance to businesses who have completed DesignActive and require additional support to implement their design projects. There is an additional 10 days consultancy support provided. This focuses on engagement with the senior management of the business, and offers up to ten additional design days and one mentoring day. Companies participate in this strand individually.

The Design Approach

- 5.12 The DBP is structured in line with the Danish Design Ladder, a four-step model which groups companies' design maturity on the basis of their attitudes towards design and design activity (see Annex B).
- 5.13 Design Capital deploy an extended version of the Design Council's Double Diamond Framework for Innovation²⁶ to guide clients through the design process (see Annex B as well as p. 20 of the Design in Innovation Strategy). This supports businesses through the stages of:
- Design discovery: to understand the importance and relevance of design and the nature of the challenges they face as a business
 - Defining: to develop the initial design brief
 - Development: a collaborative stage that seeks a range of options and answers to the brief
 - Delivery: testing a range of solutions at small scale to refine the preferred way forwards

²⁶ designcouncil.org.uk/news-opinion/what-framework-innovation-design-councils-evolved-double-diamond

- 5.14 The addition of DesignForward in 2015 adds two more stages to the process supporting businesses to:
- Refine: eliminating errors, building confidence in the approach and improving on the initial concepts
 - Implement: delivering at scale on the final implementation brief.

Design Disciplines

- 5.15 The programme includes smaller scale projects such as revamping a sales brochure or updating packaging, to full-scale brand redesign, organisational or structural review or developing completely new products or processes.
- 5.16 One-to-one consultancy support delivered through DesignActive and DesignForward is focussed on the following areas of design [to be reviewed following delivery consultation, e.g. how this differs by support strand]²⁷:
- Product/Industrial Design
 - Visual Communication
 - Design Management/Strategic Design
 - Interior & Furniture Design
 - Service Design
 - Fashion & Textiles
 - Digital & New Media/Interaction Design.

Findings on the Nature and Balance of Support

- 5.17 The assessment provided in this section is based primarily on findings from consultation with the INI DBP Programme Management Team, Client Executives and Senior Management Team, Design Capital, and Design Consultancies. It also draws on the client survey and interviews. Further exploration of client satisfaction is provided later in Section 5.

The structure of the support offer and design approaches deployed by the DBP lay the foundation to deliver against the programme's core objectives

- 5.18 As stated above the DBP is structured in line with the Danish Design Ladder which captures the level of use of design in businesses. By structuring the programme through four staged interventions, the DBP is able to support businesses with varying degrees of design understanding and capability. It is also able to draw business with little or no understanding of design into DesignAwareness and DesignAdvice to provide them with an in-depth appreciation of the importance of design before advancing to higher value support and implementation.
- 5.19 Similarly, the use of an extended double diamond approach to design ensures that businesses:
- carefully consider the importance of design to the business
 - refine their project through iteration towards a preferred solution to the challenges it faces in the market.

²⁷ Based on the documentation for the appointment of firms to the Design Consultancy Framework,

- 5.20 Finally, the structure of support supports the findings presented in the Section 2 best practice review, that:
- a long-term approach needs to be taken to implementing design
 - support delivery needs to be flexible to the varying needs of businesses.

The introduction of DesignForward has been a key success

- 5.21 Related to the above, the introduction of DesignForward has ensured that businesses have a clear pathway (and funding) to implement what they have learned and developed through DesignActive. Previously clients would often leave with a brief half implemented, putting benefits to the business and the sustainability of outcomes at risk.
- 5.22 For example, one business that was consulted indicated that they had developed a new logo based on the support received through DesignActive and would be receiving support through DesignForward to update their website with the new branding, roll out and launch the new logo and branding. The business stated that they are looking forward to implementing these changes over the coming 3-6 months and indicated that once the new branding is launched, they would be able to use the new branding, website and logo (which better represented what they do) to engage with potential contractors and expected that this would contribute towards increased turnover in future.

Design Capital and its mentors deliver strong support and provide clear design experience and expertise

- 5.23 Consultation with key delivery partners highlights the recognition of Design Capital and the DBP Mentors as experienced design experts providing businesses with close and effective support through the entirety of the journey with the DBP. In particular, the support delivered through DesignActive has proved crucial in getting underneath the skin of a firm's design needs and in determining if DesignForward is appropriate for them.
- 5.24 The client survey highlights the high rates of satisfaction with those delivering support:
- 92% of respondents agree or strongly agree that support was delivered by experienced and credible people
 - 92% felt that the design experts/mentors/consultants had the right amount of technical expertise.
- 5.25 It should be noted that these figures are based on the 66 responses received to the beneficiary web survey carried out between June – October 2020, which represents a response rate of 13% and an 11% margin of error.

Improvements to the application and gateway process between DesignAdvice and DesignForward have been successful

- 5.26 Clients apply for DesignActive following the half-day DesignAdvice diagnostic visit. A more formal application process was introduced; all applications are assessed/scored by an approval panel, with the top 15 applicants offered a place within each cohort. This has enhanced the value that businesses attach to the higher value DBP support and improved the sifting of clients to target the best (and most appropriate candidates). It also allows the Programme Team identify the applicants' ability to finance both the design project and follow on commercialisation projects as well as the potential for economic impact.

- 5.27 The application has been pared back in response to feedback, which has made the process more effective and less time consuming for the applicants and Programme Management Team. The application process has also recently been moved online. This will further help to make the process more professional and streamlined.
- 5.28 A gateway process exists between DesignActive and DesignForward that sees business supported through DesignActive assessed for their suitability for DesignForward by the Design Advisors. This allows proper assessment of the suitability of clients to advance to implement projects based on the brief developed under DesignActive. This also helps to maximise the success and benefits generated by the programme.

The core DBP support strands are delivered at an appropriate level of intensity and are widely seen as successful in embedding design into wider business strategy

- 5.29 Under DesignActive businesses are required to commit significant time and attention to the programme and have to attend at least two of the three workshops. This can be challenging for businesses facing competing challenges.
- 5.30 Consultation with delivery leads suggest that businesses are typically highly engaged and commit members of senior management to the programme. This ensures that decisions being made can be effectively acted upon and are based in the underlying strategy of the business. The delivery teams report that those that do not commit fully tend to miss out significantly. Workshops and mentor support days are crucial in allowing the attendees the space and time to see how design can impact on their business. If they are more committed at that stage, their design brief is better and they are better placed to implement an effective project when paired with a consultant.

Cohorts of between 12 and 15 are ideal and support peer-to-peer learning, including over the longer-term

- 5.31 The relationships formed within the DesignActive cohorts provide participants with significant and sustainable on-going benefits. Delivery partners and clients have reported this as a key benefit of the programme.
- 5.32 Similarly clients and consultants report that a significant number of client relationships have lasted beyond the end of the programme to deliver further sustainability and on-going support.
- 5.33 Interviews with Design Capital, Design Advisors, design consultancies and client beneficiaries have indicated that the size of cohorts moving through the programme, typically between 12 and 15 businesses, are the ideal size for facilitating peer-to-peer learning and longer-term business to business relationships.

The programme is supporting small and traditional businesses to understand the importance of design for the first time

- 5.34 The DBP has proved to be of particular value to small businesses that have never invested properly in design before.
- 5.35 Consultation also points to the success of the programme in embedding design thinking at a strategic level within businesses that did not have any experience or knowledge of design (or which held misconceptions on the role of design). The programme has supported them to change the way they look at design, innovate in the way they operate, develop and package their products and communicate with wider audiences.
- 5.36 In many cases it has enabled particularly smaller and traditional businesses to market a unique selling point. This has enabled those businesses to grow market share and access altogether new

markets as a result (84% of the beneficiary web survey respondents that had the aim to grow their market share in existing markets and 80% of the respondents that aimed to access new markets indicated that they had made at least some progress towards these aims due to the support received).

- 5.37 This aligns with the best practice findings set out in Section 2, to introduce early-stage design concepts to businesses that have not engaged in the design process previously.

The DBP is reaching a broad range of sectors

- 5.38 Design trends and word of mouth passing across particular sectors has led the programme to support concentrations of businesses over time e.g. from the food and drink and hospitality sector. Overall, the DBP is supporting clients from a broad range of sectors, highlighting the relevance of design to all businesses.
- 5.39 No particular sector focus/targeting has been put in place under the DBP²⁸. We asked during delivery and stakeholder interviews about the potential for specific sector targeting. There was a clear consensus that there are opportunities for all types of businesses in taking a design centred approach. We therefore find that there is no case for undertaking specific targeting or marketing to attract businesses from particular sectors under any future programme.

The DBP is focused on appropriate areas of design focus

- 5.40 Clients have focussed gradually less on product development over time, falling from around 40% of projects developed/implemented to around 10%. This is largely due to the increased range of product development support provided by INI, e.g. through the Technical Development Incentive (TDI) Scheme and R&D grants. Nonetheless Client Executives should ensure that the DBP is considered for product development where it presents the most appropriate and effective source of support.
- 5.41 The vast majority of DBP clients focus on the broad area of brand development. This typically reaches into a wide range of areas, including businesses' online presence and packaging solutions for example.

The Design Consultant Framework has been adjusted to maximise client satisfaction

- 5.42 A small but significant number of businesses (6% of respondents to the beneficiary web survey carried out in June-October 2020) have reported having been significantly dissatisfied with the support they have received from the Design Consultancies. A number of partners (the Programme Management Team, INI Senior Leadership and consultancies themselves) have provided corroborating accounts. In these instances, the consultancy has either misinterpreted and/or underdelivered against the brief developed by the client and mentor under DesignActive.
- 5.43 Mentors play a vital and effective role in mediating issues as they arise between the clients and design consultancies. Despite this, the degree of underperformance has been such in some limited cases that only a re-appointment to another consultancy has been sufficient to address client dissatisfaction. Anecdotally we have heard of this being the case for two such businesses.
- 5.44 Invest NI have sought to address these issues, in one of two ways

²⁸ However, the following sector experience is highlighted in the brief for appointment to the design consultants framework: aerospace, automotive, biotechnology & diagnostics, call centres, construction products & services, electronics, engineering, environmental, food & drink, giftware/homewares/furniture, IT, materials handling, medical devices & technologies, print & packaging, professional services, renewable energy, telecoms and tourism.

- Looking to adjust the secondary tender process through which consultancies are appointed to deliver on individual design project. This has included a reduction in the weighting of the tender score related to cost from 40% under the predecessor programme to 30%. The previously higher weighting on price had led some consultancies to bid predominantly on the basis of price, undercutting consultancies that are more experienced/appropriate for the brief.
- Implementing a three-strike rule, whereby underperformance against the brief multiple times would see the consultancy removed from the framework.

Consultant support under DesignActive and mentor support under DesignForward should be ideally increased where needed

5.45 A significant number of delivery partners and stakeholders have pointed toward the need for:

- **Increased consultant time under Design Active:** in many cases it is felt that clients do not have the time available to develop their design brief in full. This is particularly the case where **1)** clients start the programme with a limited view on the scale of change required and/or **2)** where clients are looking for one element of support (e.g. a new website or logo) but find that they require a more significant investment in strategic level design change. Based on our consultation, an increase in consultant time, from seven days to anywhere up to ten days, should be considered in the upcoming economic appraisal.
- **Increase mentor time under Design Forward:** it is also felt that many businesses would benefit from more of the on-going mentor support during DesignForward. This would help to ensure that learning and the detail of the brief developed under DesignActive is maintained, to deliver more sustainable outcomes. It would also allow the mentor to play more of an active supporting role in the implementation of design projects (including through mediation with design consultants). Based on our consultation, an increase in consultant time, from one to two days, should be considered in the upcoming economic appraisal.

5.46 These areas of support should be increased subject to budgetary/funding constraints (to be tested in the upcoming appraisal).

Keynote speeches should be scaled up

5.47 A number of delivery partners pointed to the popularity and success of key note speeches during DesignActive. There are reports that these have fallen away over time. A pipeline of speakers should be developed over the course of the remaining delivery period.

The upcoming appraisal should consider the implementation of a strategic design support strand

5.48 The 2015 appraisal recommended the introduction of a strategic design strand that would see clients receive support to integrate design into business strategy. This was not implemented. Consultation with key partners (the Programme Management Team, INI senior management, Design Capital, mentors and consultancies) suggests there may be a gap in provision of help to medium and larger-sized businesses to implement design at a more strategic level.

5.49 The upcoming appraisal should consider the demand/need for such a service and options for the scale of service and delivery model. This should include consideration of support to better understand strategic level design (akin to DesignActive) as well as support to implement projects following on from this learning (akin to DesignForward). These elements could be delivered as one

or two separate strands. The appraisal should consult with all relevant delivery partners to inform this assessment, including potential candidates for strategic design support drawn from the past/existing clients.

- 5.50 This recommendation is supported by the findings presented in the Section 2 best practice review, that a long-term approach needs to be taken to implementing design.

The programme acted swiftly and effectively to react to COVID-19

- 5.51 This evaluation focusses primarily on the programme as it operated to March 2020. At this time the effects of the global COVID-19 pandemic took hold in the form of a nation-wide lockdown and closure of workplaces. During the lockdown the DBP took the content of the programme online²⁹. Some key facets of the programme are lost when operating online, not least the face-to-face with other clients and mentors. Despite this, the delivery partners and businesses we have spoken to that have had some involvement with the online sessions content have said that it has been run well. Some businesses have suggested that the continuation of the programme online provided some clear continuity of support that was most welcome during a period of great uncertainty for businesses.

Alignment & Complementarity

- 5.52 The 2015 evaluation of the 2012-15 DSP recommended that efforts be made to mainstream design services into the INI portfolio of support. It is clear that the programme is seen internally as a popular and effective contribution to the INI offer and represents a key strategic programme (based on consultation with client executives and senior INI management). The DBP complements this wider offer well, does not duplicate other support and aligns particularly well with the suite of innovation support provided by INI.
- 5.53 Outside of INI, there is no comparable publicly funded design support provision available across Northern Ireland. Some very broadly design focussed support is delivered by local councils, although it this typically take s the form of light touch support on marketing and branding.

²⁹ DBP webinars are available on Invest NI's [YouTube channel](#) and provide an example of the content provided during periods of lockdown.

6. Client Journey and Outcomes

Key Findings & Recommendations

Evidence from a beneficiary web survey and four in-depth case study consultations with beneficiaries has provided the following insights:

- Key barriers to investing in design prior to receiving support from the DBP included the costs associated with investing in design, not having access to expert advice and having limited in-house design skills / capabilities among staff.
- The responses suggest that the DBP has been particularly successful in supporting businesses to better integrate design into more parts of their business and to strengthen their brand identity.
- 35% respondents indicated that COVID-19 had at least partially affected their ability to benefit from the programme³⁰.
- Overall satisfaction with the support received was high (92% survey respondents indicated that they were satisfied or very satisfied with the support received).

Key suggestions for improvements to the programme raised include:

- allowing businesses to have some input into the designers they are matched with
- increasing focus on online design support for social media platforms
- providing more financial support for small businesses to enable them to access the support and implement design changes
- better promotion of what is available from Invest NI and who the main contact is for each programme to make it easier to access support.

These areas should be explored within the Economic Appraisal where appropriate and deliverable.

- 6.1 This section draws on quantitative and qualitative evidence gathered through a beneficiary web survey and qualitative evidence from four in-depth case study consultations, which were undertaken between June and early October 2020.
- 6.2 All of the DBP's clients whose contact details were provided by Invest NI were invited to participate in the web survey. Of the total 512 DBP beneficiaries that had received Design Advice and / or Design Active and / or Design Forward support, 66 responses were received. This represents a response rate of 13% (+/- 11% margin of error at the 95% confidence level). A response rate that is lower than hoped for can be attributed at least in part to the on-going circumstances surrounding COVID-19, whereby some employees have been furloughed and all business have had a range of competing demands and challenges.
- 6.3 The survey analysis has been supplemented by in-depth case studies providing qualitative insight that explores the greater complexity of how business support has generated and can sustain improvements in performance, in addition to exploring key challenges and successes from the viewpoint of beneficiaries. A summary of the each of the case studies undertaken is provided in Appendix A.

³⁰ Note: beneficiary web survey was carried out between June and early October 2020, before any subsequent waves of COVID-19

Beneficiary Journey

Route into Service

- 6.4 When asked how they originally heard about or got in touch with the programme, 59% respondents reported that an Invest NI Client Executive contacted them, and a further 8% respondents reported that someone else from the Invest NI / DBP team contacted them. This suggests that this direct contact has been particularly effective in raising awareness of the programme.
- 6.5 Other common responses included that the beneficiary had got in touch to see what they could offer (9%), seen an advert for the programme (8%) and word of mouth (6%). Only 2% of respondents indicated that they spoke to a delivery partner at an event, which suggests that this method of marketing the programme has been less effective.

Motivations for Support

- 6.6 Businesses were asked what they were looking to achieve when they first got in touch with the Design Programme. Over three quarters of respondents stated that they were aiming to strengthen the identity of their branding. 61% respondents indicated that they were aiming to develop a stronger marketing design approach or strategy.
- 6.7 When asked how they expected a stronger focus on design to be beneficial for their business, the most common responses were:

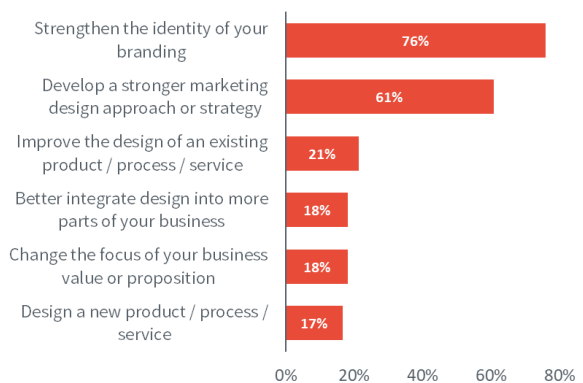
- Better access to new markets (63% respondents)
- Grow their market share in existing markets (60% respondents)
- Increased client portfolio / secure new customers / deals (56% respondents)
- Scale up the business (54% respondents)

- 6.8 Other responses included improving productivity / business efficiency (17%), secure new investment (16%) and getting a better understanding of customer pain points, solutions need and validation (2%).

Barriers to Investing in Design

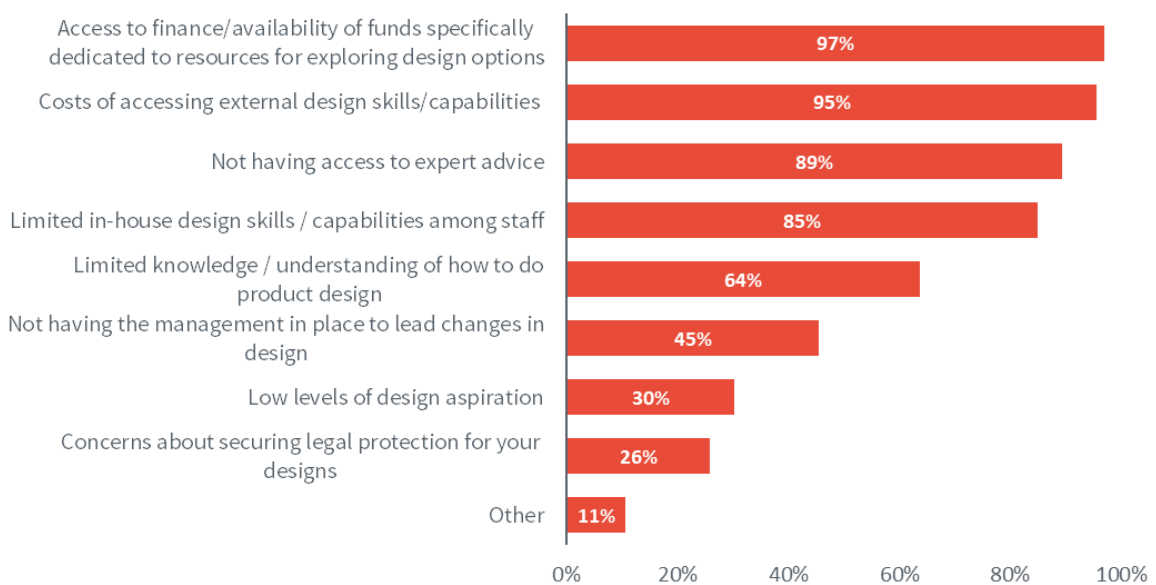
- 6.9 Beneficiaries were asked about the barriers to investing in design in their business they experienced before participating in the DBP. The majority (95-97%) of respondents indicated that the costs / access to finance for investing in design was the key barrier. The majority of respondents also reported that not having access to expert advice (89%) and having limited in-house design skills / capabilities among staff (85%) were significant or very significant barriers to investing in design.

Figure 6.1 Motivations for Seeking Support



Source: Hatch Beneficiary Survey, June – October 2020. Q5: "Again, thinking back to when you first got in touch with the Design Programme, what were you looking to achieve?", n = 66, margin of error = 11%.

Figure 6.2 Barriers to Investing in Design in the Business



Source: Hatch Beneficiary Survey, June – October 2020. Q4: "Thinking back to before you participated in the Design Programme, we would like you to think about the barriers to investing in design in your business at this time. How significant were each of the following barriers for your business?", n = 66, margin of error = 11%. Note: chart shows proportion of respondents that indicated that each factor was a significant or very significant barrier to growth.

Initial Meeting

- 6.10 The web survey asked respondents to reflect on when they first spoke to someone from the Design Programme team and the responses indicate that the initial meeting has been a useful tool in identifying the needs and challenges of businesses and suggesting suitable support options.
- 6.11 91% of respondents reported that they felt that the needs of their business were adequately explored in the initial meeting (note that 5% of respondents indicated that it was not them that attended the first meeting). 89% of respondents indicated that the support options suggested to them highly or largely reflected their business needs and challenges; a further 9% of respondents indicated that the support options suggested somewhat reflected their business needs and challenges.

Overview of Support

- 6.12 92% of survey respondents indicated that they agreed or strongly agreed that the support was delivered by experienced and credible people, and the design experts, mentors and consultants had the right amount of technical expertise. Respondents were asked how beneficial they found each strand of support received. Overall the findings suggest that survey respondents found the one to one

"I found both the workshops and one to one support well organised providing excellent insight and understanding."

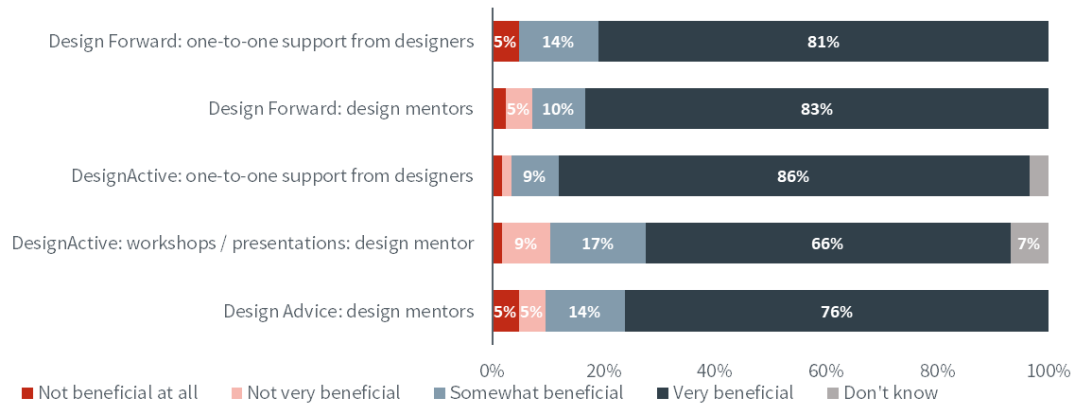
DBP beneficiary

support from designers provided as part of Design Active the most beneficial, with 86% of respondents indicating that they found it very beneficial and a further 9% indicating that it was somewhat beneficial. The majority of respondents also indicated that they found Design Forward

support beneficial, with 95% of respondents indicating that the one to one support provided by this support strand was somewhat beneficial or very beneficial.

- 6.13 Overall, the findings were quite positive across Design Advice, Design Active and Design Forward with over 80% of respondents that accessed each type of support indicating that they found it beneficial or very beneficial.

Figure 6.3 How beneficial was each strand of support received?



Source: Hatch Beneficiary Survey, June – October 2020. Q15: "Overall, how beneficial was the support you received for your business?". Note: sample size and margin of error values varies by question, from only 21 respondents that indicated they had received DesignAdvice support to 58 that indicated they received DesignActive support.

- 6.14 When asked whether there were any aspects of the support that they found particularly useful, respondents highlighted:

- Group sessions:** which were valuable in providing a holistic view of design in practice and providing learning that can be applied to different aspects of the business. Several people highlighted that the initial branding workshops (e.g. brand awareness and direction) were particularly useful and one business emphasised that the programme structure encourages you to first take stock of your current business practices, branding and positioning, which then provides a solid base to build on in the design process. However, it is also worth noting that a small number of businesses commented that they would have preferred more time with the mentors / designers and found the workshops to be of limited benefit.

"A journey which we embraced, and not only did we achieve our goal of 'making things pretty' we also created a complete manifesto underpinning the whole business ethos."
DBP beneficiary
- Design Active:** all topics covered very useful, but more time could be beneficial.
- The Design Mentor:** particularly helpful in identifying business needs and matching support to these needs, it was highlighted that having a third party professional try to understand the business helped by forcing them to fully think through what they do and how they could improve.
- Legal advice provided:** have been able to trademark a product based on insights learnt.

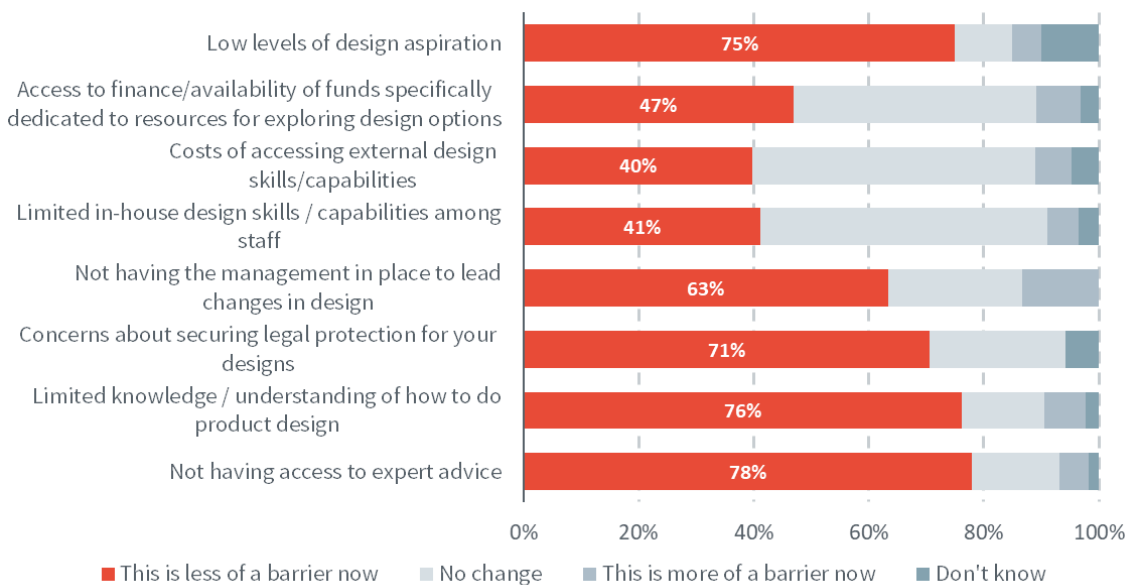
- **Sessions with local companies that had already undertaken design / redesign activities:** provided a practical example of the importance of good design to the growth and business development.
- **The continuity between strands:** the design journey motivated the business as a team to dedicate time and resources to brand strategy, the continuity was helpful.
- **One to one support from Design Experts:** external view of experts helpful in bringing new thinking and ideas, many businesses reported that they were very happy with the output / branding / end result.

Business Outcomes

Indicators of Business Change

6.15 The survey findings indicate that a significant proportion of respondents have made progress towards overcoming their barriers to growth. Around three quarters of respondents reported that low levels of design aspiration, limited knowledge / understanding of how to do product design and not having access to expert advice were less of a barrier now, since receiving support.

Figure 6.4 Overcoming Barriers to Investing in Design

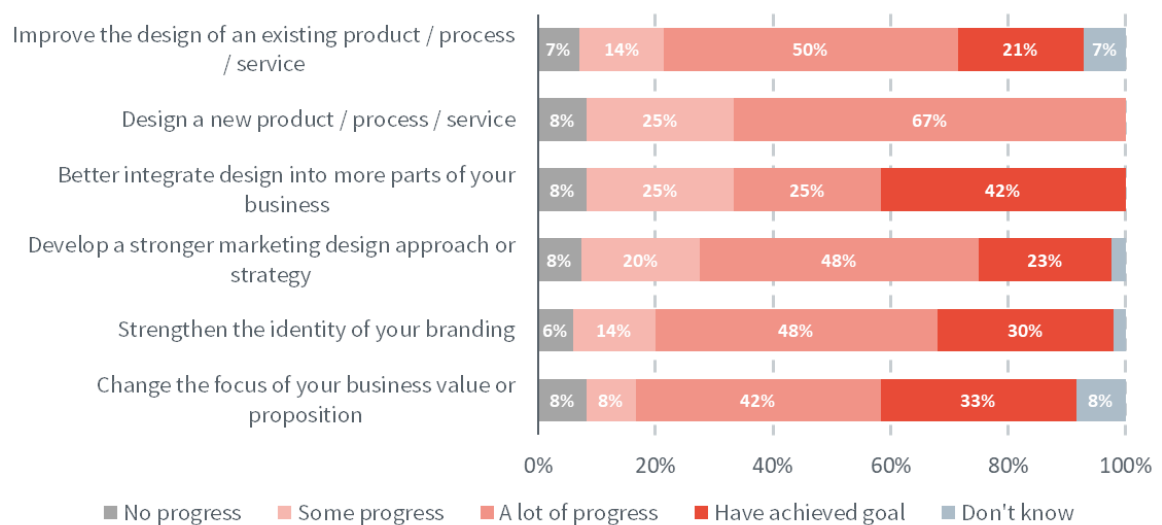


Source: Hatch Beneficiary Survey, June – October 2020. Q18: "Please indicate for each of the benefits you identified earlier if this is now more of less of a barrier, as a result of the support you received through the Design Programme?", n = 658, margin of error = 11%.

6.16 When asked about the progress they had made towards the initial aims they had when they first got in touch with the DBP, more than 80% of respondents indicated that they had made at least some progress towards all of their goals. The responses suggest that the DBP has been particularly successful in supporting businesses to better integrate design into more parts of their business, for which 42% of respondents reported that they had already achieved their goal, and a further 50% had made at least some progress towards their goal.

6.17 92% of respondents that had the initial aim to design a new product, process or service had made at least some progress towards this goal.

Figure 6.5 Progress Towards Goals



Source: Hatch Beneficiary Survey, June – October 2020. Q19: "Please indicate the extent to which you have made progress towards achieving each of your goals as a result of the support you received through the Design Programme. Only register progress which has been a result of the support you received", n = 65, margin of error = 11%.

Business Outcomes

6.18 When asked if COVID-19 had affected their ability to benefit from the programme, 38% of respondents indicated that it had partially affected or affected their ability to benefit. Specific feedback on how COVID-19 had affected their ability to benefit from the programme included comments such as:

- "as a small business yes, it meant that I could not go on with Design Forward" **"An excellent programme but somewhat curtailed in implementing fully due to COVID"**
- "turnover reduction and delay in implementing certain aspects of the design due to staff being on furlough" *DBP Beneficiary*
- "significant impact on market demand"
- "we prefer face to face communication"
- "it has reduced our growth in sales and has made work much harder - working from home has been a time-consuming change for the business"

6.19 Others highlighted that they worked in a sector that had been particularly impacted by COVID-19 or that they had faced significant financial issues due to COVID-19. Some beneficiaries reported that while they were happy with their designer's ideas, they were not able to take them forward due to the impacts of COVID-19 on their business and had to let the deadline pass.

6.20 Several businesses commented on the specific ways in which the programme had supported them to generate business improvements, such as:

- providing a steppingstone and impartial expert advice to understand the need to change and evolve the brand to market, which has involved all areas of the business
- giving them the confidence to partner with a design company, which they would not have done with the programme

- being partnered with a provider that was skilled and knowledgeable in producing good designs and branding
- access to a mentor and good working relationships with designers
- the programme being exceptionally well operated by the Invest NI team

Overall Satisfaction and Reflections

6.21 Survey findings indicate that 92% of respondents were either satisfied or very satisfied with the support received.

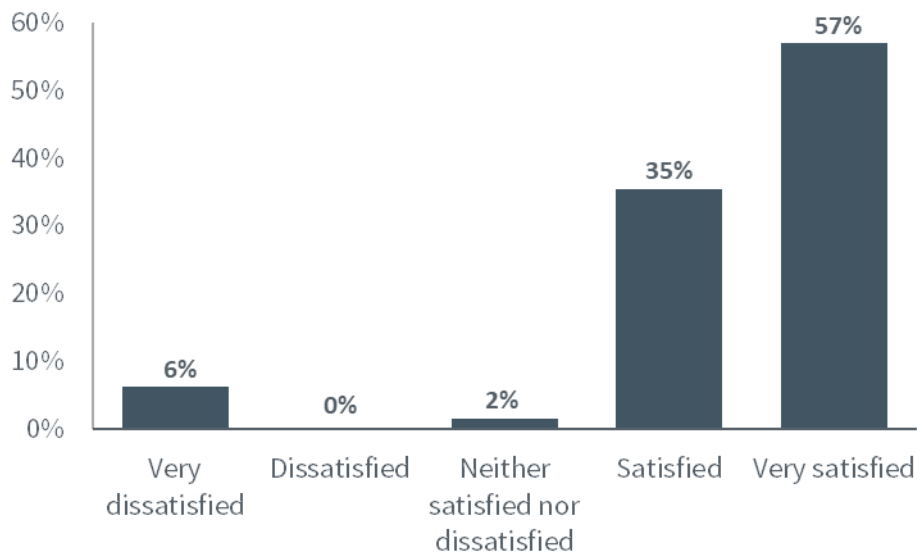
6.22 While feedback on beneficiary experiences was overall positive, it is important to take note of the 6% of survey respondents that were very dissatisfied with the programme. Those that reported dissatisfaction with the supported highlighted that their experiences reflected issues such as:

“The programme has given me access to a fantastic mentor and working relationship with the designers that I would never have thought possible.”

DBP beneficiary

- a poor match between the needs identification stage and the provider
- an output produced that was not feasible or fit for purpose, which beneficiaries highlighted was frustrating given the significant time and money invested
- delays in producing designs and branding to review and often had to be chased up
- the programme being useful for showing what could be done but the costs of implementing design changes being prohibitive for new businesses.

Figure 6.6 Overall Satisfaction with Support Received



Source: Hatch Beneficiary Survey, June – October 2020. Q45: “Overall, how satisfied are you with the support you have received through the Design Programme?”, n = 65, margin of error = 11%.

- 6.23 Recommendations for improvements to the programme / any future delivery included:
- allowing businesses to have some input into the designers they are matched with (Invest NI noted that this would not be feasible within the current set up of the programme, however this should be considered for any future programme developed)
 - increased focus on online design support for social media platforms (e.g. developing and implementing a social media strategy) either as part of the programme or as a parallel programme which businesses could be referred to if this type of support is required and already provided elsewhere (e.g. the COVID Digital Selling Grant/eBusinesss Activity)
 - providing more financial support for small businesses to enable them to access the support and implement design changes (a small number of businesses indicated that the costs of the programme, combined with the costs of rebranding, hiring a web designer and photographer etc. can be prohibitive for small businesses)
 - better promotion of what is available from Invest NI and who the contact is for each programme (however it was noted by Invest NI that before COVID-19 a session with participants was provided that outlines the other support available through Invest NI).
- 6.24 These areas should be explored within the Economic Appraisal where appropriate and deliverable.
- 6.25 Other specific suggestions raised included running the programme more regularly so that businesses can join when they need it, splitting the programme into groups of different types of businesses (e.g. by stage of business) to ensure the support is well-tailored to business needs, minimising paperwork and managing expectations, i.e. being clearer with what the outputs of the programme will be. With regards to the first suggestion, Invest NI indicated that their experience has shown that it is not useful to run programmes during the summer months due to school holidays and family holiday, and therefore would be difficult to achieve the number of participants on a rolling basis that would be required to make the programmes economically viable, and therefore it is not recommended that the programme pursues this suggestion at this time.

Client Views on Programme Fees

- 6.26 As stated in Section 3, there was an initial reduction in demand following an increase in fees in 2015. The new fees were not accepted initially by some clients but once businesses had taken part in DBP, they have typically felt it was very good value for money. Businesses surveyed were asked whether they felt the fees charged by the programme represent good value for money for their business. Two businesses responding to the survey stated that the additional fees for Design Forward were prohibitive. The majority (94%) indicated that it represented fair (18%), good (38%), or very good value (38%). This is supported by views from key delivery leads and stakeholders, who all feel that the programme represents strong value for money for clients.
- 6.27 The view on fees should also be seen in light of Figure 6.2 above, which showed that the main barrier prior to receiving support was the cost of external design skills and access to funding specifically dedicated to resources for exploring design options. These were also the barriers with the lowest proportion of businesses indicating that it was less of a barrier now.
- 6.28 The current fees remain significantly below what businesses would have to pay if they sought support in the open market. Given the value for money that the programme represents but also on-going uncertainty and challenges to businesses regarding Brexit and COVID-19, we do not feel that there is a case to increase or decrease fees at this point in time.

7. Assessing the Impact on the Northern Ireland Economy

Key Findings & Recommendations

The scale of the net additional impacts from the DBP are subject to some uncertainty due to:

- the timing of the evaluation, with some businesses having only recently received support or not yet implemented business changes as a result of the support
- significant growth expectations among participants that are yet to be realised and therefore subject to greater uncertainty
- the impact, deadweight and displacement estimates being based on self-reported perceptions of firms
- the margin of error for survey responses overall is 11%, however there is a significantly higher margin of error for the responses from beneficiaries that received lighter touch support (Design Advice) due to only seven responses being received from these clients.

Our assessment suggests that the DBP has created an estimated £4.5 million in net additional GVA for the Northern Ireland economy to date.

The majority of the economic value generated as a result of the DBP is expected to emerge over the next three years, as the supported businesses continue to implement design changes that they expect will lead to growth in business performance.

Drawing on the estimated impacts to date and future growth anticipated by businesses surveyed, we estimate that the business growth among beneficiaries supported to date could lead to £21.6 million in net additional GVA for the Northern Ireland economy by 2023.

Due to the uncertainty regarding future impacts estimated and the limitations of the analysis outlined in this section, these impact estimates should be treated with caution and considered as indicative.

£2.89 million has been spent on the programme to date which we estimate has so far generated £4.5 million in net additional GVA and which could by 2023 (subject to businesses continuing to make the progress planned) rise to £21.6 million. Discounting future benefits at 10%, in line with the NI Guide to Expenditure Appraisal and Evaluation (NIGEAE)³¹, this would result in £1.40 generated for every £1 of public money invested to date, rising to £5.50 by 2023.

The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, **the estimates of return on investment to date (£1.40) and to 2023 (£5.50) can be judged as positive.**

- 7.1 This section provides a summary of gross and net additional economic impacts, in addition to an assessment of the value for money that the project has provided during its lifetime and an indication of potential future impact.
- 7.2 The assessment of the Design for Business Programme's impacts draws on evidence gathered through a web survey undertaken in June – early October 2020. All of the DBP and DSP's clients

³¹The standard discount rate as per NIGEAE is 3.5%. However, as per INI policy a 10% discount rate is applied as projects are usually of a commercial or industrial nature. See 2.8.18 & 2.8.19 in the link: <https://www.finance-ni.gov.uk/articles/step-eight-calculate-net-present-values-and-assess-uncertainties>.

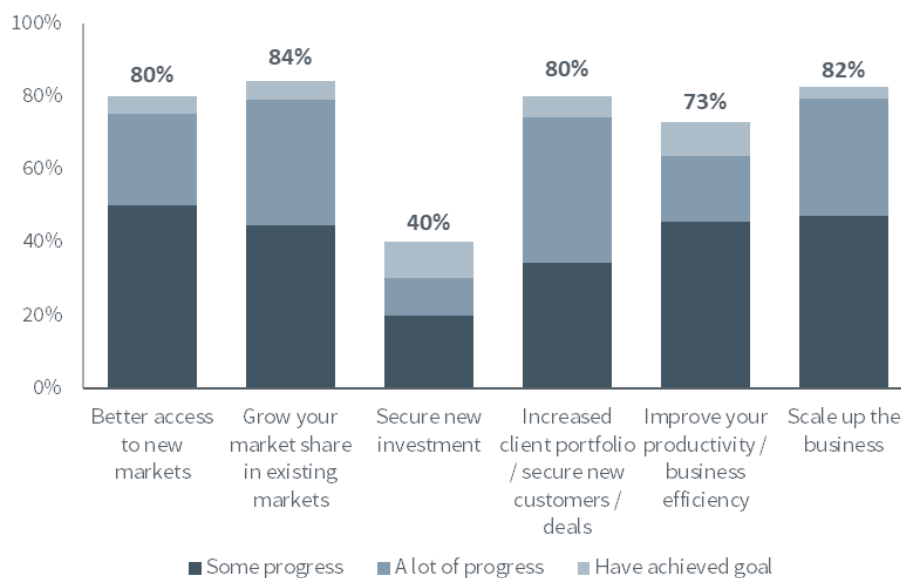
whose contact details were provided by Invest NI were invited to participate in the survey and 66 beneficiaries of the DBP programme responded.

- 7.3 Based on the 280 DBP clients that received light touch support (Design Advice) and the 232 that received higher value support (Design Forward and / or Design Active), this represents a response rate overall of 13% (+/- 11% margin of error at the 95% confidence level).
- 7.4 It is important to note that the impact estimates are based on self-reported perceptions of firms on how the support is enabling them to change business practices and how this has influenced their business performance and are subject to several limitations explored later in this section.
- 7.5 Therefore, the impact and value for money estimates provided should be treated with caution and considered as indicative. It is also important to note that a significant proportion of respondents (38% of the DBP respondents) indicated that COVID-19 had affected or partially affected their ability to benefit from the programme, and due to the timing of the survey (in June to early October 2020, ahead of any subsequent waves of COVID-19) and the further restrictions that have been put in place since the first UK-wide lockdown, the impacts of COVID-19 on businesses may be larger than originally anticipated.
- 7.6 The survey analysis has been supplemented by case studies providing qualitative insight into the manner in which the support has enabled businesses to generate impacts.

Intermediate Impacts

- 7.7 Survey respondents were asked the extent to which they have made progress towards the goals they had when they first joined the programme as a result of the support received.
- 7.8 80% or more respondents reported that they had made at least some progress towards gaining better access to new markets, growing their market share in existing markets, increasing their client portfolio / securing new customers or deals and scaling up the business. Almost three quarters of respondents indicated that they had made at least some progress towards their goal of improving productivity / business efficiency.

Figure 7.1 Intermediate impacts

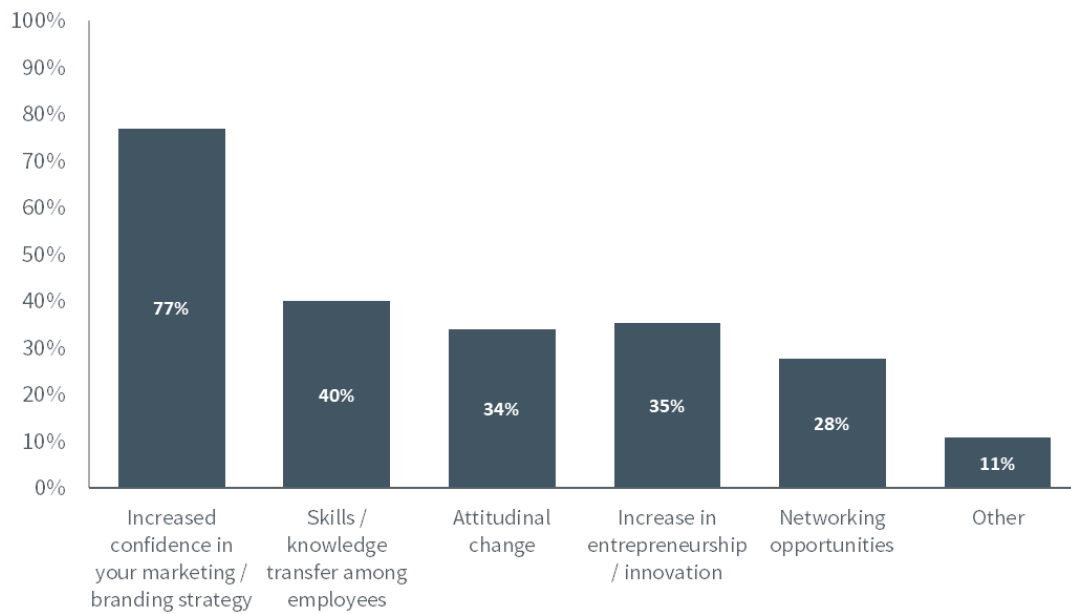


Source: Hatch Beneficiary Survey, June – October 2020. Q20: "Please indicate the extent to which you have made progress towards achieving each of your goals as a result of the support you received through the Design Programme. Only register

progress which has been a result of the support you received”, n =65, margin of error = 11%. Note: Chart shows the proportion of respondents that reported at least some progress against their goals.

7.9 When asked whether the support had enabled any wider benefits, over three quarters of respondents indicated that it had increased their confidence in their marketing / branding strategy. 40% of respondents indicated that it had enabled skills / knowledge transfer among employees.

Figure 7.2 Wider Benefits



Source: Hatch Beneficiary Survey, June – October 2020. Q44: "Has the support enabled any of the following wider benefits for your business?", n = 65, margin of error = 11%.

7.10 Several web survey respondents highlighted that a key benefit of the DBP was that it helped them to be more recognisable in the market through improved branding and design application, which has helped to open up conversations with potential new customers, new markets and investors. One business reported that they were able to present the product brand on BBC's Dragon Den and have had a great response to the brand and product, resulting in substantial interest in the product and offers of investment. Other positive outcomes resulting from the support highlighted by businesses included:

- helping businesses finalising a prototype and launching a new website
- significant increase in productivity
- learning which can be applied to improve other areas of the business with confidence
- developing the business to a stage that would not have been possible without the support received
- stronger branding has helped to open conversations with potential new customers in new markets

Limitations of the Impact Assessment

- 7.11 It is important to recognise that there are a range of limitations in undertaking an impact assessment of this nature, which need to be borne in mind when considering the findings of the assessment.

Challenges in Self-Reporting Survey Approaches

- 7.12 A robust counterfactual assessment was not feasible within the current scope and budget for this study, therefore an evaluation scoping exercise concluded that self-reported impact assessment would be the most appropriate impact assessment approach.
- 7.13 It is important to note that the robustness of an impact assessment using self-reported beneficiary survey data would be considered low on the Maryland Scientific Methods Scale (an objective means of scoring the robustness of different approaches to counterfactual impact evaluation). Although this method has some limitations, it offers a pragmatic solution to:
- capture timely and insightful evidence on outcomes and impacts
 - cover all relevant aspects of the outcome and impact indicator framework
 - explore additionality quantitatively and qualitatively.
- 7.14 The impact estimates are based on self-reported perceptions of firms on how the support is enabling them to change business practices and how this influences bottom line performance.
- 7.15 One of the key limitations in the survey approach is around businesses' willingness to provide information required for modelling. A key challenge is around business turnover data, where businesses can often be sensitive about revealing this information.
- 7.16 To reduce this risk, the survey asks businesses to estimate turnover either through a rough approximation or within given brackets, which tends to increase the response rate. With less specific information on turnover pre and post support however, simplifying assumptions have to be used to estimate gross turnover change, which weakens the quality of the data.
- 7.17 A second, related limitation is that in order to model factors such as deadweight and displacement, beneficiaries are asked a series of questions which are not straightforward to answer (such as what they believe would have happened had the support not been available). There are inherent difficulties that businesses will face in attempting to answer such questions, which again affect the quality of the data produced.

Survey Confidence Intervals

- 7.18 In grossing up from the data in the survey sample to all beneficiaries supported, we make the assumption that the information provided by sample beneficiaries is representative of information that would be provided by the broader population of beneficiaries. To ensure this is more representative of the type of support received, beneficiaries have been broken down into two groups: those that received high value support and those that received lighter touch support and have been grossed up accordingly.
- 7.19 In order to assess the extent of certainty of these estimates, we can assess the confidence intervals of the sample, which helps to provide further understanding of the robustness of the final data.
- 7.20 Overall, there were 66 respondents to the survey, which represents a 13% response rate (on the basis of 512 beneficiaries in total supported to date). At the 95% confidence level, the confidence interval for the sample as a whole is $\pm 11\%$. These confidence intervals broken down by type of support are summarised in the table below.

	Sample Size	Grossing Up Level	Population Size	Confidence Interval
High Value Support (Design Forward and / or Design Active)	59	Beneficiaries supported to date	232	± 11%
Lighter Touch Support (Design Advice only)	7		280	±37%

Source: Hatch

- 7.21 The response rate for beneficiaries that had received higher value support (Design Forward and / or Design Active) was 25%, representing an ± 11% confidence interval, at the 95% confidence level.
- 7.22 For the lighter touch support (Design Advice only), we have not been able to achieve a response rate that will provide a robust estimate of the impacts generated. Considerably fewer beneficiaries that had received lighter touch support responded to the survey and therefore these estimates are subject to a larger margin of error. Again, this points to the important caveat outlined above that the impact assessment figures presented should only be considered as indicative.

Timing of the Analysis

- 7.23 Due to the timing of the Interim Evaluation, many of the businesses surveyed may have only recently received support, with some receiving ongoing support and therefore may have not yet fully realised the benefits associated with the programme support.
- 7.24 A number of businesses surveyed / consulted with indicated that they are not yet at the prototype stage / have not yet launched their new branding and therefore expect more benefits to arise in future as a result of the programme.
- 7.25 The survey approach addresses this by asking businesses for both turnover and employment growth they have created since receiving support through the DBP and any growth they foresee over the next three years. However, future growth can be difficult to estimate for businesses that have not yet fully implemented changes in the business.
- 7.26 It is also important to note that the survey was sent out between June and early October 2020 during the COVID-19 pandemic, where a large proportion of businesses would have been experiencing interruptions to normal business, difficult trading conditions, potential disruptions to their supply chains, potentially have several employees on furlough etc.
- 7.27 It is likely that at this time, and with the future uncertainties surrounding Brexit and COVID-19, businesses would have reduced confidence in their business prospects (and this may have dampened expectations about future turnover and employment growth). 38% of survey respondents indicated that their ability to benefit from the project had been partially affected or affected by COVID-19.

Assessing Gross GVA Impacts

Establishing Gross Annual Turnover and Employment

- 7.28 We have asked businesses what turnover and employment growth they have created since receiving support through the DBP. We have also asked them what growth they foresee over the next three years.

7.29 Across the sample of 66 respondents, the following number of businesses indicated gross changes in turnover and employment to date:

- 31 businesses indicated that they had increased their turnover since receiving support from the DBP.
- 26 businesses indicated that they had increased their employment since receiving support from the DBP.

7.30 The following number of respondents indicated that they expected gross changes in turnover and employment in the next three years:

- 34 businesses indicated that they expect a gross increase in turnover over the next three years.
- 21 businesses indicated that they expect a gross increase in employment over the next three years.

Converting Turnover Growth to Annual GVA

7.31 To convert estimates of gross turnover into GVA, a ratio of turnover to GVA at a sector level for each respondent has been used, based on the sector in which they operate. This is based on the latest data from the ONS Annual Business Survey (2018).

Assessing Cumulative Impacts Over Time

7.32 Future impacts are based on the respondents' self-reported expected change in business performance over a period of three years since receiving support. We apply linear growth over these periods towards the gross annual estimates. This aligns with government guidance on the persistence of impacts that can be associated with public interventions.

Estimated Gross GVA Impacts

7.33 Based on the approach outlined above we estimate that the gross benefits generated as a result of the DBP total **£11.2 million** to date, rising to **£39.4 million** by August 2023.

7.34 The impacts can be broken down into high value support and lighter touch support as follows:

		Gross Benefits		
		To Date	Future (next 3 years)	Total
Employment	DBP High Value	88	270	359
	DBP Other	-4*	706	702
	Total	84	976	1,061
GVA	DBP High Value	£10.6m	£20.3m	£30.9m
	DBP Other	£0.6m	£7.9m	£8.5m
	Total	£11.2m	£28.2m	£39.4m

Source: Hatch Beneficiary Survey, June – October 2020, n=66, margin of error =11%. Note: sample size varied by support type (high value and other) and the margin of error is significantly larger for beneficiaries that received lighter touch support due to a smaller sample size.

A negative figure has been returned among clients receiving lower value (DesignAdvice) support. This reflects a client that has reported a fall in gross turnover since receiving support. This business has indicated that some of this change can be attributed to the support they received. We have sought to clarify this position with the business in question but have been unable to do so.

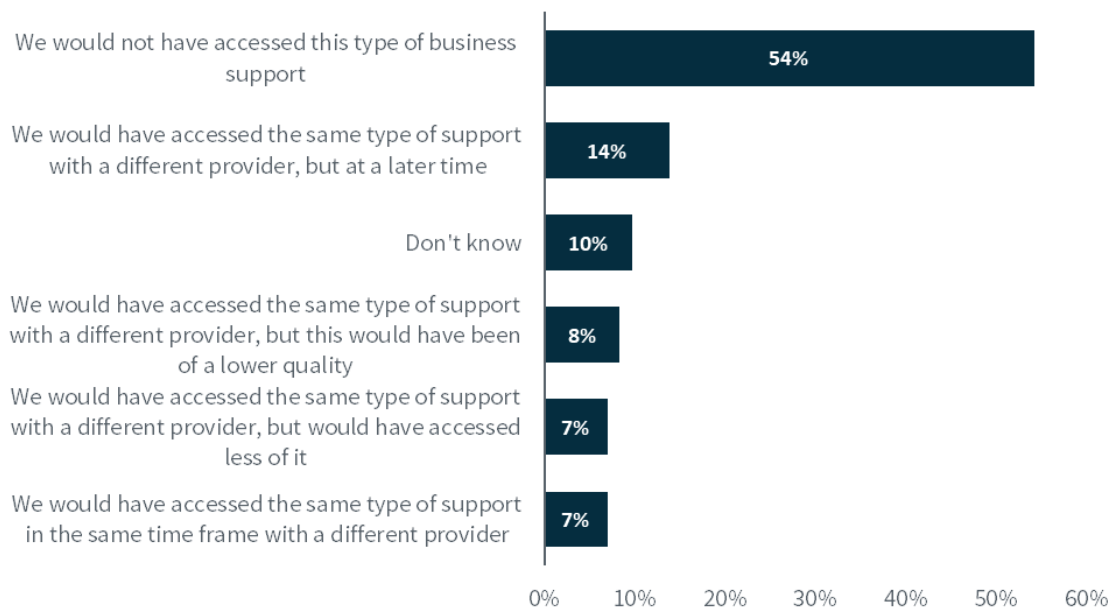
Assessing Net Additional Impacts³²

Deadweight & Attribution

- 7.35 This refers to the extent to which the gross change in business performance would have occurred without the beneficiaries taking part in the DBP.
- 7.36 Our estimates of deadweight drew on business' assessment of two types of outcome:
- 1) Firstly, we assessed the proportion of gross change in performance that beneficiaries felt was attributable directly to the support from the project. This was analysed individually for employment and turnover and for changes experienced to date and those expected in future. Overall survey respondents indicated that:
 - 28% of the gross changes in turnover to date was reported to be attributable to the programme
 - 16% of the gross changes in turnover expected in future was reported to be attributable to the programme
 - 4% of the gross changes in employment to date was reported to be attributable to the programme
 - 19% of the gross changes in employment expected over the next three years was reported to be attributable to the programme
 - 2) Secondly, we assessed what beneficiaries reported they might have done if the support from the DBP was not available – in particular whether they would have received similar support from another business support provider. The findings of this are summarised in the chart below.

³² Multiplier effects have not been applied. This follows NIGEAE guidance, that second round multipliers should not be applied as alternative uses for public funding would also generate indirect (supply-chain) and induced (expenditure) effects. Leakage has been accounted for in terms of businesses relocating outside of NI but is expected to be negligible in terms of NI-based company employees living outside of NI.

Figure 7.4 Beneficiaries' expected actions in the absence of the DBP



Source: Hatch Beneficiary Survey, June – October 2020, n = 66, margin of error = 11%.

7.37 Where beneficiaries indicated they would have received the same support in the same timescales, this is removed as deadweight. For those responses indicating beneficiaries would have received support but it would have been of lower quality / occurring later, a proportion of the impacts are removed as deadweight. Overall, the findings show:

- 38% of the attributable increase in GVA since receiving the support would have been secured through other business support provision and is deadweight
- 59% of the attributable increase in GVA expected over the next three years is deadweight
- 37% of the attributable increase in employment since receiving the support would have been secured through other business support provision and is deadweight
- 15% of the attributable increase in employment over the next three years is deadweight

Displacement

7.38 Economic impacts generated through the DBP will displace some activity from elsewhere in Northern Ireland.

7.39 Beneficiaries were asked to individually estimate the proportion of their direct competitors that operate within Northern Ireland which was then applied to the individual changes in business performance reported in order to estimate the displacement. The findings of this are overall are that displacement accounted for:

- 36% of the gross increase in GVA since receiving the support
- 40% of the gross expected increase in GVA over the next three years
- 32% of the gross increase in employment since receiving the support
- 11% of the gross expected increase in employment over the next three years

Net Additional GVA Impacts

- 7.40 After accounting for deadweight and displacement, we estimate that **£4.5 million** in net additional GVA has been created to date.
- 7.41 Drawing on the achievements to date and the future growth expected by businesses surveyed, we estimate that the business growth among beneficiaries supported to date could lead to **£21.6 million** in net additional GVA benefits for the Northern Ireland economy by 2023.

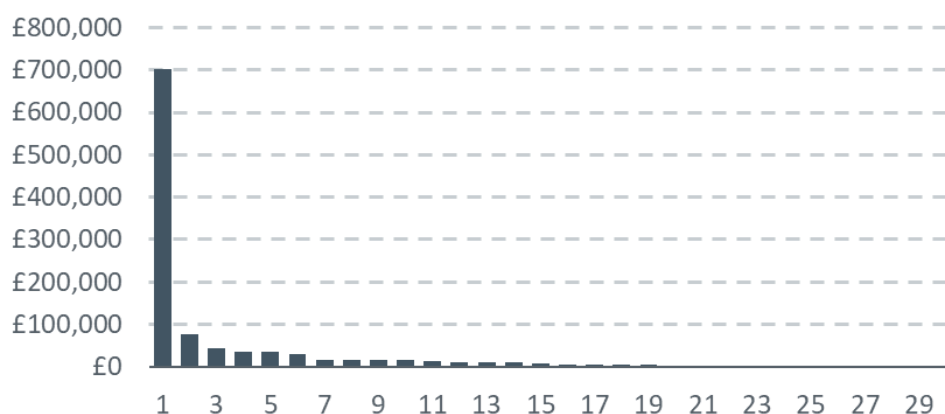
Figure 7.5 Estimated Net Additional Impacts of the DBP

		Net Additional Benefits		
		To Date	Future	Total
		Net	Net	Net
Employment	DBP High Value	38	191	229
	DBP Other	1	672	673
	Total	38	864	902
Turnover	DBP High Value	£4.2m	£9.7m	£13.9m
	DBP Other	£0.3m	£7.5m	£7.8m
	Total	£4.5m	£17.2m	£21.6m

Source: Hatch Beneficiary Survey, June – October 2020, n=66, margin of error =11%. Note: sample size varied by support type (high value and other) and the margin of error is significantly larger for beneficiaries that received lighter touch support due to a smaller sample size.

- 7.42 Looking at the distribution of current net additional impacts indicates that the majority of total net additional GVA is accounted for by a small number of businesses.

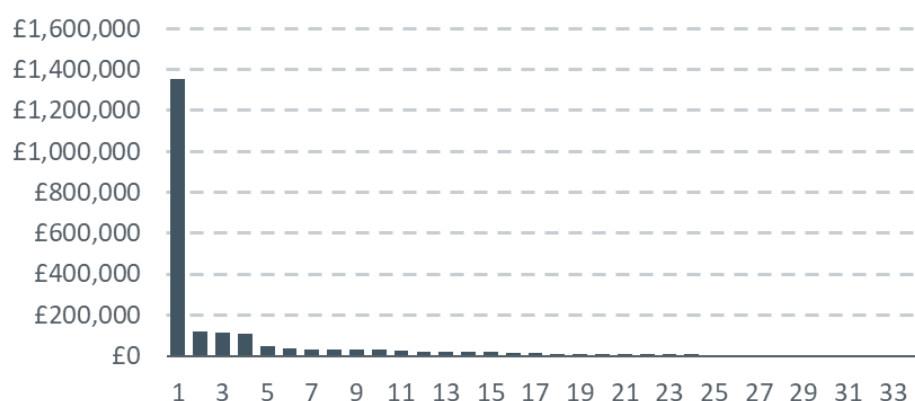
Figure 7.6 Distribution of Net Additional GVA Impacts to Date



Source: Hatch Beneficiary Survey, June – October 2020

- 7.43 When taking into consideration the net additional GVA impacts expected in future, the distribution indicates that this is also accounted for by a small number of businesses.

Figure 7.7 Distribution of Future Expected Net Additional Impacts



Source: Hatch Beneficiary Survey, June – October 2020

- 7.44 A large proportion of the future impacts expected are based on the response of one business that indicated that they expected to generate a large amount of turnover over the next three years as a result of the support received. This business operates in the wholesale retail trade sector and indicated in the survey responses that they expected significant turnover growth over the next three years which was partially (30%) attributable to the support received.
- 7.45 If this individual business's current and future growth expectations are removed from the grossing up calculations for the other responses and the raw figures added back in after grossing up (to ensure they are recognised within the calculations as a valid response, but not grossed up due to being an outlier and not representative of other business's experiences), this reduces the estimated total net additional GVA impact to date from £4.5 million to £2.4 million and the estimated total net additional GVA impact by 2023 from £21.6 million to £14.6 million. Discounting future benefits at 10%, in line with the NI Guide to Expenditure Appraisal and Evaluation (NIGEAE), this would result in £0.80 generated for every £1 of public money invested to date, and £4.10 generated for every £1 of public money invested by 2023.

Calculating the Benefit-Cost Ratio

- 7.46 The Benefit-Cost Ratio (BCR) shows the estimated return on public investment. A BCR of 2:1 indicates a £2 return in terms of economic value for the Northern Ireland economy for every £1 of public money contributed to the project.
- 7.47 £2.89 million has been spent on the programme to date which we estimate has so far generated £4.5 million in net additional GVA and which could by 2023 (subject to businesses continuing to make the progress planned) rise to £21.6 million.
- 7.48 Discounting future benefits at 10%, in line with the NI Guide to Expenditure Appraisal and Evaluation (NIGEAE), this would result in £1.40 generated for every £1 of public money invested to date, rising to £5.50 by 2023.
- 7.49 This suggests that good value for money (in excess of a £1 return for every £1 of public money invested) will be reached. The final evaluation will need to assess whether stronger value for money (i.e. in excess of the 2:1 benchmark described as 'strong' in the 2016 CLG Appraisal) has been reached by the project closure date in September 2021.
- 7.50 This would see the programme exceed its target to generate a minimum of £10.6m in net additional GVA within four years of the final Design Service project being completed, i.e. by March

2025 at latest (bearing on mind clients supported between July 2020 and September 2021 will also generate GVA benefits).

	To Date	To date and up to 2023
Net Additional GVA Benefits	£4.5m	£21.6m
Public Sector Cost	£3.26m	
Net Present Value of Benefits ³³	£4.5m	£18.0m
Benefit-Cost Ratio	1.4:1	5.5:1

Source: Hatch

7.51 These calculations can be broken down further by support type as follows:

		To Date	To date and up to 2023
DBP High Value	Net Additional GVA Benefits	£4.2m	£13.9m
	Public Sector Cost	£3.24m	
	Net Present Value of Benefits ³⁴	£4.2m	£12.0m
	Benefit-Cost Ratio	1.3:1	3.7:1
DBP Other	Net Additional GVA Benefits	£0.3m	£7.8m
	Public Sector Cost	£3.24m	
	Net Present Value of Benefits ³⁵	£0.3m	£6.1m
	Benefit-Cost Ratio	0.1:1	1.9:1

Source: Hatch

- 7.52 The previous evaluation of the Design Service Programme (BDO, March 2015) indicated that between 2008-2014, the Design Service delivered a net additional GVA of approximately £6.0m, and a GVA return on investment of £1.66 per £1 economic cost. The estimate of return on public investment for the DBP to date of £1.40 for every £1 public money invested in the project is comparable to the estimates of return on investment for the previous programme, indicating that the DBP has been reasonably cost effective. However, caution should be taken in comparing with the results from the previous evaluation, due to variations in methodology and time period.
- 7.53 The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, **the estimates of return on investment to date (£1.40) and to 2023 (£5.50) can be judged as positive.**
- 7.54 The results indicate that the majority of benefits of the DBP result from the higher value support, i.e. Design Active and Design Forward. The results also suggest that significant growth expectations among participants are yet to be realised with c.75% of Net Present Value of benefits

³³ Net present benefits are discounted at a rate of 10% in line with NIGEAE guidance. Costs incurred to date are not discounted.

³⁴ *ibid*

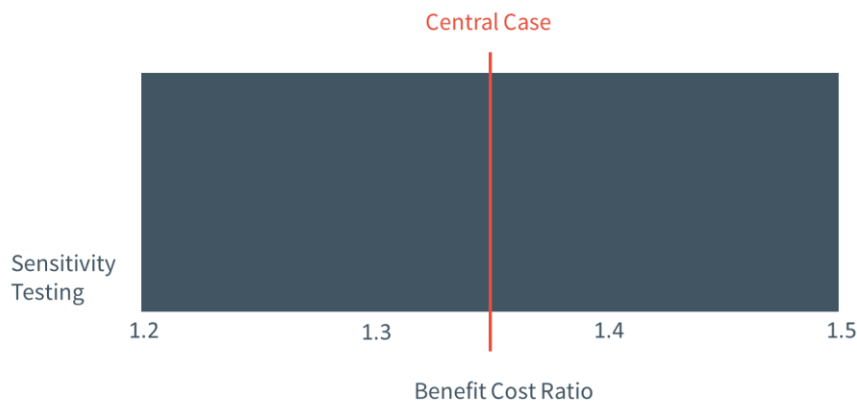
³⁵ *ibid*

expected by 2023 being accounted for by future impacts expected by beneficiaries over the next three years.

Sensitivity Analysis

- 7.55 The impact analysis is based on survey responses, of which there were 66 in total. Based on the 280 DBP clients that received light touch support (Design Advice) and the 232 that received higher value support (Design Forward and / or Design Active), this represents a response rate overall of 13% and a confidence interval of $\pm 11\%$.
- 7.56 This suggests that any data generated from the survey could be 11% higher or lower for the population as a whole than was found in the survey sample.
- 7.57 To a degree, we can use sensitivity testing to analyse the potential effects of some of the unknown factors, helping to get a better sense of the potential range of impacts. Sensitivity testing has been undertaken to test two scenarios where 89% and 111% of estimated current and future impacts are realised.
- 7.58 Figure 7.8 below shows how the overall GVA per £1 funding invested would change if the impacts to date were 11% lower and higher than estimated. It demonstrates that the impacts of the DBP could lead to a net additional return on every £1 invested of between **£1.20 to £1.50**.

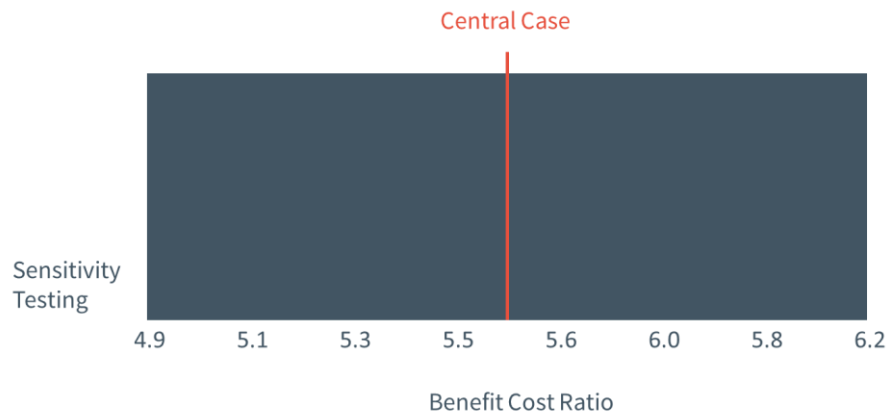
Figure 7.8 Sensitivity Testing and its impact on the DBP'S Benefit Cost Ratio to Date



Source: Hatch

- 7.59 Figure 6.7 below shows how the overall GVA per £1 funding invested would change if the total estimated impacts (to date and future impacts to 2023) were 15% lower and higher than estimated. It demonstrates that the impacts of the DBP could lead to a net additional return on every £1 invested of between **£4.90 to £6.20**.

Figure 7.9 Sensitivity Testing and its impact on the DBP's Total Benefit Cost Ratio (to date and up to 2023)



Source: Hatch

8. Key Findings & Recommendations

Key Findings

- 8.1 In addition to the findings set out below, Appendix C provides a summary assessment of progress against the 2015 Evaluation Action Plan.

The Strategic & Economic Rationale

- 1) The DBP continues to have strong alignment with key Northern Ireland strategy and policy, supporting their overarching aims and objectives. In particular, there is a clear and growing role for the programme in advancing the innovation agenda across Northern Ireland.
- 2) There is a clear and on-going rationale for public investment in the DBP, based-on several market failures, economic need and challenges to the business operating environment relating to Brexit and COVID-19.

Performance Review: Spend & Outputs

- 1) Target outputs for the first six months were too high.
- 2) The core output targets have been surpassed to date across all DBP support strands, demonstrating the strength of demand successful programme delivery despite limited Programme Management Team staff resource.
- 3) If the programme continues to deliver at the same rate from April 2020 to programme delivery closure in September 2021 it will exceed each of these targets. This needs to be balanced against the challenges presented by the COVID-19 pandemic. Based on these two counteracting factors, we recommend the core revised targets are maintained for the remainder of the programme delivery period.
- 4) Focus on product design has fallen from 40% to close to 10%. This mostly results from the increased range of product development support provided by INI. The programme should continue to target product design support, to ensure that businesses are aware of and the benefits of a design approach to product development.
- 5) Project spend is significantly below budget. This is mainly as a result of the £7.1 million budget not having been reduced in line with reduced outputs targets. Adjusting the spend target to account for 1) 5 of 6 years of the DBP being delivered, 2) the reduction in targets mentioned above and 3) non-delivery of large scale events and the Strategic Design initiative suggests programme spend is broadly in line with what should be anticipated.

Governance & Management

- 1) The structure of the DBP works effectively and lines of communication between the key delivery partners are strong and effective.
- 2) Delivery partner consultation points to the professionalism, experience and skills deployed by Design Capital, its mentors and the INI teams in delivering the programme.

- 3) The programme has been responsive in the face of the challenges that have arisen, largely because there are clear channels for communicating and addressing challenges quickly.
- 4) The 2015 Appraisal recommended a Programme Management Team staff complement of three FTEs. The programme has operated with just 1.5 FTEs.
- 5) Targets were revised because of the lower than envisaged staff complement. With this in mind, and the other challenges highlighted in this evaluation, the programme's over-delivery on these targets should be seen as a key success.
- 6) The Design Capital and DBP Programme Management Team have shown the ability to respond to key challenges by adjusting the structure and content of the programme and ultimately delivering beyond the core output targets to clients that are (for the vast majority of cases) highly satisfied.
- 7) The programme has been effectively administered, with all programme events and arrangements planned and delivered seamlessly and successfully.
- 8) Client Executives have performed effectively in driving demand for the DBP. RADEs and Design Bites have also acted a key means for developing the pipeline of future clients.

The DBP Support Offer

- 1) The structure of the support offer and design approaches deployed by the DBP lay the foundation to deliver against the programmes core objectives.
- 2) The introduction of DesignForward has been a key success.
- 3) Design Capital and its mentors deliver strong support and provide clear design experience and expertise.
- 4) Improvements to the application and gateway process between DesignActive and DesignForward have been successful.
- 5) The programme operates at a largely appropriate level of intensity and is widely seen as successful in embedding design into wider business strategy.
- 6) Cohorts of between 12 and 15 are ideal and support peer-to-peer learning, including over the longer-term.
- 7) The programme is supporting small and traditional businesses to understand the importance of design for the first time.
- 8) The DBP is reaching a broad range of sectors.
- 9) The DBP is focused on appropriate areas of design focus.
- 10) The programme acted swiftly and effectively to react to COVID-19.
- 11) The DBP is seen internally as a popular and effective contribution to the INI offer and represents a key strategic programme.
- 12) A small but significant number of businesses have reported having been significantly dissatisfied with the support they have received from the Design Consultancies.

Beneficiary Journey and Outcomes

- 1) Key barriers to investing in design prior to receiving support from the DBP included the costs associated with investing in design, not having access to expert advice and having limited in-house design skills / capabilities among staff.
- 2) The DBP has been particularly successful in supporting businesses to better integrate design into more parts of their business and to strengthen their brand identity.
- 3) 35% respondents indicated that COVID-19 had partially affected or affected their ability to benefit from the programme.
- 4) Overall satisfaction with the support received was high (92% survey respondents indicated that they were satisfied or very satisfied with the support received).
- 5) Key suggestions made by clients to improve to the programme include:
 - a. allowing businesses to have some input into the designers they are matched with
 - b. increasing focus on online design support for social media platforms
 - c. providing more financial support for small businesses to enable them to access the support and implement design changes
 - d. better promotion of what is available from Invest NI and who the main contact is for each programme to make it easier to access support.

8.2 These areas should be explored within the Economic Appraisal where appropriate and deliverable.

Assessing the Impact on the Northern Ireland Economy

- 1) The scale of the net additional impacts from the DBP are subject to some uncertainty due to:
 - a. *the timing of the evaluation, with some businesses having only recently received support or not yet implemented business changes as a result of the support*
 - b. *significant growth expectations among participants that are yet to be realised and therefore subject to greater uncertainty*
 - c. *the impact, deadweight and displacement estimates being based on self-reported perceptions of firms*
 - d. *the margin of error for survey responses overall is 15%, however there is a significantly higher margin of error for the responses from beneficiaries that received lighter touch support (Design Advice) due to only seven responses being received from these clients.*
- 2) Our assessment suggests that the DBP has created an estimated £4.5 million in net additional GVA for the Northern Ireland economy to date.

- 3) The majority of the economic value generated as a result of the DBP is expected to emerge over the next three years, as the supported businesses continue to implement design changes that they expect will leader to growth in business performance.
- 4) Drawing on the estimated impacts to date and future growth anticipated by businesses surveyed, we estimate that the business growth among beneficiaries supported to date could lead to £21.6 million in net additional GVA for the Northern Ireland economy by 2023.
- 5) Discounting future benefits at 10%, in line with the NI Guide to Expenditure Appraisal and Evaluation (NIGEAE), this would result in £1.40 generated for every £1 of public money invested to date, rising to £5.50 by 2023. This would see the programme exceed its target to generate a minimum of £10.6m in net additional GVA within four years of the final Design Service project being completed, i.e. by March 2025 at latest (bearing on mind clients supported between July 2020 and September 2021 will also generate GVA benefits).
- 6) The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, **the estimates of return on investment to date (£1.40) and to 2023 (£5.50) can be judged as positive.**
- 7) Due to the uncertainty regarding future impacts estimated and the limitations of the analysis outlines in this section, these impact estimates should be treated with caution and considered as indicative.

Economy, Efficiency and Effectiveness

Economy

- 8.3 Economy is achieved where the cost of resources is minimised. As outlined in Section 3, programme spend appears in line with what should be expected (when compared against target spend adjusted for the programme being five out of six years through its delivery period, and for reduced target outputs.
- 8.4 Costs have been minimised by procuring services from design consultancies through an open competitive, CPD led procurement. They have also been kept down by deploying a small programme management team. However this will need to be addressed in future to ensure that sufficient resource is available.

Efficiency

- 8.5 Cost efficiency maximises activity or output for a given level of cost. The project has exceeded expectations on output delivery given spend to date and resource available (particularly INI staff resource). This is displayed in Table 8.1, which shows that the programme has delivered a cost per higher value output (DesignActive and DesignForward businesses supported) that is 13.5% lower than implied by the original targets and 2.7% below the revised targets.

	Original	Revised	Actual
Combined output targets for DesignActive & Design Forward	515	259	302
Cost	£7.1m	£3.25m*	£3.26m
Cost Per Output	£13,790	£12,550	£10,790

Source: Hatch. Cost per output rounded to the nearest £5. *adjusted to account for the proportion of the delivery period that has passed, and for revised output targets.

Effectiveness

- 8.6 Effectiveness maximises the benefits created for a given cost. It addresses the quality of the services provided as well as the efficiency of their delivery. Effectiveness is another expression for value for money.
- 8.7 As set out in the findings above, our assessment suggests that the DBP has created an estimated £4.5 million in net additional GVA for the Northern Ireland economy to date, with this set to rise to an estimated £21.6 million by 2023. This would see the programme exceed its target to generate a minimum of £10.6m in net additional GVA within four years of the final Design for Business Programme being completed, i.e. by March 2025 at latest.
- 8.8 The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, the estimates of value for money/effectiveness to date (£1.40) and to 2023 (£5.50) can be judged as positive.

Recommendations

- 8.9 Subject to INI budgets and the availability of funding a future Design for Business programme should be developed within the upcoming economic appraisal and drawing on the findings of this evaluation.**
- 8.10 We set out the specific recommendations that the Appraisal should build upon below.
- 8.11 Through this evaluation we have made a number of recommendations that should be delivered upon, ideally within the currently delivery timeframe (to September 2021), or implemented within any future programme:
- 1) The DBP should look to monitor new products, branding and packaging developed as a result of the DBP. This would better highlight the progress that has been made by businesses in terms of implementing design and innovation and moving towards bottom-line and GVA benefits. This should be explored as part of the upcoming appraisal, alongside resourcing implications.
 - 2) The Programme Management Team should ensure that all indicators and monitoring information are collated within a single easy to use and easy to access system.
 - 3) Promotional/awareness raising events, delivered as part of wider INI-led innovation-focussed events, should be considered for any future programme (i.e. beyond September 2021).
 - 4) More client case studies should be developed, and these should be positioned more prominently, e.g. on the INI and DBP programme website and at events.

- 5) The findings from this evaluation in terms of best practice in design-led innovation should be communicated to the relevant contacts leading the innovation agenda within the NI Government (including the Department for the Economy).
- 6) DBP branding and marketing materials should be refreshed, and provide an example of good design principles, championing the success stories from client businesses.
- 7) Efforts should be made to better align the DBP with the INI Innovation Accreditation scheme. Design activity should be clearly recognised by the scheme. Invest NI should explore the options to make the scheme clearer and more consistent as it relates to the DBP, and review the level of accreditation awarded to DBP clients. This would allow DBP to stand alongside other programmes that deliver support to develop new products or deliver R&D/collaboration. Invest NI should also consider how other programmes have aligned with the scheme.

8.12 INI and the DBP Programme Management Team should:

- 8) test the potential to engage, share and collaborate with similar programmes of support in the Republic of Ireland and UK
- 9) draw on additional staff resource to engage more regularly and formally with local councils and chambers of commerce (when this resource becomes available)
- 10) engage with the Design Council to encourage greater involvement and representation in NI.
- 11) ensure a visible presence at Belfast Design Week.

Appraisal Tasks

8.13 We have also made a number of recommendations that need to be explored in full detail within the upcoming DBP appraisal:

- 1) DBP objectives should be revisited during the appraisal that follows this evaluation, reflecting the need to position innovation more prominently.
- 2) Targeting of outputs should account for a period of build-up in activity for any future programme.
- 3) The case for opening up to the wider NI business base should be considered within the options longlist assessment.
- 4) It should be ensured that future Programme Management Team staffing is in line with the scale of activity proposed for any future programme. The Programme Management team should be led by someone at Programme Manager Grade (DP).
- 5) The Economic Appraisal should explore further the level of consultant support under DesignActive and mentor support under DesignForward. The evaluation finds that these should ideally be increased, by up to three days and one day respectively, subject to budgetary/funding constraints.
- 6) Keynote speeches should be scaled up.
- 7) The implementation of a strategic design support strand should be considered in detail.

- 8) A range of options for a changed or adjusted consultancy procurement approach should be explored in detail.

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