

Measuring Effectiveness

Evaluation of the Leader Programme

Final Report – 20th August 2015



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1. Introduction

In January 2015 Deloitte MCS Ltd (Deloitte) was commissioned by Invest Northern Ireland (Invest NI) to evaluate the Invest NI Leader Programme. In this introductory section, we set out the background to the project, the evaluation methodology used and the terms of reference for the evaluation.

1.1. Background to the Leader Programme

The Leader Programme (“the Programme”) was first established in October 2011, as a Pilot Programme covering the period February 2012 and January 2013. The Programme was extended to include a further three year funding period, covering the period February 2013 to February 2016. This evaluation covers both the Pilot and the subsequent 2012 to 2016 funding periods.

The over-arching aim of the Leader Programme is to: “Improve the productivity of Invest NI client companies through the development of leadership capabilities.” The Programme seeks to achieve this aim through the development of leadership capabilities of SME Managing Directors and/or Owner-Managers in NI. A core focus of the Programme relates to enhancing business leaders’ performance and assisting business leaders to realise the growth potential of their respective businesses. Research completed by academic, private and public sector bodies has shown that strong business leadership skills are closely linked to business performance (further detail is included in Chapter 2). A more detailed breakdown of the Programme aims and objectives are contained in Section 4.1.

The Programme adopts a multi-faceted delivery approach consisting of the following main components (further detail is included in Section 3.2):

- **Business Mentoring** – provides participant leaders (i.e. business Managing Directors) with one to one business mentoring support from experienced entrepreneurs and business owners. The primary purpose of the mentoring is to provide a challenge function and a strategic focus. The outcome of the business mentoring element of the Programme is the development of a business Growth Action Plan. Invest NI contributes 49 per cent of the cost of mentoring support.
- **Leadership Coaching** – provides participant leaders with access to accredited and experienced leadership coaches to complement the support played by the business mentor. The coaching support is focused on strengthening the participant’s leadership characteristics and attributes within the context of their ambitions for their company. The leadership coach enables the owner/manager to improve performance and realise potential. The coaching support includes coaching diagnostics/ psychometrics exercises and techniques. Invest NI contributes 49 per cent of the cost of coaching.
- **Shared Learning through Peer Networks** – provides the participants leaders with a network/forum to discuss and share their experiences of leadership and business issues; as well as the challenges facing MD’s/ Owner-Managers from multi-sector backgrounds. Up to 6 Peer Networking Events are supported. Invest NI fully covers the costs; and
- **Best Practice Events** – during the Programme’s pilot phase, two ‘inspiration’ leadership events were held. Attendance at the events was extended to the wider business base, in addition to programme participants. Following the completion of the Pilot Programme in January 2013, a decision was taken to move the Best Practice Events outside the Leader Programme. As per the Terms of Reference, Best Practice Events are outside of the scope of this evaluation.

To date 56 participants from 52 companies have taken part (or are currently enrolled) in the Programme, across four cohorts of Programme activity i.e. 2012/13, 2013/14, 2014/15 and the current intake October 2014/15. Table 1.1 illustrates the number of participants by cohort since the commencement of the Programme. .

Table 1.1: Breakdown of cohorts participating on the Leader Programme by year

	Cohort 1	Cohort 2	Cohort 3	Cohort 4	Cohort 5	Totals
	2012/13	2013/14	2014/15 (A)	2014/15(B)	2015/16 (Projected)	
Number of Companies	12	17	15	8	16	68
Number of Participants	12	18	17	9	20	76

Source: Invest NI Leader Programme Team

Leader Programme participants receive support over a period of nine months. The Programme has engaged clients from across a broad range of industries including engineering, manufacturing, media, legal services, catering and hospitality. Up to the end of 2014/15 (cohorts 1, 2, 3 and 4) Invest NI will have committed an approximate £500,313 of funding to support the various strands of the Programme. During this period the programme participants will have committed an approximate £189,121 of co-funding.

The remaining Programme intake for 2015/16 (cohort 5) has an expected Invest NI cost of £200,520. Further information on Programme costs is contained in Section 3.2.4.¹

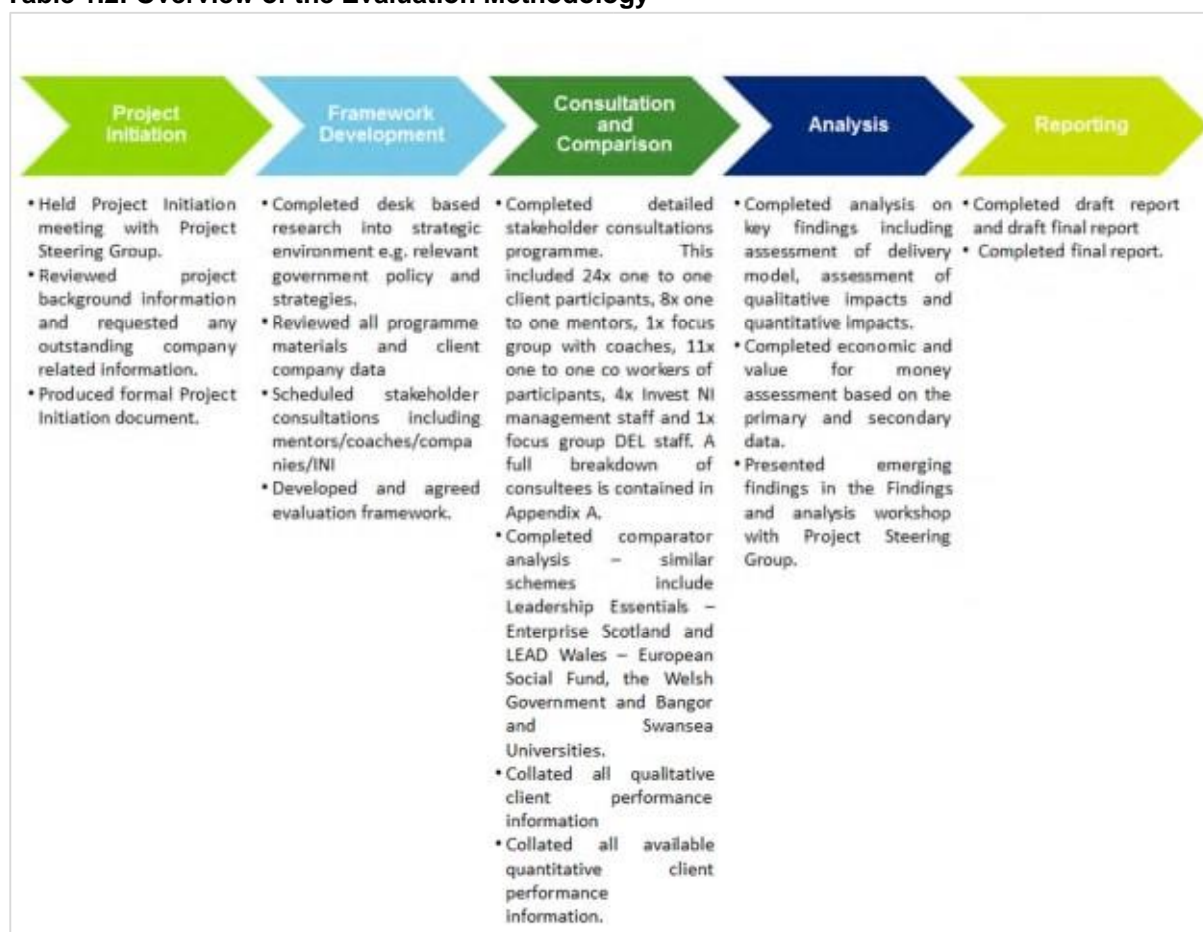
The Programme is managed through a team comprising of one Leadership and Enterprise Solutions Team Manager (Grade 7), one Programme Manager (Deputy Principal), and two part-time support role /administrators (SO and EO2). The team reports directly to the Invest NI Skills and Strategy Director (Grade 5).

¹ These Programme costs are presented excluding the Invest NI staff time.

1.2. Methodology

Table 1.2 below provides an overview of the evaluation methodology and the key activities completed at each stage.

Table 1.2: Overview of the Evaluation Methodology



See Appendix A and Appendix B for further detail regarding the consultation process and participants consulted.

1.3. Terms of Reference

The requirement is for the completion of an independent evaluation of the Invest NI Leader Programme to cover the period 2012-2015. Appendix C includes a breakdown of the detailed evaluation questions as part of the Terms of Reference.

The Terms of Reference state that the evaluation must be undertaken in line with national and regional requirements and must be compliant with Central Government guidance including:

- “The Green Book: Appraisal and Evaluation in Central Government”, HM Treasury 2003²;
- “The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), Current Edition, Department of Finance and Personnel³;

² http://www.hm-treasury.gov.uk/data_greenbook_index.htm

³ <http://www.dfpni.gov.uk/eag>

- “The Magenta Book: Guidance for Evaluation”⁴; and
- Invest NI Economic Appraisal Methodology (EAM) guidance.

1.4 Approach to Evaluation

The evaluation methodology comprised a number of task as follows:

- **Desk research:**
 - review of relevant policy context within which programme sits
 - review of all programme management and ongoing monitoring data
- **Primary research and consultations, with:**
 - **Mentors:** consultation with eight Programme mentors from the total pool of 22 mentors. The Mentors consulted with were chosen based on their level of experience with the programme, whilst ensuring a representation across the yearly participation in the programme. Collectively, the eight mentors had worked with 28 of the 44 companies that have completed the Leader Programme to date.
 - **Coaches:** roundtable focus group session with the Wilson Sloan coaching team and a one to one consultation with the Chief Executive of Wilson Sloan Coaching.
 - **Programme participants and their Co-Workers:** consultations with 24 Leader Programme participations, from the 44 participant companies that had completed the programme prior to the end of 2014. The sample represented participants across each year of the programme. The consultations were predominately completed on a face to face basis, to allow the full depth of programme impacts to be probed. The sample size was chosen to be proportionate on the basis of the the overall scale of programme expenditure.
 - **Invest NI:** face to face consultations with key members of Invest NI including the Programme Delivery Team, the Grade 7 responsible for the Programme, as well as the Invest NI economist and a roundtable consultation with 6-8 Client Executives.
 - **Department for Employment and Learning (DEL):** consultation with members of DEL.
 - **Company who chose not to apply:** one telephone consultation with a company who received an offer but did not take up support.
- **Synthesis and Analysis** ○ The findings from each strand of the primary and secondary research were brought together, conclusions formed and recommendations made for the future of the Programme.

⁴ http://www.hm-treasury.gov.uk/data_magentabook_index.htm

2. Strategic Context and Rationale

This section of the report outlines the current landscape of leadership skills provision in Northern Ireland and provides an overview of the current strategic policy environment in the leadership skills space. This section also discusses the original rationale for the intervention and examines the ongoing need for intervention going forward.

2.1. Strategic Context

Table 2.1 sets the key strategy and policy documents that provide the context to the operating environment for the Leader Programme and describes the strategic fit with each.

Table 2.1: Overview of Strategic Context

Policy/Document	Description	Strategic Fit
Programme for Government 2011 2015	The Programme for Government (PfG) 2011 – 2015 was published by the Northern Ireland Executive in March 2012. It sets out the plans and priorities for Northern Ireland over the next number of years, providing a framework for economic and social recovery and growth. In particular, the programme focuses on the need to rebuild the Northern Ireland labour market following the impact of the global economic downturn while also continuing to rebalance the economy to increase living standards. With this aim in mind the Executive outlines a number of priorities, with the main priority being; ‘to grow a sustainable economy and invest for the future’.	The Leader Programme has a direct fit with the PfG and its core aims and objectives, in particular the priority area of “Growing a Sustainable Economy and Investing in the Future”. The Leader Programme aims to raise awareness of leadership capability, develop leadership skills and realise an improvement in the business performance of participating client companies. Developing improved business performance will contribute to developing a sustainable Northern Ireland economy both in short term and long term through the embedding of skills. Leading research (e.g. McKinsey and Company, Management Matters in Northern Ireland and the Republic of Ireland) demonstrates how strong business leadership is linked to business performance.
Northern Ireland Economic Strategy 2012 – Priorities for Sustainable Growth and Prosperity	The goal of this Strategy is to improve the economic competitiveness of the Northern Ireland economy. The economic vision for Northern Ireland for 2030 is to “develop an economy that is characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all.” The vision is long term in nature and reflects the reality that it will take some time to rebalance the economy and build a stronger private sector. The document stresses the need to support growing companies and increase the number of people gaining skills in management and leadership as a facet of this long term strategy.	The Leader Programme has a direct fit with the Economic Strategy. Research has emphasised the linkages between strong leadership skills, productivity and a sustainable private sector. A stronger private sector will improve the international competitiveness and export potential of Northern Ireland. Development of leadership and management skills is an important part of the long term strategy to grow private sector business performance and, in this way, rebalance the Northern Irish economy and the programme is directly aligned with this strategic goal.

Policy/Document	Description	Strategic Fit
Invest NI Corporate Plan 2011 - 2015	<p>The Corporate Plan sets out the framework for the work required to rebalance and rebuild the local economy, to increase the employability and the relevance and use of skills, drive productivity growth and increase employment. To achieve the target, Invest NI will aim to remove barriers with respect to skills and training amongst the business base (particularly among SMEs), drive business growth and internationalise the economy.</p>	<p>The Leader Programme is directly linked to the Invest NI Corporate Plan. The Leader Programme has a role to play in helping to address the balance in the Northern Ireland economy by encouraging business growth and giving SME leaders the skills and training to grow and develop their business. The Invest NI Corporate Plan specifically highlights supporting SMEs and improving management and leadership skills as a method of improving employability and the relevance and use of skills in the Northern Ireland economy</p>
Department of Enterprise, Trade and Investment Corporate Plan 2011-2015	<p>The aim of this Corporate Plan is to outline the main functions of the Department of Enterprise, Trade and Investment (DETI) as well as its priorities and targets for the period 2011/12 – 2014/15. The Corporate Plan is fully aligned to the Executive's Economic Strategy, Investment Strategy and Programme for Government. Some of the key priorities of DETI for the period 2011-2014 include:</p> <ul style="list-style-type: none"> • To help Northern Ireland businesses to compete in the global economy; • To encourage business growth; and • Improving the level, relevance and use of skills 	<p>The Leader Programme is directly aligned with the DETI Corporate Plan's core aims of increasing private sector productivity and encouraging export led economic growth in Northern Ireland. By developing the leadership skills of local business leaders, the Leader Programme aims to help local business grow and increase their productivity. This will help to contribute towards DETI's long term aim of rebalancing the NI economy by growing the private sector and increasing private sector employment.</p>
Department for Employment and Learning Success Through Skills 2: The Skills Strategy for Northern Ireland	<p>The Department for Employment and Learning's Success Through Skills 2: The Skills Strategy for Northern Ireland strategic document stresses the need to develop leadership and management skills in Northern Ireland. Management and Leadership strategy is a central pillar of the Success Through Skills 2 programme. It is central in the vision of excellent leadership and well qualified management leading a skilled workforce illustrated in the document. The document highlights that Northern Ireland lags behind the UK in managerial and professional skills and emphasises both the role of government and the responsibility of individuals and organisations to develop these skills.</p>	<p>The Leader Programme is directly aligned with the principles of the DEL Success Through Skills 2 strategy, particularly the Management and Leadership strategy. The Programme aims to develop the leadership and management skills of business leaders in Northern Ireland through 'on the job' tailored learning. The Programme helps to encourage businesses to take responsibility for their own development and to forge links between skills based objectives and tangible increases in productivity.</p>
Department for Business, Innovation and Skills: Leadership and Management in the UK – The	<p>The aim of this report is to highlight the effect of strong leadership and good management on business performance and how the UK has fallen behind many competitor nations in these areas. The report estimates that ineffective management costs UK businesses</p>	<p>The Leader Programme is directly aligned to the Department for Business, Innovation and Skills report. By aiming to develop leadership skills in Northern Ireland's business community the Programme aims to ensure that</p>

Policy/Document	Description	Strategic Fit
Key to Sustainable Growth	<p>over £19 billion per year in lost working hours while best-practise management development can result in a 23 per cent increase in organisational performance. The report stresses the importance of investment in and development of leadership and management skills on both a UK and regional level with specific reference to Northern Ireland.</p>	<p>Northern Ireland maintains a competitive position in both the global and UK economy. The report highlights the devolved nature of skills policy and the Leader Programme ensures that Northern Ireland's business leaders are receiving support on a bespoke, regional basis while tying skills based objectives to tangible increases in productivity</p>
<p>Department for Business, Innovation and Skills: The Key Enablers of Business Success and the Economic Rationale for Government Intervention</p> <p>December 2013</p>	<p>This report was commissioned by the Department for Business Innovation and Skills. It establishes the issues facing SME's in relation to business growth and presents the evidence that underpins Government intervention in these areas. The issues can be grouped into three broad categories including; Internal Capacity and Capability, The External Environment and the Vision of the Business Owner.</p> <p>In relation to 'Internal Capacity', the evidence suggests leadership and management skills are important as the way a business is managed has a strong effect on its performance. It is the capacity and capability of businesses that enables them to overcome difficulties and hence makes business growth possible.</p> <p>Although many SMEs do invest in skills training, businesses face barriers that may hold them back from providing training. These barriers include budgetary pressures, scale of the business and not viewing training as a priority. The report suggests that market failures exist in the skills market and provides a rationale for government intervention. This includes 'Information Failure' were employers may not fully understand the benefits of training. Individuals, including both ownermanagers and employees, may also underinvest in skills if they fail to appreciate the benefits of training or do not place sufficient value on future benefits</p>	<p>The leader Programme has a strategic fit with the findings from the research report. The Leader Programme aims to provide training that will directly address issues related to the internal capacity and capability of business managers.</p>
<p>McKinsey Management Matters in Northern Ireland and the Republic of Ireland</p>	<p>This report, partially commissioned by Invest NI and DETI, highlights the stronger economic performance of firms which are good at deploying accepted best-practise management techniques. It highlights how Northern Ireland scored below the global average in management practise with a large number of firms identified as having poor management practises and suggests that this</p>	<p>The Leader Programme is highly responsive and aligned to the findings of the McKinsey report. The report was a primary driver in the development of the Programme and subsequently the Programme has served to address a number of the deficiencies highlighted.</p>

Policy/Document	Description	Strategic Fit
	<p>is due the high proportion of smaller, family and founder-owned firms. The report identifies considerable scope for improvement in management practises in Northern Ireland and suggests that this would lead to considerably stronger economic performance. It concludes that by developing environments that encourage and assist firms to adopt good management practises the government can drive competitiveness across the economy.</p>	
<p>Employer Skills Survey 2013 – Northern Ireland</p>	<p>The UK Commission for Employment and Skills published a report into the skills and training needs of Northern Ireland companies in 2013. The report was based on over 4,000 telephone interviews with local companies. Some of the headline findings in relation to leadership and management skills are listed here. 44 per cent of all applicants to jobs had lacked the strategic management skills required, 29per cent stated that staff training was the main reason for not having the required skills and 36 per cent of respondents stated that strategic management was an area that needed improving in the next 12 months.</p>	<p>The Leader Programme has a strong alignment to the main findings of the report. Through the tailored on the job support available, the Programme is well placed to help improve and develop the strategic management skills across local companies and by providing joint funding will help address the barrier of staff accessing appropriate training.</p>
<p>Small Business Survey 2012: SME Employers</p>	<p>The 2012 Small Business Survey was a large scale survey conducted across the UK by the Department for Business, Innovation and Skills. Some of the headline findings are listed below. The Survey found that 45 per cent of businesses surveyed had sought external information or advice in the 12 months prior to the survey while 20 per cent were planning to recruit more staff in the 12 months after the survey. 29 per cent of all SMEs surveyed planned to increase their turnover in the ensuing 12 months with 72 per cent planning to increase profit. 61 per cent of all SMEs surveyed said they planned to meet their growth expectations by increasing the leadership capability of managers.</p>	<p>The Survey results clearly demonstrate that improving leadership and management skills is something which SMEs across the UK are keen to implement. The results also demonstrate the linkages between improved leadership skills and business growth.</p> <p>The Leader Programme is tailored to the findings from the survey and can offer support to enable managers to directly improve their leadership skills that will ultimately lead to increased business performance.</p>

Summary of Strategic Context: It is evident that the Leader Programme has a strategic fit with a number of the key government policies in place at the time of investment in the Programme. In particular, the Programme aims to contribute towards the key government priorities of rebalancing the local economy and growing the private sector. The Programme targets a key strategic need in the local economy as identified by both independent research and government policy i.e. the need to develop the leadership and management skills of leaders in the local economy with a view to promoting economic growth and addressing the productivity gap. Through the development of improved business leadership skills the Programme has the potential to create sustainable business impacts. By forging greater links between skills development and economic growth the Programme aims to support the broader strategic impetus of growing the private sector and increasing economic prosperity.

2.2. Leadership Provision in Northern Ireland

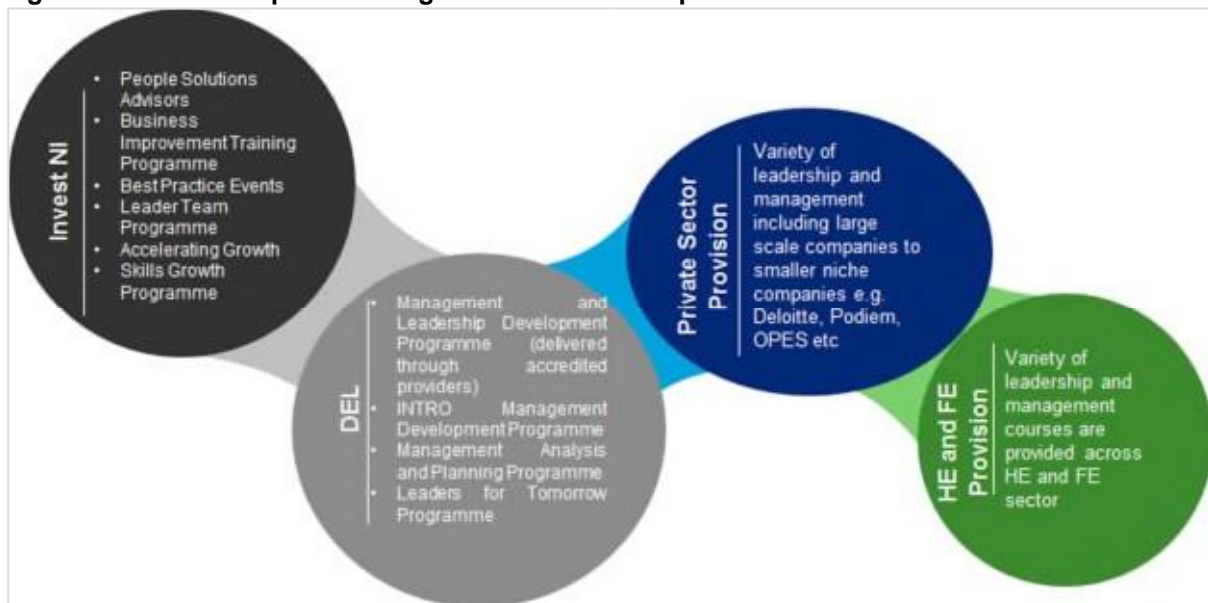
Invest NI, as the regional business development agency, has responsibility to grow the local economy through helping new and existing businesses to compete internationally, and by attracting new investment to Northern Ireland. Invest NI aim to stimulate economic activity and grow productivity in the economy by providing high quality, tailored support to local companies. Invest NI provide leadership capability development with an emphasis on developing and improving business leader's leadership skills and knowledge, with an ultimate focus on realising business performance improvements..

DEL has responsibility for providing skills and training across the working age population in Northern Ireland. The Department's guiding strategic document is 'Success through Skills 2: The Skills Strategy for Northern Ireland'. This document establishes a framework for encouraging the development of skills, to raise the productivity, increase social inclusion and secure Northern Ireland's future in the global marketplace.

Invest NI and DEL work collaboratively to help facilitate the development and improvement of skills across Northern Ireland both from a policy and delivery perspective. They have regular meetings to ensure that programmes and activities are aligned and tailored to the type and size of the company.

There are a range of leadership and management development programmes that are delivered across Northern Ireland by public sector providers including Invest NI, the Department for Employment and Learning, as well as Further Education (FE) / Higher Education (HE) authorities. In addition to public sector provision, the private sector also offers an array of standard and tailored leadership development programmes (e.g. one to one support, sector leadership masterclasses, leadership networking events/conferences etc.). Figure 2.1 below provides a high level overview of the main leadership development programmes offered across Northern Ireland.

Figure 2.1: Leadership and Management skills development in Northern Ireland



The diagram highlights that there is a suite of leadership programmes offered across the local marketplace ranging from government supported provision to small and large scale private sector provision. The ‘supply’ side of leadership provision can vary in levels of quality and in costs. This is evidenced by the following research quote from Deloitte Human Capital Trends 2015, “Organisations often believe they can simply ‘buy’ a solution to develop leaders. Off-the-shelf leadership development solutions are fragmented and of inconsistent quality. With so many models and approaches – from large firms to business schools to boutiques – it is hard for many companies to architect the tailored yet integrated experiences they need.”

On the demand side, it is considered that there is a lack of knowledge on the part of consumers of leadership skills training, in terms of the range and quality of provision available as well as with respect to the potential impact that such training can have on the business. This is somewhat evidenced by the following research quote from Deloitte Human Capital Trends 2015, “In the last year, spending on leadership development by businesses has risen yet the leadership capability gap within organisations has continued to rise”. In addition, the ‘demand’ side of the market has a number of barriers to overcome, including cost and time / resources constraints, which can disproportionately affect SMEs due to the greater budgetary constraints SMEs can face and their lower staff levels. Therefore, in order to facilitate this ‘demand’ side, it is considered important to deliver government backed interventions. These programmes enable SMEs access to support that they may not have been able to access otherwise.

Given the range of public support options available in the space, it is important to ensure that the Invest NI support does not duplicate, is aligned with, and as far as possible complements other provision in the marketplace. Invest NI has a role to play in ensuring that there is no duplication in leadership provision across the public sector. In this regard, it is important to understand the unique nature and the distinguishing features of the Leader Programme. These distinct features include the following:

- **Understanding the Company Needs** – referrals to the Programme is through Invest NI Client Executives. Client Executives have detailed insight into the participant company and a detailed understanding of the company’s needs, strengths, opportunities for development and appetite for growth. Within Invest NI Client Executives refer companies to the Programme when they are satisfied that they are ‘ready’ and able to maximise the value from the Programme activities.

- **On the Job Learning** – The Programme allows the opportunity for the Managing Director in participant businesses to learn and develop ‘on the job’, receiving the mentor/coach support on their own business premises. This enables the mentor/coach to embed themselves into the culture of each individual business develop their understanding of how the business and business leader works.
- **One to One with the Managing Director** – The Programme provides one to one focused support between the coaches/mentors and the Managing Director. This enables the Managing Director dedicated access to experienced business professionals that can improve their personal leadership skills and the performance of their business. The one to one nature of the support helps create a positive working relationship based on trust and credibility.
- **Multi-Faceted Mix of Activities** – Mentoring, coaching and networking are activities that are offered in other public sector/private sector programmes. The distinguishing feature of the Leader Programme is that these activities are offered together through one centralised Programme. The activities aim to complement each other and ensure that the business leader has the chance to simultaneously develop leadership skills, business performance and relationships across industry.
- **Focused on Corporate Growth** – the Programme aims to make business improvements through the development and cultivation of new leadership skills. The leadership skills provide a sharper focus on the strengths of the business and can lead to business improvements such as increases in revenue/employment, restructuring, developing new products, entering new markets etc.
- **Flexibility and Tailored Approach** – the Programme has a fixed set of deliverables that are required from the Programme (e.g. business/personal diagnostic reports) but the actual style and delivery of the support can be adjusted and tailored depending on the business and personality of the business leader. The mentor/coach will have different styles and techniques and will use their experience to tailor the approach for each particular situation.

Notwithstanding these distinguishing features, it is important to continually review and understand how the Programme fits with other provision and to ensure that there is no duplication. There is an important role to play for INI and DEL in continuing to monitor the marketplace, consult regularly and where applicable allow the programme teams to signpost to more suitable support if required. It is also important to understand that companies may avail of multiple aspects of leadership support across providers depending on their need and stage of development.

2.3. Rationale for Intervention

2.3.1. Original Rationale

The original rationale underpinning Invest NI’s funding of the Leader Programme was outlined in the economic appraisal and Business Case which were completed and approved in 2010. The economic appraisal confirmed that there were market failures at play which were preventing companies from availing of optimal levels of leadership/management support/upskilling, including the reluctance of firms to invest in skills development (due to funding/resource constraints), perceived difficulties faced by firms in internalising the benefits within the company, and the danger that staff undertaking the training will be poached by other

firms. Market failure is the main economic justification for government intervention in an economy and as a result may choose to restructure, complement or supplement the unrestricted workings of the market economy. In reference to leadership training, the labour market left to its own devices was failing to provide the optimal level of leadership capability training required to support economic growth.

The economic appraisal structured the need for government intervention on a number of key areas, including the following:

- **Productivity Gap in Northern Ireland** – The initial rationale for Invest NI deciding to support the development of leadership skills through the introduction of the Leader Programme was to attempt to close the productivity gap between Northern Ireland and better performing regions of the UK. This logic was based on the established link between best practice management and increased productivity. At the time of original investment Northern Ireland suffered from a persistent productivity gap relative to the rest of the UK. The Economic Development Forum's (EDF) 2008 'Challenging times – Autumn 2008 Forecasts' (prepared by Oxford Economics in September 2008) noted the persistence of Northern Ireland's productivity gap, stating that most frequently quoted indicator of economic growth, GVA per head relative to the UK average, has been stubbornly low in NI despite good labour market growth over recent years. Northern Ireland had been on a plateau at 81 per cent of the UK level for many years.
- **Alignment with Northern Ireland Key Strategies/Policies** – Key strategy and policy documentation from the EU and UK outlined the importance of skills as a driver of business performance, innovation and productivity. At the time of investment the Programme aims were consistent with Northern Ireland strategies/policies including the Programme for Government and local departmental strategies such as DETI Corporate Plan and DEL's wider Skills strategy. Specifically, the Invest NI draft Corporate Plan 2011-2015 included a mainstream theme of skills, specifically highlighting leadership and management development as a target for growth.
- **Alignment with McKinsey and Company Research** - The broader global Management Matters survey undertaken by McKinsey & Co. confirmed a correlation between management practice and productivity and return on capital employed. The survey acknowledged that while government can play a role in fostering better management practice, it is ultimately the management practice choices made by individual managers that make the difference.

Following on from their broader work, DETI commissioned McKinsey and Company to complete specific research into the management practices in 150 manufacturing companies in Republic of Ireland and 120 manufacturing companies in Northern Ireland. The analysis highlighted a significant gap between the scores across management practices in both ROI and NI and those in the countries with the best management practices. Both ROI and NI lie below the global average and below Great Britain in the ranking of countries. The research identified management practice dimensions where firms in ROI and NI are weakest. It transpired that many firms are poor at defining the balanced set of metrics necessary to align the shop floor with the corporate agenda. They are also relatively poor at reviewing performance against the metrics they do define, and when they identify poor performance they appear to be reluctant to take the actions necessary to address it. Globally, the analysis shows that the quality of management practices varies much more (between firms) within countries than between countries, and that it is typically a relatively high number of firms with poor management practices that drives down the average national score of a low ranking country. Both ROI and NI had a large proportion of lowly rated firms, with 19 per cent of firms in ROI and 12 per cent of

firms in NI scoring less than 2 on a management practice assessment scale from 1 to 5, compared with 7 per cent in Great Britain and just 2 per cent in the US.

- **Structure of the Northern Ireland Market** – In their evaluation of manufacturing companies in Northern Ireland McKinsey considered that the structure of the Northern Ireland market contributed to the region's underperformance in terms of leadership and management skills. Some of the factors which they identified included:
 - **Firm Size:** Globally, larger firms are found to have better management practices than smaller firms. The majority of firms in Northern Ireland (99.9 per cent according to the Federation of Small Businesses) are classified as small or medium enterprises. Smaller firms tend to be more pragmatic and less formally structured in their approach to management which impacts on the provision of leadership skills and strategic thinking within the organisation. In addition, the predominant ownership model of firms in Northern Ireland is typically family or founder owned and managed;
 - **Ownership:** Management practices tend to vary with ownership type and that firms owned by dispersed shareholders generally have the best management practices. NI has a high proportion of founder-owned and family-owned firms, which tend to have poorer management practices;
 - **Skill levels:** The more educated its workforce, the better the management practices a firm deploys. In NI, relatively few managers and non-managers in firms have degrees, and this also accounts for part of the management practice gap;
 - **Sector:** Management practices can vary significantly by sector, and high value manufacturing firms in all countries surveyed have better management practices than the others; and
 - **Competition:** Globally, it is considered that high levels of competition are associated with good management practices. Export firms in NI have better management practices than those serving only the domestic market.

- **Alignment with Department for Business, Innovation and Skills Research -**

Research presented by the Department for Business, Innovation and Skills illustrated the correlation between strong management and leadership skills and increased productivity and vice-versa. Some of the headline research included the following:

 - Best practice management development can result in a 23 per cent increase in organisational performance;
 - A single point improvement in management practices (rated on a five-point scale) is associated with the same increase in output as a 25 per cent increase in the labour force or a 65 per cent increase in invested capital; and
 - Ineffective management is estimated to be costing UK businesses over £19billion per year in lost working hours.

- **Alignment with Northern Ireland Skills and Monitoring Survey Research** – The Northern Ireland Skills and Monitoring survey (2008) and the Forecasting Future Skills Needs in NI (2009) report confirmed that the lack of cover, time and funding for skills development were the main barriers for employers that reported skill gaps in developing and maintaining workforce proficiency. Up-skilling of the existing workforce was highlighted; particularly it outlined the managerial (and professional) weakness in the occupational structure of the NI economy, where NI is some 50,000 managers and

professionals short of what level would be expected if NI had the same sectoral managerial and professional concentrations as the UK average.

2.3.2. Continued Rationale

It is important to determine if there is a continued rationale and evidence supporting the continued investment in the Leader Programme by Invest NI. The primary and secondary research exercises undertaken as part of this evaluation have indicated a number of factors that point to the continued need for government intervention in the provision of the Leader Programme by Invest NI. These factors include the market failure, market features, as well as the more recent research identifying the link between leadership skills and business growth. These factors are summarised below:

- **Information Failure** – One of the aims of the Leader Programme is to raise awareness of the economic benefits associated with best practice leadership and management skills. From the consultation with companies (see Appendix A and B) it is evident that those who have come on the Programme have deepened their understanding of the importance of leadership development, with 92 per cent of respondents stating that their awareness/understanding of the importance of leadership has improved as a result of the Programme. In addition the rationale for the 46 per cent who had not previously undertaken leadership training included a lack of awareness of the programmes available (among other issues including competing priorities within the business and cost).
- **Barriers to Investment in Leadership** – Since 2007 the global economic recession has impacted on the growth and development opportunities facing companies in NI, across all industry types and business sizes. Despite the more recent signs of some global economic growth, there remain significant challenges facing businesses in NI, most notably in the area of adverse exchange rate movements. The challenging economic context has created significant barriers for business development. The challenging context in which businesses are operating was reinforced during our consultations with participants in the programme where 63 per cent of the respondents stated that they would not have applied to the Leader programme if there had been no financial support available, with the majority citing that due to competing priorities they simply would not have had the total funding required to allocate to it.
- **Research confirming Importance of Investing in Leadership Skills** – Research and policy developments have highlighted the importance of building effective leadership and management skills, and their correlation with productivity and economic growth. Examples of these include: Leadership and Management in the UK – The Key to Sustainable Growth published by the Department for Business, Innovation & Skills (2012); the Employer Skills Survey 2013 published by the UK Commission for Employment and Skills; and Leadership and Management Skills in small and medium-sized businesses published by the Department for Business, Innovation & Skills (2015).
- **Programme Benefits** – From the consultation exercise it is evident that the Programme has had positive impacts across each of the participants including the development of leadership capability (e.g. improved communications, confidence, strategic decision making, delegation etc) and the generation of business growth (revenue/employment increases, internal structural changes, new markets, new products) (see Section 4 for detailed review). The Programme has delivered tailored capability development that has enabled the business owners to develop new skills and knowledge that can be embedded into their businesses to encourage long term sustainable growth. These benefits

demonstrate the impact the Programme is having and the potential it has to make differences on the local market and economy.

Summary of Rationale for Intervention: The Leader Programme aims to provide leadership capability skills to businesses in Northern Ireland with the ultimate aim of reducing the gaps in both leadership skills and productivity with the rest of the UK and other European countries. The Programme model is based on creating links between effective leadership skills and business performance. This model is supported by a growing body of research which correlates the development of leadership skills with productivity and growth.

The original rationale underpinning Invest NI's intervention in the provision of leadership skills, through the Leader Programme, was due to the instances of market failure. The economic appraisal confirmed that there were market failures at play which were preventing companies from availing of optimal levels of leadership/management support/upskilling, including the reluctance of firms to invest in skills development (due to funding/resource constraints), perceived difficulties faced by firms in internalising the benefits within the company, and the danger that staff undertaking the training will be poached by other firms.

There still remains a need for investment in leadership skills, given the limited understanding of the economic benefits to be gained from embedding leadership skills within companies. This is evidenced by the consultation in which almost all companies said their understanding of the benefits to be gained from leadership development programmes grew as a result of participation. In addition consultations highlighted that competing priorities also created barriers to accessing leadership capability development programmes.

Our analysis indicates that the Programme is still in the early stages of creating a long term pipeline of companies that can make sustainable impacts on the economy and help address the skills and productivity gaps that continue to exist in NI. It is noted however, that provision in the area of leadership capability skills is growing in NI. While the Leader Programme remains unique in terms of its shape and delivery mechanism, the landscape should continue to be monitored to avoid duplication of public provision.

3. Operation and Delivery

This section of the report outlines the project participants, provides an overview of operation and delivery of the Programme (including the three elements of Programme support, the management/delivery processes, risk management and financial management procedures) and includes a detailed breakdown of the qualitative and quantitative findings from the fieldwork consultation exercise.

3.1. Overview of Project Participants

To date 56 participants from 52 companies have taken part in the Programme across four cohorts (2012/13, 2013/14, 2014/15 and the current year October 2014/15). Table 3.1 below provides an overview of how many firms have completed the Programme in each year. The Table highlights that 20 participants across 16 companies have enrolled on the Programme to commence 15th April 2015. A full breakdown of the companies is contained in Appendix A for reference.

Table 3.1: Overview of Programme Participation

	Cohort 1	Cohort 2	Cohort 3	Cohort 4	Cohort 5	Totals
	2012/13	2013/14	2014/15 (A)	2014/15(B)	2015/16 (Projected)	
Number of Companies	12	17	15	8	16	68
Number of Participants	12	18	17	9	20	76

Source: Invest NI Leader Programme Team

Table 3.2 provides an overview of the range of industries that have been supported through the Programme. This profile is based on where the businesses sit within Invest NI sectoral teams.

The Table highlights that there is a strong engineering/construction focus, representing 48 per cent of the firms supported. Technology and Services represent 23 per cent of the firms supported, while Food and Tourism represent 19 per cent of firm participants. The least represented Invest NI sectoral teams are life sciences and other representing 5 per cent and 4 per cent respectively.

Table 3.2: Overview of Programme Participation by Industry

	Advanced Engineering & Construction	Technology & Services	Food & Tourism	Life Sciences & Electronic / Consumer Products	Other	Total
2012/13	8	1	2	1	0	12
2013/14	6	3	5	2	1	17
2014/15 (A)	8	3	3	0	1	15
2014/15 (B)	3	5	0	0	0	8
Total	25	12	10	3	2	52

Source: Invest NI Leader Programme Team

The Leader Programme Team should monitor the participant profile, to ensure all sectors that can benefit from the intervention are represented appropriately.

3.2. The Delivery Model and Programme Structure

3.2.1. Programme Activities

As discussed in Section 1.1, the nine month programme of support contains three core elements, including the following:

- One-to-one business mentoring;
- One-to-one leadership coaching; and
- Peer networking events.

As part of the Programme's Pilot Phase (2012/13), the organisation and delivery of best practise events also formed part of the Leader Programme of support. However, following the pilot phase this element was removed from the Programme in January 2013.

- **One-to-one Business Mentoring:** Business mentoring is provided by experienced entrepreneurs and business owners which are drawn from the Invest NI pool of Service Provider Database for Non- Executive Directors and Strategic Business Mentors (there is a pool of approximately 20 mentors to choose from). The company leader will receive approximately 3.5 days of mentor support over the nine month period. The mentors and client determine the daily rate, and the client informs Invest NI what they have agreed with their mentor. **This can range typically from £400 to £750 per day.** Invest NI funds 49 per cent of the mentor's time and is capped at a maximum rate of £800 per day. The mentor will attend meetings/sessions with the business leader at his/her business premises and will tailor their approach depending on the particular needs of the Leader.

Each participant will have the flexibility to choose and select their own mentor from the pool depending on the mentor skills, expertise and relevant experience. The participants will have discussions with a sample of mentors to gauge the level of suitability with their business, their specific needs and the connections/trust developed. The overall role of the mentor is to act as a sounding board for the programme participant, to provide a challenge

function and to offer practical advice, guidance and support throughout the programme. This will include assisting the business to:

- Identify and address key constraints and barriers to growth; ○ Identify new product and/or market opportunities;
- Develop an outline and practical “action plan” to address key business issues; ○ Utilise business networks to maximise opportunities and facilitate growth; and
- Review and monitor progress and modify the “action plan” as required

The mentor works with the participant offering practical advice, guidance and support in completing Business Diagnostics. The diagnostics are required to establish a baseline position for each of the participants at the outset of the programme. The Business Diagnostic leads into the development of a Growth Action Plan. The focus of mentoring is on strengthening and enhancing the capabilities and competence of the owner/manager to effectively establish and implement the strategy set out in the business Growth Action Plan. Business mentors are required to attend a quarterly update session with the wider group of mentors and other programme stakeholders within Invest NI.

- **One-to-one leadership Coaching:** The coaching element of the programme is provided by Wilson Sloan Consulting in the form of a pool of suitably accredited and experienced leadership coaches. Wilson Sloan Consulting was appointed through a procurement exercise managed by the Central Procurement Directorate. The rates charged for the coaching element were agreed in the initial contract.

Each member of the 6 person coaching team has been part of the Programme delivery team since the inception of the Programme. Coaches are responsible to a Programme Director who ensures that each coach is fully accredited and experienced.

There are six coaches to work across the range of participants. The participant-coach matching process involves a review of participant applications (including the completion of a self assessment tool) followed by a meeting between Wilson Sloan Consulting and the Programme Manager to discuss the best match for each.

The overall role of the coach is to focus on strengthening the participant’s individual characteristics and attributes as a leader within the context of their ambitions for their company. On average participants receive 3 days leadership coaching support with an accredited Leadership Coach. This element of the programme includes pre and post Leadership Coaching diagnostics/ psychometrics.

Note: The Leader programme’s delivery model is based on the leadership coach and business mentor input being complementary, enabling the leader to simultaneously improve their personal and business performance, and realise their personal and business potential.

- **Peer Networking Events:** Since the end of the Pilot period, this aspect of the Programme has been facilitated by the Invest NI programme team (during the pilot phase this element of the programme was delivered by an external delivery agent).

The networking events include guest speakers and smaller peer learning sets. The overall aim is to build sustainable peer networks for companies that provide support beyond the mentoring and coaching interventions through the sharing of leadership and management experiences and challenges by peers from multi-sector backgrounds. The Programme

contains up to six networking events during the nine month period. The networks are intended to benefit participants by;

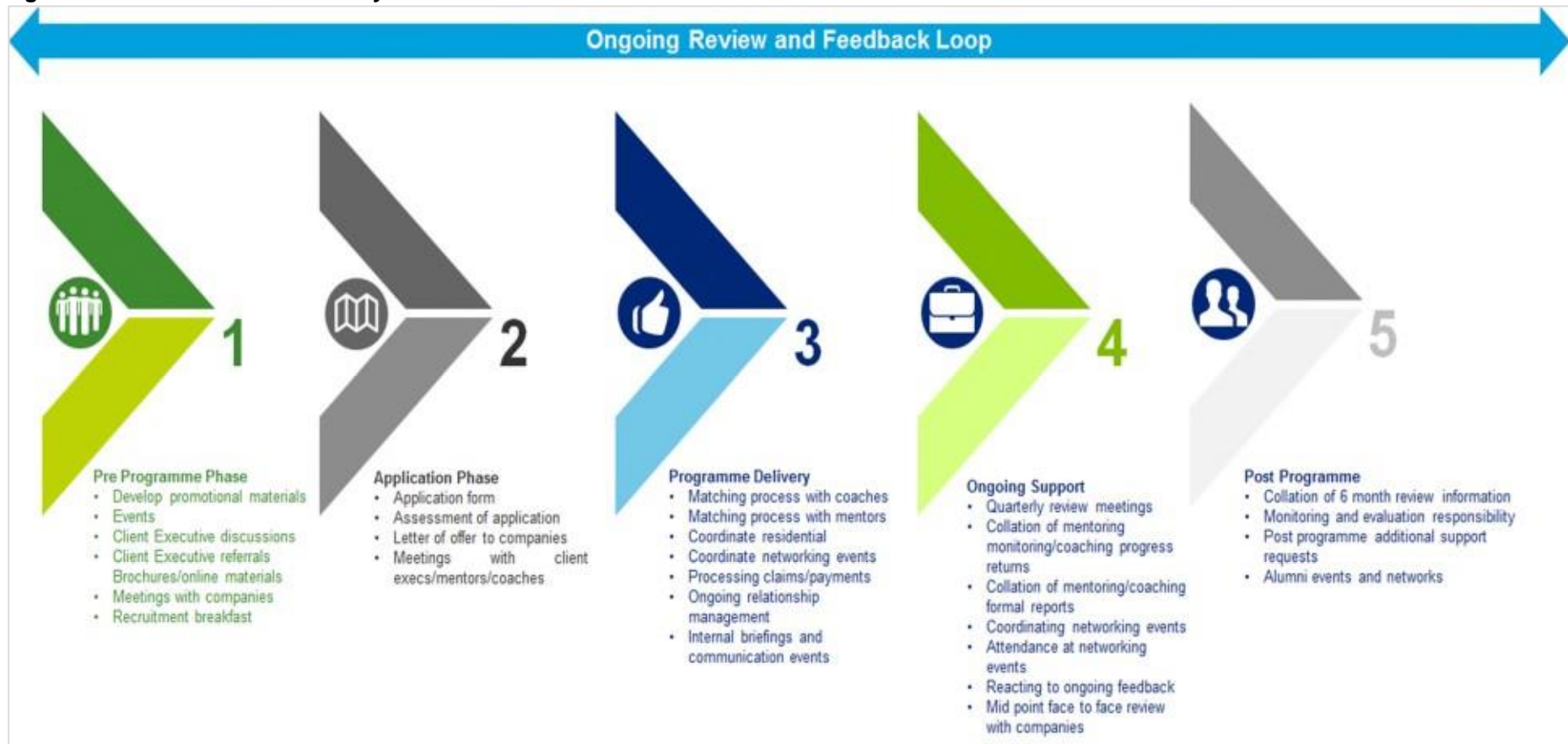
- Encouraging MD's/ Owner-Managers to partake in peer to peer learning;
- Building sustainable networks that provide support beyond the mentoring/coaching intervention; and
- Developing best practice knowledge on leadership from experts / guest speakers.

3.2.2. Delivery Model

Within Invest NI the Leader Programme sits within the Business Solutions Division and specifically within the Skills and Strategy Directorate. The Programme is managed by a team of five people. Overall responsibility for the Programme sits with the Skills and Strategy Director. The daily operation of the Programme is managed by one Leadership and Enterprise Solutions Team Manager (Grade 7), one Programme Manager (Deputy Principal) and two part time support role/administrators (SO and EO2).

Figure 3.1 provides an overview of the delivery model and programme structure that is implemented by the Invest NI Leader Programme Team.

Figure 3.1: Overview of the Delivery Model



As set out above, the Programme can be divided into five activity areas, namely: Pre Programme, Application, Delivery, Ongoing Support and Post Programme. The Programme Team have an active role to play across all areas with activities ranging from liaison with companies, attendance at marketing events, receipting applications, matching companies to mentors/coaches, coordinating networking events, managing the claims process, managing the formal report/progress submissions and providing accessible ongoing support throughout the programme. Some of the key elements across the phases are explained in greater detail below:

- **Pre Programme Phase:** This phase includes the main marketing and awareness raising elements of the Programme including attendance at events/roadshows, working with the Client Executives, registering the interest of the companies and meetings to discuss the Programme with the companies.

The Programme Team are responsible for promoting the Programme to Client Executives, raising awareness of the support available and encouraging Client Executives to promote and offer the Programme to their eligible clients, as appropriate, in line with the client's needs. The role of the Client Executive is important as they understand the needs of the company, understand what stage the company is at in its development and how appropriate/beneficial the Programme support will be for company. Once the Client Executive refers a company to the Programme, the company receives a brochure, a link to online case studies and a phone call/email from the programme delivery team to establish level of interest. Some companies rule themselves out at this stage due to time commitments etc. This scoping out enables the programme team to develop a refined list of interested companies. This approach is highlighted in Table 3.3 and is referenced by the 'Number passing initial referral review'. The programme team then meets with the companies passing the initial referral review or they can attend the recruitment breakfast before taking the decision to apply to the Programme. The vast majority of companies commencing the programme go on to complete the programme.

Table 3.3: Breakdown of Client Executive referrals

	2012/13	2013/14	2014/15 (A)	2014/15 (B)
Number of referrals from Client Executives	40	60	53	17
Number of referrals passing initial referral review	25	32	25	9
Number of applications	13	18	16	9
Number of completions	12	17	15	8

Source: Invest NI Leader Programme Team

Of the 52 companies who have been engaged on the Leader Programme to date, these have being referred through 38 Client Executives. This represents just over 27 per cent of the total population of Invest NI Client Executives of 138. This demonstrates a potential development area for the Programme Team, to engage with a greater coverage of Client Executives, educating them on the Programme benefits and the range of support offered.

Greater engagement would encourage increased support of the Programme from the Client Executives and ultimately encourage a larger pipeline of company participation.

Table 3.3 provides a breakdown of the number of companies going through the Client Executive referral process year-on-year.

- **Ongoing Support (Relationships):** The Programme Team ensure relationships are developed and maintained across each element of the Programme to foster collaborative working and focus on delivering the most effective support to the participant. The Programme Team initially facilitate an introduction between the Client Executives and the mentor/coach. The Programme team subsequently have formal and informal checkpoints in place with the mentors/coaches throughout the process. These checkpoints serve as checks on the participant's progress and offer the opportunity to address any issues which may arise. The expectation is that the Client Executive, coach and mentor will share information and knowledge as the participant progresses through the Programme. The Programme team has embraced a continuous improvement approach to developing the Programme. Examples of changes implemented in response to feedback from participants/mentors/coaches include the following:
 - Bring the peer networking element of the support in house following negative feedback during the pilot phase of the Programme;
 - Allowing for an additional day of mentor support with the participant to facilitate completion of Programme documents (e.g. Growth Action Plan);
 - Flexing the guest speakers at the peer networking session according to the expressed needs of the participants; and
 - Facilitating an introduction between the coaching team and the participants prior to the commencement of the Programme to allow the coaching team to give better insight into their role and give participants input into the assignment of their coach. This has been implemented for the 2015/16 edition of the Programme.

- **Post Programme Support:** The Programme Team has responsibility for monitoring and measuring the impact of the Programme. The Team collect information on the performance of the participant and their company before they enter onto the Programme (in the Programme application form), during the Programme (initial business diagnostic report) and following the Programme (six month post project review following completion of the Programme). The formal post project six month review template includes a collation of gross financial business performance information, personal leader capability related (qualitative) information, and future business direction/strategy information (against their Growth Plan). Information is also collected on an ongoing from the coach and the mentor e.g. formal progress review reports and quarterly review face to face meetings are carried out between the team and the pool of mentors and coaches.

These formal monitoring and measuring activities enable the Programme Team to track the progress of the company both from a business performance and a personal leader development perspective. The Programme is focused on directly improving the leadership capabilities of participants, on the basis that such developments will (indirectly) lead to longer term impacts on financial business performance. The measurement of the financial business impacts is made difficult by virtue of;

- The indirect relationship that exists between the support received and the financial impacts experienced;
- The time required to realise such impacts; and

- The likelihood that other factors will also be simultaneously impacting on business performance.

Consultation Feedback on Delivery Model:

Mentor Feedback

“The Programme was well run, organised and was reactive to take on board suggestions and comments over the course of the project”

“I felt the paperwork and reporting element of the Programme was at an appropriate level....allowed focus and purpose to be given to the sessions” **Coach Feedback**

“Good working relationships developed with the Programme Team...a cycle of continuous discussion and feedback”

“The Programme Team have worked hard to fine tune the Programme and get structures in place that suit both the companies and mentors/coaches” **Company Feedback**

“The Programme Team did a great job...always available... helpful...it was first class”

“Delivery and administration good in comparison to other programmes....it was not too onerous”

“Delivery Team was well organised...I was impressed with flexibility and levels of communication”

3.2.3. Risk Management Procedures

The Programme Team have developed a flexible and iterative approach to project management including managing project risks. The Team have continually reacted to risks or issues that have emerged during the Programme and have made adjustments to the programme structures and activities where necessary. Table 3.4 provides an overview of the risks that the Programme Team identified at the outset of the Programme, the associated mitigating steps and the extent to which these risks occurred.

The risk management processes and the subsequent risk register are considered to cover the appropriate risks and offer appropriate mitigation steps to prevent risks occurring.

Table 3.4: Overview of Risk Register

Risk	Description	Mitigating Actions	Extent to Which Risk Occurred	Risk Score
Lack of Project Funding	The Invest NI budget is unavailable to support the Leader Programme	<p>Skills development (and in particular leadership and management development) is identified in the Invest NI Corporate Plan.</p> <p>Ensuring that the Invest NI Leadership Team Executive (ELT) have opportunities to see the Programme in operation and to speak to the participating companies.</p> <p>Ensure any new research on the impact of leadership and management practises of SMEs is communicated to the ELT.</p> <p>Continue to deliver elements of the Programme in-house to keep costs low and utilise the goodwill of Invest NI clients in delivering networking and best practise learning sessions.</p>	This risk did not manifest during the duration of the Project. The budget was made available to cover the costs of the four year duration.	Low
Recruitment	Invest NI is unable to recruit sufficient participants for the Programme	<p>Continue to build relationships with the Client Executives and educate them on the value of the Programme.</p> <p>Hold client only best practise events to improve awareness on the benefits of good leadership and management practises.</p> <p>Continue to develop case studies and use the client testimonials to sell the Programme.</p>	This risk did manifest itself during the Programme. The Programme did not meet the target of 20 annual participants in two of the three years to date. However, through more focused work with the Client Executive group to raise the profile and potential benefits associated with the Programme, the Programme has increased its participant numbers. In 2014/15 the Programme had two cohorts with total participation of 23 companies and 26 participants. The pipeline for 2015/16 is 16 companies with 20 participants.	Medium

Risk	Description	Mitigating Actions	Extent to Which Risk Occurred	Risk Score
Internal Expertise	Invest NI staff are unable to deliver the Programme effectively	Ensure the expertise to manage and deliver the Programme is shared across the Leadership & Enterprise Solutions Team.	This risk did not manifest during the Programme. The feedback from the stakeholder consultations, including mentor/coaches and participating companies, is that the Programme was effectively managed by the Leader team. The consultees all recognised how the Programme Team reacted to feedback and made changes and adjustments to the Programme where necessary.	Low
External Expertise	Quality coaches and mentors are not secured to deliver the service	<p>Define selection and award criteria to ensure the coaching provider has the relevant experience and a recognised methodology to deliver the Programme</p> <p>Continue to liaise with the Client Executives to identify industry representatives willing to undertake mentoring for the Programme</p> <p>Quality assures all experts recruited to the Programme.</p>	This risk did not manifest during the Project. The delivery of the external support through coaches and mentors received positive feedback from the participant companies. The companies recognised the skills/expertise, experience and credibility of the external support.	Low

3.2.4. Financial Management

Table 3.5 provides an overview of the budgeted expenditure for the Programme. In 2012/13 the projected programme expenditure was £313,610, including staff costs totalling £105,410, and a £33,300 launch fund for marketing, promotion and awareness raising activities. Subsequent year on year expenditure was expected to total £282,010 in 2013/14, £298,879 in 2014/15 and £300,779 in 2015/16 (based on a forecast 20 company participants per annum).

Total Invest NI Programme expenditure (including staff and non-staff costs) over the period to the end of 2014 was forecast to total £595.6k. Total programme expenditure over the whole programme period was forecast to total £1.2m.

Table 3.5: Budgeted Expenditure on the Leader Programme (Excluding Private Company fees and Vat)

	Launch	Peer Network	Mentoring	Coaching	Total INI Costs (excluding staff time)	INI Staff time costs	Total INI Costs
2011/12							
2012/2013	33,000	2,700	60,000	112,500	208,200	105,410	313,610

	Launch	Peer Network	Mentoring	Coaching	Total INI Costs (excluding staff time)	INI Staff time costs	Total INI Costs
2013/2014	-	2,700	60,000	112,500	175,200	106,810	282,010
2014/2015	-	2,700	60,000	112,500	175,200	123,679	298,879
2015/2016	-	2,700	60,000	112,500	175,200	125,579	300,779
Total	33,000	10,800	240,000	450,000	733,800	461,478	1,195,278

Table 3.6 sets out actual Programme expenditure to date and expenditure forecast to the end of the Programme period. For completeness, Table 3.6 presents total Invest NI Programme costs (staff and non-staff costs), but also includes private company contributions to costs as well as VAT. For comparison purposes the 'Total INI Costs' can be compared in both Tables.

As set out in the Table 3.6, total Invest NI cost will have totalled £469.7k over the Programme period to the end of 2014, which is less than the forecast cost (i.e. £595.6k).

Table 3.6: Actual Expenditure on the Leader Programme and Full Economic Costs

	Launch	Peer Network	Mentoring	Coaching	Total INI excluding Staff	INI Staff	Total INI Costs	Private Fees	Total INI Costs and Private fees	VAT*	Full Economic Cost
2011/12						42,478	42,478		42,478		42,478
2012/2013	24,050		5,425	73,955	103,430	103,750	207,180	45,927	253,107	28,050	281,157
2013/2014	8,962		23,230	81,002	113,194	106,811	220,005	55,791	275,796	29,151	304,947
2014/2015 (f)	24,512		69,544	134,593	228,649	108,679	337,328	87,403	424,731	50,271	475,002
2015/2016 (f)	25,400		84,855	90,265	200,520	110,579	311,099	81,620	392,719	41,452	434,171
Sub Total	82,924		183,854	379,815	645,793	472,297	1,118,090	270,741	1,388,831	148,924	1,537,755

*VAT costs were provided by Invest NI

From the Tables we can see that there a number of variations between the budgeted and actual cost totals. The key rationales for the main variances are included below:

- The actual number of participants on the Programme has been lower than the annual 20 participant total forecast as part of the economic appraisal;
- In 2011/12 there was initial staff costs associated with the establishment of the Programme of £42,478. These costs included research and preparation, procurement contracts, developing networks and engagement internally;
- The actual Peer Network costs included in Year 1 covered the launch event and the cost of a third party provider to host networking events. This cost was substantially more than the budgeted cost due to the third party contract costs. From Year 2 onwards the peer networking events were delivered in house by INI. As a result the costs of this element of the Programme dropped significantly. The remaining annual costs for this element of the programme covered hiring of venues/catering etc.;
- The actual mentoring costs are considerably lower than the budgeted position. The reason for this is that originally it was envisaged that mentors would be used to help facilitate the networking events (at an additional cost for the mentor time) but it was decided that this was not a suitable approach. In addition, the mentor's daily rates were in effect lower than what was originally anticipated at the time of budgeting. The increases in Year 1 and Year 2 mentor costs are due to the greater numbers of participants completing the Programme and more mentor support required.

- The actual coaching costs are also lower than the budgeted position. The lower than budgeted coaching costs were tendered by the successful coaching services provider as part of a tender competition which was run to procure this aspect of the programme.
- Invest NI staff costs have exceeded the budgeted staff costs associated with the programme. The staff have played a greater role in the running of peer networking events, than envisaged at the time of the appraisal.

Based on the most up to date Programme forecast expenditure it is anticipated that total Invest NI Programme costs will total £1,119m over the full Programme period, compared to a budgeted forecast of £1.196m.

At this stage, it is worth drawing attention to the cost of support for each element according to the perceived value delivered. From the table we can see that the cost of mentoring support is considerably lower than that of Coaching (e.g. £154,957 cost of coaching for period 2012-14 versus £28,655 cost of mentoring for the period 2012-14).⁵

It is worth highlighting that from the company consultation the coaching/mentoring/networking programme elements all received positive feedback from the companies however the most important element of the Programme was perceived to be mentoring (less than one third of the programme costs and under projected budget). The feedback from the companies will be explained in greater detail in Section 3.3.

Summary on Appropriateness of Delivery Model: This section provides an analysis on the delivery model and operating structures involved in the Programme. From the evidence presented we make the following conclusions.

- **Relationship and Interaction with Mentors/Coaches/Client Executives/Companies** – The Programme Team maintain regular contact with the mentors/coaches throughout the Programme. There are a number of formal meetings throughout the process and formal update progress reports are submitted. At the beginning of the Programme the Programme team facilitates an introduction meeting between the Client Executive, the mentors and coaches. The Programme Team have developed strong relationships with the company participants and have an open approach that allows companies to make contact if they experience any Programme related issues. Overall the quality of relationships and frequency of interactions between the various parties are considered to be appropriate to enable effective operation of the Programme. One identified area for development is formalising the checkpoints between the coach/mentor and Client Executive to ensure that participant related information and knowledge is shared between each party.
- **Delivery Model** – The Programme Team have adopted a simple staff structure underpinned by a delivery model that facilitates effective management and monitoring of the Programme. The feedback from participants and the coaches/mentors has been positive on the management practices, the administration and paperwork levels, the flexibility and responsiveness of the Programme Team and the ethos of continuous improvement that has been created. In addition to this feedback we have observed the working practices involved in measuring the

⁵ It should be noted that mentors generally do not bill for all of their mentoring support time. For example, for the 2013/14 programme it was anticipated that mentoring costs would total £59,409, based on the total participant numbers and 3.5 direct mentor days as well as some non-direct mentoring time; in reality just £23,230 of this total cost was invoiced i.e. there was more work delivered than mentors invoice for, due likely to factors such as benevolence or their own lack of administration). However, Invest NI has a role in the management of mentors which would increase the costs attributed to them (this cost is included in overall staff costs).

performance of the Programme and monitoring and evaluating the financial and nonfinancial impact on the companies. Based on this analysis the delivery model is considered to be appropriate. It is important that the Programme Team continue to monitor the effectiveness of their structures/tools and techniques and react to feedback and implement any changes as necessary. A development area for the Programme Team is the greater involvement and engagement with a wider pool of Client Executives in order to encourage a steady pipeline of companies and a representation from a wider spread of industries.

- **Risk Management** – The risk management procedures are effective and include suitable mitigating actions. The Programme Team have adopted a responsive and flexible approach to managing the Programme to date and have made changes based on feedback. These experiences have enabled them to gain a good understanding of the likely future risks and issues. As a result they have developed a risk register with appropriate mitigating steps and associated risk scores.
- **Financial Management** – despite there being variances between the budgeted expenditure from the Business Case and actual expenditure incurred on the Programme, it is considered that the Programme Team have effective practices and procedures for managing the paying of the coaches/mentors and processing claims. The rationale for the variances have been fully explained and documented. In the design of the Programme's delivery the Programme Team should reflect the relationship that exists between Programme activity costs and perceived value of the Programme's activities to participants.

3.3. Overview of Consultation Findings

This section provides an overview of the headline findings from our consultation exercise in relation to the key stakeholders involved in the delivery and participation in the Programme. We conducted detailed consultations on an individual basis and through focus group sessions. The majority of consultations were conducted face to face and where this was not possible they were conducted via the telephone. The numbers (as agreed in our proposal document) of consultations conducted included:

- **Mentors:** We consulted with eight Programme mentors out of the total pool of 22. When choosing mentors to consult with we selected mentors with the most experience of working with numerous company participants and who ensured a spread of representation across the evaluation period. Collectively the eight mentors we spoke to had worked with 28 out of the 44 companies that have completed the Leader Programme to date.
- **Coaches:** We conducted a roundtable focus group session with the Wilson Sloan coaching team. The coaching team had remained unchanged since the Programme Pilot and all team members were present at the session. In advance of the roundtable discussion we held a one to one meeting with the chief executive of Wilson Sloan Coaching to get a strategic perspective on the Programme and the support offered.
- **Programme participants and their Co-Workers:** We conducted consultations with 24 Leader Programme participants. This consisted of eight participants from the Pilot Programme 2012/13, six participants from the 2013/14 cohort and ten participants from the 2014/15a cohort. We developed a detailed questionnaire (contained in Appendix D for reference) in close consultation with the Programme Team to facilitate discussions with the business leaders. The questionnaire contained a mix of open and closed questions and captured qualitative and quantitative feedback. While speaking with the Programme participants we requested if we could consult with one of their co-workers in the company

in order to capture their impressions of the impact the Leader Programme has had on the Leader participant. We spoke to eleven co-workers of Programme participants.

- **Invest NI Programme Team:** We conducted face to face consultations with key members of the Invest NI Programme Delivery Team including Invest NI economist, INI Grade 7, INI Deputy Principle and Roundtable Consultation with 6-8 Client Executives. These discussions focused on the delivery of the Programme, the performance of the Programme, links to other support and the issues facing the Programme in the future.
- **DEL:** We conducted a roundtable discussion with members of the DEL skills delivery team. These discussions focused on the leadership support offered within DEL, the links with INI in the leadership space and the issues facing companies.
- **Companies who chose not to apply:** We conducted one telephone consultation with a company who received an offer but did not take up support. This discussion focused on understanding the rationale behind this decision.

A full breakdown of the stakeholders we consulted with is included in Appendix B for reference. A summary of the more qualitative feedback provided as part of the consultations is set out in Sections 3.3.1 – 3.3.

3.3.1. Mentors (8x mentors)

Mentor Consultation Findings

INI Management and Operation of the Programme

- The structure of the programme is good with an exciting range of activities that meet the tailored needs of companies.
- The Programme team are approachable, organised and communicate effectively with all stakeholders.
- The Programme team have created an environment of continuous improvement with open feedback loops.
- The level of paperwork is appropriate and ensures a solid structure and focus. It is considered to have improved from the opening years of the programme and now has the correct balance between monitoring requirements and meeting needs of company.

Quotes:

“The team worked hard to ensure Programme continually improved and always met the needs of the company”

Mentoring Activities and Techniques

- The business diagnostic and the growth action plan were good tools to focus the minds of the participants on the Programme. These tools allowed the conversation to have a purpose and an end goal. However two mentors expressed an opinion that the growth action plan should be more focused on project and / or organisational change rather than focusing solely on business performance (revenue and profit).
- The mentors expressed the importance of adopting a flexible approach to managing the support provided. It was not one size fits all and different companies responded to different techniques and styles. Mentors often responded to the bespoke needs of the participant and tailored their approach to meet those needs. This ranged from facilitating difficult conversations with family members in the business to sharing industry contacts.

Quotes:

“I adopt my style according to the leaders personality and needs...this flexibility is crucial for the Programme”

Relationships on the Programme

- Chemistry between the mentor and the programme participant was identified by all of the Programme mentors as the most important basis for the relationship. Building rapport, trust and credibility with the company was considered paramount in the success of the support.
- Related to the chemistry point – all of the mentors valued the ‘matching’ process at the start of the Programme as it was a good method of gauging the potential chemistry between each other. The mentors believed that it was important that the companies retained this ability to meet mentors prior to commencing on the Programme.
- All of mentors stressed that the relationship between the mentor and the participant should not follow a teacher-pupil format, but rather a partnership with the mentor providing impartial advice and facilitation.
- The majority of the mentors consulted had maintained some level of contact with the companies they had been paired with beyond the formal conclusion of the programme. This has ranged from informal conversations to, in several cases, the mentor joining the participant’s company board as a non-executive director.
- The majority of mentors felt that they had strong rapport with the coaches on the Programme and often worked with the coach assigned to their participant to ensure a joined up approach. There was a joined up and collaborative approach to support across mentors/coaches.
- However, it was noted that a number of mentors felt that they would have been keen to have a greater involvement with their participant’s Client Executive during the programme. This could have ensured that they had knowledge and understanding of the company before they met with the company leader.
- Feedback on the relationship between the mentors and the Invest NI programme team was strongly positive. In particular the team was praised for its responsiveness to participant’s needs

and flexibility in situ to meet these needs.

Quotes:

“The relationship between the mentor and the participant is crucial. There needs to be chemistry and there needs to be trust in order for the relationship to add value”

Impact of the Programme

- All of the mentors interviewed suggested that if there had been no impact on the performance of the companies or the individuals they had worked with then they would regard their intervention as failed. They believed that their support would lead to long term business improvement for the company.
- The majority of mentors felt that the biggest and most direct impact which they had had was increasing the confidence and soft skills of the participants they had worked with. This ranged from increasing assertiveness on decision making to better interviewing and recruitment techniques. They felt these changes could then be used to equip leaders with the skills to improve business performance.
- The mentors observed and provoked organisational structure changes in many of the participant's companies. This ranged from job changes in senior roles in companies, setting up and reforming company boards and governance structures to formalising roles and job descriptions for staff.
- Some of the mentors remarked on broadening and increasing the ambition of the participants on the Programme. This involved a shift away from a conservative, profit based focus to a more growth orientated slant.
- The majority of mentors stated they felt that six months was too short a timeframe to attempt to gauge the impact of the Programme on company performance. In addition it was felt that, given the close relationship developed between the mentors and the participants and the mentor's knowledge of the participant's company, it may be beneficial for the mentor to feed into the six month review. Currently they do not.

Quotes:

“The Programme's impact manifests itself in the development of the participant's soft skills, such as communicating with their staff, and in the development of the participant's confidence in their own decision making and ambitions for their organisation”

“As a mentor I can act as an impartial voice. This is important when dealing with issues in family businesses. I can tell the hard truths and take an objective standpoint which can be difficult for member of the family”

Future of the Programme

- All of the mentors considered that the rationale underpinning Invest NI's funding of the Programme was still strong and that many more companies in Northern Ireland could benefit from the support it provides.
- The Programme was building a reputation and brand which was generating a self-sustaining pipeline for the future. It would be beneficial to use the companies who have completed the Programme to act as testimonials for other companies seeking to avail of support.
- The majority of the mentors felt that changing SME attitudes to growth and leadership was more important than short term economic gains and that the Programme was facilitating this change.
- The mentors were in favour of formalising post-Programme relationships – creating a capacity for companies to avail of additional support if required.
- The formation of the alumni network is important for continuing to foster and develop peer relationships.
- More comprehensive review post-Programme was essential going forward. This would include check-points over a longer period of time following the conclusion of the support offered through the Programme and input from stakeholders such as the participant's mentor and Client Executive into the follow-up review process.

Quotes:

“Companies still find it difficult to dedicate resources to leadership capability development...therefore continuing to offer part funded support is important for the companies and the local economy”

Overall Summary: Feedback on the Leader Programme from the business mentors was strongly positive. Overall there was a feeling that the Programme was well run by the Invest NI team and that it was having a positive impact on the participants on the Programme. The relationships on the Programme, both between the mentor and the participant and between the participants were highlighted as the core elements determining a positive impact on the participant and their company.

The mentors suggested some development areas for the Programme including formalising relationships between the coach/mentor and Client Executive pre/during and post Programme, widening the review period beyond the six month period and creating more formal structures to facilitate additional support post the Programme.

3.3.2. Wilson Sloan Coaching (1x Focus Group with 6 Coaches)

Coach Consultation Findings

INI Management and Operation of the Programme

- The Programme is well managed and run by Invest NI Programme Team.
- The level of reporting and progress updates is at appropriate level to enable the Programme to be properly managed.
- The Programme Team have always been approachable and respond well to feedback and comments.

Quotes:

“The team have created a positive working environment for everyone involved in the Programme....you can tell the companies have trust in the INI Programme Team”

Coaching Activities and Techniques

- The coaches highlighted the value of the Leadership Competency Framework tool completed by the participant. The outputs of the self-assessments are used to tailor the best practice learning session to the needs of the participant.
- The coaches stated the importance of tailoring the contact/tools and techniques to suit the needs and personalities of the individual. This is to ensure that the support provided is fitted to the particular circumstances and challenges which the participant is facing in their business.
- The coaches all stated that they had the range of psychometric tools designed to help the company and deliver high quality and credible coaching sessions.
- The coaches stressed the importance of avoiding an overlap between the coaching and the mentoring roles. The coach's role was perceived to be provoking self-awareness and behavioural change in the participant with the mentor's role being focused on developing the participant's business aptitude. However, they did highlight the need to complement and align the two components.

Quotes:

“It is critical to the Programme that the coaching is tailored and bespoke to the needs of the participant and to the challenges they are facing in their business”

“We do our own evaluation of the coaching component of the Programme....This involves the participants rating the coaches and the techniques used. We feed this information back to Invest NI which is important for review”

Relationships on the Programme

- The relationship between the coach and the mentor was highlighted as being central to the delivery of the programme. The Coaches felt these interactions could be formalised and coordinated rather than relying on individuals.
- The relationship between the Invest NI programme team and the coaching team was regarded as strong. The Invest NI team was in regular contact with the coaching team and was responsive to feedback and new ideas put forward.
- Following each coaching session the coach sends a report to both the participant's mentor and the Client Executive.
- The coaching team illustrated some examples of where participants had requested to continue the relationship with their coach after the conclusion of the programme.
- The coaches often try to maintain a contact with the participant's mentor on the Programme. This can take the form of emails or face-to-face meetings between the coach and mentor. There was a feeling that some mentors have a cynicism towards coaching initially but that this decreases as the programme unfolds.

Quotes:

“We have developed great continuity with INI Programme Team and ourselves as most team members have been the same...it is important to continue with these relationships”

Impact of the Programme

- The coaches identified several recurring tangible changes which they had identified in their

clients. These included better delegation, better conversations with staff, better relationships within their business and greater assertiveness.

- The coaching team was eager to point out that eight of the nine companies engaged who participated in the inaugural running of the Leadership Team Programme in September 2014⁶ had previously participated on the Leader Programme. This illustrates increased awareness of the importance of leadership and management among programme participants. The Coaching team felt that the support received under the coaching element helped convince companies to undertake further development.
- Specific examples were illustrated by the Coaching Team of where they had had an impact on participants. This included participants who had freed up time to spend with clients by moving from an operational role into a more strategic position and participants who had been able to bring in staff which enabled them to step back from their primary company and set up new businesses.

Quotes:

“The participant's willingness to be coached and engage with their coach is essential to the success.....although some participant's had displayed initial cynicism, the majority of participant's had responded positively”

⁶ Invest NI's Leadership Team Programme is aimed at Managing Directors plus two members of a company's top team. It is delivered by Executive Education Modules provided by DCU and business coaching who embed the module learning. Wilson Sloan won the contract to deliver the Leadership Team Programme.

Future of the Programme

- All of the Coaches felt that the rationale for the programme was still strong and that many more companies in Northern Ireland could benefit from it. There was unanimous feeling that the Programme provided an excellent service and should continue.
- There was a general feeling that the Programme was building a reputation and brand which was generating a self-sustaining pipeline for the future.
- The majority of coaches felt that changing the SME attitudes to growth and leadership was more important than short term economic gains.
- The coaching team felt that some additional time with the participants during the course of the programme could be of use but were wary of encouraging dependency.
- The coaching team felt that a strong ethos of continuous improvement permeated the programme management and were pleased with how the Invest NI team had responded to feedback.

Quotes:

“I feel that companies have improved their understanding of the value of leadership...but given the links between soft skills and corporate gain...It is important to continue providing support in this area”

Overall Summary: The coaching team provided strong positive feedback on the Programme. There was a feeling that the Programme was meeting a need in the market, was well managed by the Invest NI team, was helping to change peoples attitudes to coaching/leadership development and was making impacts that could develop company businesses in the long term.

In terms of improvements to the Programme, the coaches emphasised the need to ensure the continuity of relationships between INI and coaches and to continue to ensure the culture of feedback and continuous improvement was encouraged.

3.3.3. Programme Participants (consultation qualitative feedback)

The findings from consultation with the leaders who had completed the Leader Programme were as follows:

Company Consultation Findings

Rationale / Awareness for Completing the Programme

- The rationale for participants completing the Programme included a combination of business and personal development objectives.
- Three quarters of the participants had learnt about the Programme through their Client Executive while others heard about the programme through Invest NI marketing literature.
- Some participants offered specific reasons for participating including; one participant remarked that he had been looking for a programme to evaluate and develop his leadership skills. Another participant said that they had been looking to launch a new product and the Leader Programme offered a good support for their undertaking.
- The financial support offered by Invest NI was a key factor in many participants proceeding onto the Programme. Without financial support 63 per cent of the companies spoken to would not have had the time and money to allocate to fund a leadership development programme.

Quotes:

“I'd just become the managing director of the company and I'd never undertaken leadership capability development previously. I wanted to develop myself so as I could do the best job possible to grow the business”

Programme Delivery Structure

- The majority of participants consulted felt that the Programme was well managed and administrated by Invest NI with 96 per cent of consultees stating that they were very satisfied with how the Programme was managed and 92 per cent very satisfied or satisfied with administration of the Programme. These elements were described as “first class”, “very good” and “Great” by participants.
- All of the participants felt that the Programme Team were flexible and reacted positively to feedback and comments on specific aspects of the Programme.
- 79 per cent of participants felt that there was a joined up approach from the coach and mentor however participants were less confident that their Client Executive was involved in regular discussion with the programme team staff.
- The respondents felt that the Programme had a good range of activities that complemented each other and provided tailored and valuable ‘on the job’ learning. The residential element was highlighted as a great way to kick-off the Programme and build relationships within the cohort.
- A couple of comments were made around processing payments to the mentor and the coach. It was suggested that this process could be streamlined if the mentor and coach payment processes were conducted in the same way.

Quotes:

“Delivery Team was well organised...I was impressed with flexibility and levels of communication”

Programme Activities and Techniques

Mentoring

- The mentor selection process was widely regarded as flexible, transparent and responsive. Particular comments included that the selection process was “perfect”, “well organised” and with a selection of mentors which was “very impressive”. The companies emphasised the importance of getting the correct mentor and creating that chemistry between both. The companies viewed the mentor as critical to the success of the Programme.
- Feedback on the mentors skills and contribution was positive. Companies valued the experience, expertise, credibility and the track record of the Mentors.
The majority of the companies stated that the Mentors had a good flexible style that worked with the needs of the company. All of the companies consulted said that they were either satisfied or very satisfied with the mentoring element of the Programme with three quarters of the companies stating that it was the most important element of the Programme in their opinion. However, it was noted by one company that they felt the mentor balanced their own commercial needs over the needs of the company.
- A number of the companies (4 of 24) stated that they felt the time allocation of 3.5 days of support could be increased.

Quotes:

“The support allowed me to continue to operate my business, the mentors/coaches fitted in around my needs and schedule”

- **“Every time I go onto the ‘shop floor’ I see my mentor everywhere.....not in person but in the work that he has done and changes to the production line that we implemented”**

Coaching

- The process by which the participants were matched with their coach was regarded to have worked well in general however some participants suggested that they would have appreciated greater input into the selection process and highlighted the mentor matching process as an alternative.
- Feedback on the coaches was positive. Similar to the mentors they felt they had the correct skills, experience and expertise. Companies stated that they enjoyed the tools and techniques that the coaches used during their sessions.
- However, some companies indicated that they had initially been less sure what the role of the coach would be relative to the role of the mentor however the majority who expressed this opinion said that they had come to value and appreciate the input from their coach as the programme progressed

and that they had changed opinions. Specific remarks on the coaches included that they had “broadened horizons”, “always been flexible” and provided “useful perspective”.

80 per cent of participants were satisfied or very satisfied with the coaching element of the Programme.

- 4 per cent of participants stated that the Coaching was the most important element of the Programme.

Quotes:

“I liked the flexibility which my coach gave me to involve my senior team in the sessions. The coaching support was very valuable and our coach was excellent”

Peer Networking

In order to reflect the significant changes made to the delivery of the peer networking component of the Leader Programme following the conclusion of the pilot this section has been separated into feedback from the Pilot cohort (2012/13) and feedback from the cohorts who completed the Programme in the following years (2013/14 and 2014/15a).

Pilot cohort (2012/13)

In total eight participants from the 2012/13 cohort were consulted.

- The opinion among the Pilot Programme participants towards the networking component of the Programme was mixed. Feedback from consultees included that the sessions “didn’t work” and that the cohort “didn’t get a chance to get to know each other”.
- The average score for the networking element of the Pilot Programme was 3.75 out of 5. This reflects the mixed opinions within the cohort. Three participants stated that they were ‘very satisfied’, however two participants stated that they were ‘dissatisfied’.
- One consultee stated that the residential element of the peer networking should be held at the start of the Programme, as an icebreaker. This has been the case in later renditions of the Programme.

2013/14 and 2014/15a cohorts

In total six participants from the 2013/14 cohort and 10 participants from the 2014/15a cohort were consulted.

- Feedback from the 2013/14 and 2014/15a cohorts were generally more positive than the feedback supplied by the Pilot participant cohort. The average score for the networking element from these cohorts was 4.25 out of 5, reflecting an increase in participant satisfaction.
- Comments on the networking component included that it was “great meeting up with other MDs” and that the peer networking had provided a “great circle of support”. Several participants stated that they were still in touch with other members of their cohort and either planned to or had attended a Leader Programme alumni event.
- Some concerns were still expressed about the networking component from later cohorts. These centred on the difficulties of building relationships when a participant was the only person from their industry in the group. Three participants made reference to this issue and remarked that it had limited the value which they gained from the sessions.
- Several participants also commented that some of the guest speakers were not relevant to their business, however there was a general understanding that these speakers may have been very beneficial to other members of the cohort.

Quotes:

“It was great to talk with people who were facing the same issues as I was”

“I enjoyed being able to bounce ideas of other members of the cohort, ask them questions and see how they have resolved issues which I am facing in my own business”

Impact of the Programme

- The majority of participants have maintained contact with their mentor, and in fewer cases, their coach. This maintained contact with the mentor has ranged from informal conversations and scheduled sessions to the mentor joining their participant's company as a non-executive director or the company board. Sustained contact with the coach generally involved additional sessions with the participant's senior team.
- With the exception of a few participants, the opinion was that the coach and mentor roles were both distinct and joined-up. Many participants gave examples of how / when their mentor and their coach had met together to co-ordinate their approach. As one participant summarised it, the mentor worked primarily on developing the participant's business while the coach primarily focused on developing the leader as an individual. 96 per cent of participants felt that the Programme had the correct mix of activities and that the mentor/coach and networking support is effective and complementary.
- All of the companies consulted stated that the Programme had a positive impact on their leadership skills. Specific areas where participants stated that they had developed their skills included communication with staff, decisiveness, confidence in their role and strategic decision making.
- The reported company-wide impacts associated with participation were wide ranging. Many had made significant organisational structure changes, such as implementing a board structure, while others had developed new recruitment strategies, launched new products, focused market research, improved internal working practices etc.
- All but one of the participants said that the Programme has equipped them with skills to improve their company performance in the long term while only two participants said that the Programme had not improved their leadership skills. One participant stated that the Programme 'shone a light' on their leadership skills.
- The majority of participants stated that the Programme enabled changes in the culture of their organisation in the short term and had provided tools to sustain this in the long term. Examples included greater responsibility, greater understanding of the business goals, empowerment of staff, and adopting more professional and outward looking approaches. It was recognised by some participants that the culture of organisation will take longer to change than the Leaders capabilities, but the Programme was seen as a catalyst to start this change.

Quotes:

"The Programme has allowed me to identify and address areas of inefficiency across the business"

"I was able to increase revenue directly....I acquired a new customer contract through contacts made on the Programme"

"The Programme has helped in realising vision of new products and new markets for my

company"

"The Programme gave me the confidence to support my belief that the current operational plan in my company was not workable.....I then established my own business....."

"I have been able to make cost savings as a result of the Programme...due to internal reorganisation and removing 'free-loaders' from the staff."

Impact of the Programme on Co-workers (n=11)

- The majority of co-workers stated that the Leader had become more structured and more professional on the back of the programme. Specific ways in which this has been achieved included:
 - The introduction and sharing of scorecards for the company with employees;
 - Offering staff leadership and management training opportunities;
 - Monthly / weekly staff meetings;
 - Providing formalised job descriptions; - Giving employees official uniforms; and - Holding company social events.
- All of co-workers consulted stated that they felt communication in their company had improved following their company leader / managing director completing the Programme.
- All of co-workers consulted felt the strategic vision and objectives of the business were clearer as a result of the Programme, with many co-workers stating that they themselves were now keen to pursue leadership capability development in the future after seeing the impacts. In some cases the co-workers consulted were engaged to participate in the Leadership Team Programme commencing in September 2015.

Quotes:

“The figures show the impact that improving leadership and management in the company have had. We have daily meetings now and we log our progress against KPIs using scorecards. This has improved motivation and morale in the company”

“I’ve been in the company for over 15 years but I’ve definitely noticed big changes over the last 12 months (since engaging on the Programme)... our meetings are much more structured and we are much more productive now”

“Staff in the company are much clearer on our strategic direction now, we have better buyin from managers and we are much more structured and organised organisationally”

"There has been a change in the culture in the company, (the participant) has taken less ownership of operational issues and spends more time facing clients and developing our strategy now”

Overall Summary: The message from the companies was positive across the delivery of the Programme, the mix of activities, the quality of the support and the impacts delivered. Companies stated that their management and leadership skills had improved as a result and it was felt that the changes made as a result of the programme had equipped the participant’s companies for stronger, more sustainable and more manageable growth in the future.

The companies had a number of minor suggestions for improving specific elements of the Programme. These included formal checkpoints between the coach/mentor/Client Executive during the Programme, review the balance of industries represented on the networking events, develop a more formal checkpoint post the 6 month review period to gauge impacts and an increase in number of days of support offered for the mentoring and coaching elements of the Programme.

3.3.4. Programme Participants (consultation quantitative feedback)

The tables below set out the quantitative feedback provided as part of the consultation with Programme participants. The quantitative feedback provides further evidence to support the more qualitative feedback presented in Section 3.3.3. The areas covered include how the participant became aware of the programme, their reasons for participating in the programme and their satisfaction levels with various elements of the support provided.

How did you become aware of the INI Leader Programme?

Answer	Number of Participants	Percentage
Client Executive	18	75%
Invest NI Programme Team	1	4%
Previous participant	1	4%
Website	2	8%
Marketing Literature	2	8%
Other	0	0%

Summary: The majority of participants consulted became aware of the Leader Programme through their Client Executive. This suggests that engaging Client Executives is the more effective way of recruiting companies onto the Leader Programme.

Why did you want to participate on the Programme?

Answer	Number of Participants	Percentage
Business Development	4	17%
Personal Development	9	38%
Both Personal and Business Development	9	38%
Other	2	8%

Summary: The table highlights that 17 per cent of participants stated that they participated in the programme for solely business reasons, 38 per cent for personal reasons and 38 per cent a combination of both.

Would you have applied to the Leader Programme if there was no financial support provided?

Answer	Number of Participants	Percentage
Yes	6	25%
No	15	63%
Neither	3	13%

Summary: The majority of participants consulted said that they would not have engaged on the Programme without financial support (i.e. the financial contribution towards the costs incurred by Invest NI). Just one quarter of the participants spoken to said that they would have applied to the Programme without financial support being provided.

Prior to participation in the Leader Programme had you engaged in any other leadership development programmes?

Answer	Number of Participants	Percentage
Yes	13	54%
No	11	46%

Summary: Just over half of the participants consulted had previously completed leadership capability development training. Participants also provided detail around the nature and provider of their previous leadership skills engagements. Two of the consultees who responded 'Yes' had completed previous Invest NI programmes, while one participant had completed a privately run programme for which they were funded by Invest NI. Leadership capability development undertaken by the participants outside of Invest NI included internal company training as well as studies for the Institute of Directors diplomas. Amongst the participants who responded 'No' to this question, time constraints was the most commonly highlighted barrier to engagement with leadership capability development training. Cost and lack of awareness of programmes available were also cited by some consultees as barriers to engagement.

Answer	How satisfied were you with the mentoring element of the Programme?		How satisfied were you with the coaching element of the Programme?		How satisfied were you with the Networking element of the Programme?			
	Number of Participants	Percentage	Number of Participants	Percentage	Number of Participants (2012/13)	Percentage	Number of Participants (2013/14, 2014/15a)	Percentage
Very Satisfied	18	75%	14	58%	3	38%	9*	56%
Satisfied	6	25%	8	33%	2	25%	5*	31%
Neither	0	0%	1	4%	1	13%	1	6%
Dissatisfied	0	0%	1	4%	2	25%	1	6%
Very Dissatisfied	0	0%	0	0%	0	0%	0	0%

Summary: Satisfaction rates were high across all three components of the Programme. Mentoring had the highest satisfaction rate with 100 per cent of participants consulted either satisfied or very satisfied. Coaching was the next highest rated component with 91 per cent of participants consulted either satisfied or very satisfied. Responses from consultees on the peer networking component were slightly more mixed. The participants who had taken part on the Pilot Programme rated their experiences of the peer networking component as weaker than those who had participated on the Programme since the peer networking delivery model had been revised. 87 per cent of participants from the 2013/14 and 2014/15a editions of the Programme were satisfied or very satisfied with their experience of the peer networking component.

*One participant gave a score of 3.5 and one other participant gave a score of 4.5. These were rounded up to 4 and 5 respectively.

How satisfied that the overall support offered was tailored to your business needs?		How satisfied were you with how the Programme is managed by the Invest NI Programme Team?		
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Answer	Number of Participants	Percentage	Number of Participants	Percentage
Very Satisfied	13	54%	17	71%
Satisfied	8	33%	6	25%
Neither	3	13%	0	0%
Dissatisfied	0	0%	1	4%
Very Dissatisfied	0	0%	0	0%

Summary: The majority of participants consulted expressed high satisfaction rates with how the Programme was managed by the Invest NI Programme team and tailored to suit their individual needs. Notably, 96 per cent of consultees were either satisfied or very satisfied with how the Programme was managed by Invest NI.

How satisfied that the overall support offered enabled you to achieve your objectives / expectations of participating on the Programme?

Answer	Number of Participants	Percentage
Very Satisfied	13	54%
Satisfied	10	42%
Neither	1	4%
Dissatisfied	0	0%
Very Dissatisfied	0	0%

Summary: The majority of consultees were satisfied or very satisfied with that the overall support offered which had enabled them to achieve the objectives which they had for participating on the Programme.

What element of the Programme did you find most valuable?

Answer	Number of Participants	Percentage
Mentor	18*	75%
Coach	3*	13%
Peer Network	1	4%
All	4	17%
Other	0	0%

Summary: The majority of participants consulted reported that they found the mentoring element of the Programme to most valuable component. 17 per cent of respondents considered that all components were equally valuable while 13 per cent considered that they got more out of the coaching element than any other.

***Two participants ranked both the coach and mentor as equally important**

How would you rate the impact on your leadership / management skills as a result of the Programme?			How would you rate the impact on culture / operating environment of your business as a result of the Programme?	
Answer	Number of Participants	Percentage	Number of Participants	Percentage
Very Positive	11	46%	11	46%
Positive	10*	42%	8	33%
Neither	3	13%	5	21%
Negative	0	0%	0	0%
Very Negative	0	0%	0	0%

Summary: Feedback on the impact of the Programme on the leadership and management skills of the participant and on the culture / operating environment of the participant's companies was strongly positive. 88 per cent of consultees answered that the Programme had had a positive or very positive impact on their leadership / management skills while 79 per cent answered that the Programme had had a positive or very positive impact on the culture / operating environment in their company.

***One participant gave a score of 3.5. This was rounded up to 4.**

Do you think that your understanding of the importance of management / leadership has improved as a result of the Programme			Do you think that you have established strong peer networks as a result of the programme?		Did you act on the skills / knowledge gained during the coaching sessions?	
Answer	Number of Participants	Percentage	Number of Participants	Percentage	Number of Participants	Percentage
Yes	22	92%	13	54%	21	88%
No	2	8%	11	46%	3	13%

Summary: The overwhelming majority of consultees responded that they felt that they had developed a stronger understanding of the importance of management / leadership as a result of the Programme (the two respondents who replied 'No' to this question stated that they were already very aware of the importance of management / leadership and that this fed into their decision to participate). One note of disappointment is that only 54 per cent of respondents felt that they had established strong peer networks as a result of the Programme. As covered in section 3.3.3 there were a variety of reasons for this, most notably a lack of other companies from comparable industries. A high proportion of consultees said that they had acted on the advice of their coaches, indicating the value of this component of the Programme.

Do you think that the Programme has the correct mix of activities?

Answer	Number of Participants	Percentage
Yes	23	96%
No	1	4%

Summary: The overwhelming majority of participants consulted stated that they felt that the Leader Programme had the correct mix of activities. Only one participant stated 'no' in response to this question. This participant stated that they would have liked a greater focus on the networking element of the Programme. It is notable that this participant was on the Pilot Programme and thus had a different experience of the peer networking component of the Programme than is currently the case.

Would you recommend the Programme to others?

Answer	Number of Participants	Percentage
Yes	23	96%
N/A	1	4%

Summary: The majority of participants stated that they would recommend the Leader Programme to others with a large number stating that they had already done so. The one consultee who did not answer 'yes' felt that they could possibly recommend the Programme but had not done so to date and refrained from giving an answer to the question.

3.3.5. Overview of Case Study Companies

The following section provides a more detailed analysis of the views provided by two programme participants in relation to the impact the Programme has had both on the participant's own skills development as well as the business.

Company X – First time leader in a £4 million per year engineering company

Overview of the company: Company X is an engineering company with just over 20 employees serving customers in the UK, Europe and North America. Company X was first founded over 30 years ago and through growth and acquisitions in the ensuing years now turns over around £4 million per year. Prior to entering onto the Leader Programme the company underwent a change in leadership with a new Managing Director (MD) being appointed following a period of instability.

Company X was approached to enter onto the Leader Programme by their Invest NI Client Executive. The company MD was initially unsure over whether to proceed or not as they had a heavy workload, had not completed any leadership capability development before and considered themselves 'too old' to start, but decided to engage in the programme with the aim of developing their business. Company X completed the Programme in 2013.

Engagement on the Programme: Company X was very satisfied with both the mentor they selected for the Programme and the coach which they were assigned. The participant was aware that his mentor and his coach were co-ordinating and he was satisfied that there was a joined up approach to the support he received. The participant attended and participated in the peer networking on the Programme. A recommendation put forward by the participant was that the speakers at the events should be more orientated around people who had 'been there and done it' and spoke about their own experiences.

Programme Impacts: The programme had a large impact on the company and the participant. The participant stated that the programme "opened my eyes" and helped to identify the key employees in the business that would drive success. These employees were then put through chartered management courses by the company and will accompany the participant on the Leadership Team Programme in September 2015. The participant hired two new operations managers to oversee the business and states that as a result of the Programme he can now delegate work without 'babysitting'. The participant stated that as a result of the Programme he has a greatly increased understanding of the importance of management and leadership and now reads books on management and leadership theory regularly to develop his understanding further.

The company has also seen many changes to working practices on the back of the Programme. The company has implemented new uniforms for staff and implemented a yearly bonus system and days out to reward the staff in the company. There is now a 'war room' on the shop floor which displays scorecards and information about the company's strategic performance and the company has refined its staff to only workers who are willing to buy-in to the company's vision. There have been some staff changes, meaning that the staff team are much more bought into the company vision.

In their six-month post project review the participant highlighted six specific outcomes from their participation on the Programme:

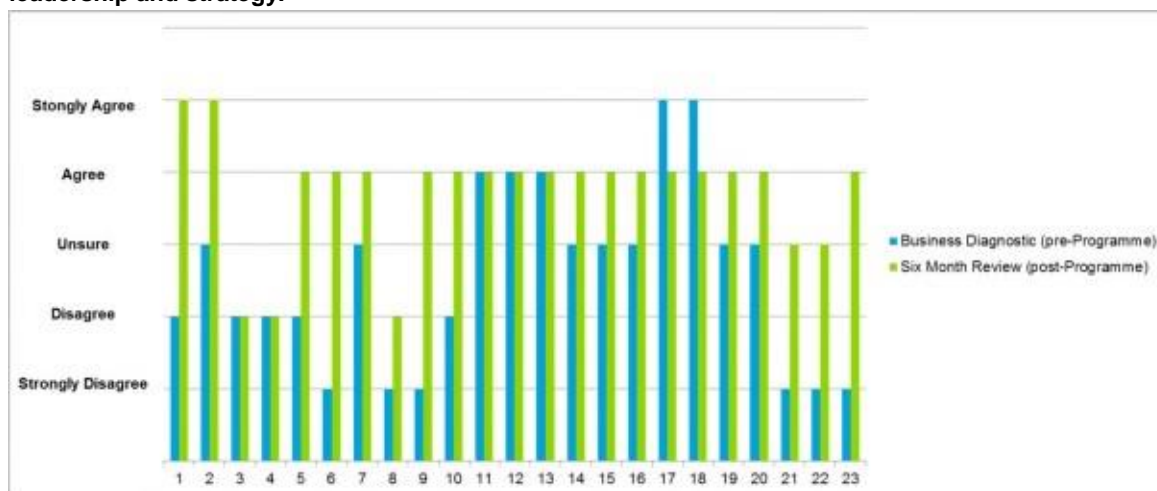
- Better personal leadership skills;
- The development of succession planning in the company;
- Greater reflection on the outcomes of work done;
- Greater reflection on feedback from customers;
- A better understanding of what to focus on in the business; and
- Much greater delegation to other members of the senior team

The participant also attributed the improved economic performance of the company to the changes made following participating on the Programme. While the number of employees in the company reduced in the aftermath of the Programme this was regarded as a positive streamlining of the workforce. The company's profit and export revenue have both increased while total revenue has risen by around £350,000 per annum. The company is planning to add five to seven new jobs over the next three years.

The impact of the Leader Programme on the participant can also be seen by comparing the participant's answers to the Business Overview section of the business diagnostic document and their answers to the same questions in the six-month review document.

Table 3.7 below illustrates changes in the participant's ratings in relation to various business leadership and strategy related indicators.

Table 3.7: Changes in Leader Programme participants feelings on various indicators of business leadership and strategy.



1. We know what the specific barriers or constraints to growth are for the business	7. We are clear about specific markets/segments which we are servicing	13. We can point to clear management behaviours being demonstrated in our business	19. We have a clear set of key performance indicators by which we run the business
2. We constantly think about how products and services can be improved	8. We have detailed information (including all possible customers) on each market we are targeting	14. People are clear about what needs done and receive feedback on how they are doing	20. Operations and financial reporting is matched with an overall plan for the business
3. We are currently introducing new products and services	9. We have one or more persons responsible for delivering a marketing plan within the business	15. We have recently developed the knowledge, skills and / or attitudes of our staff	21. We have a clear business strategy and action plan to achieve sustainable business growth
4. We have a culture which encourages and recognises the development of new ideas	10. We have identified clear opportunities for sales growth	16. I have recently developed my personal knowledge, skills and / or attitude	22. We have a thriving network of industry peers which we continually use and seek to develop
5. We are as innovative now as we were when the business started	11. Our customers are given the same level of service as they always were in our organisation	17. We have a commitment to the establishment of effective operational procedures /controls	23. We have clarity on future funding requirements and have identified potential sources of funding
6. It is clear how we are different from our competitors	12. We can point to clear leadership behaviours being demonstrated in our business	18. Operational procedures and policies assist in the decision making process	

Table 3.6 illustrates that since completing the Leader Programme the participant now has a clearer understanding of what barriers there are to their business growing and how best to plan strategically in order to overcome these barriers. The participant also reported that they have greatly developed their peer network since concluding the Leader Programme.

Summary: The company detailed many positive changes which have been made on the back of the Programme. These impacts have been both business performance related and changes to the organisational structure of the company. The participant stated that the changes and positive impacts seen probably would not have been achieved without participation on the Programme and was keen to recommend the Programme to other business leaders.

Company Y – First time leader pushed into role leading £5 million engineering company through unexpected circumstances

Overview of the company: Company Y is a mechanical engineering company with 40 employees serving customers in Northern Ireland and the mainland UK. Company Y is a family owned business which was first founded almost 100 years ago and now turns over around £5 million per year. Prior to entering onto the Leader Programme the company underwent a change in leadership with a new a new managing director being appointed at short notice. Company Y became aware of the Leader Programme through attending events and liaising with Invest NI. The company leader entered onto the Programme for personal development reasons having entered into their MD role unexpectedly and having no background in business. The Company completed the Programme in 2013.

Engagement on the Programme: Company Y was very satisfied with both the mentor they selected for the Programme and the coach which they were assigned. The participant was aware that her mentor and her coach were co-ordinating with each other and that she was satisfied that there was a joined up approach to the support she received. The participant said that she felt her mentor went “above and beyond” the time prescribed by the Programme and was very appreciative of his support.

The participant from Company Y attended and participated in the peer networking and best practice learning events on the Programme. The participant was appreciative of the support offered through the peer network and felt that they were able to share and discuss issues they were facing in their business.

Impacts of the Programme: The programme had a large impact on the business and on the participant. The participant stated that the programme helped to grow their self-confidence and adapt to their new role. The Programme helped the participant to make a decision to bring in a new senior employee who shared her strategic vision for the company. The participant has proceeded to build her own senior team in the company, making several new hires. One of these hires came through the Invest NI Interim Manager programme.

Company Y has also seen many changes on the back of the Leader Programme. The company is in the process of implementing new pay scales and appraisal systems to reward staff and formalise their roles in the company. The business suffered a traumatic event in the aftermath of the Programme and the participant felt that the Programme helped to equip her with the skills to deal with the situation and reassure staff. The company now holds monthly regular staff meetings and quarterly meetings which all staff to attend.

The participant also attributed the improved business performance of the company to the changes made following participating on the Programme however felt that the impact was difficult to quantify as her major takeaways from the Programme had been on a personal level. The company has begun operating in the mainland UK for the first time since completing the Programme and recently secured a £1 million contract. Costs in the business have increased since the participant completed the Programme. This has included procuring new vans, a new IT system and increasing staff salaries. It is anticipated that this will generate a greater return in the long term. The company has also committed to improving its finance and administration procedures.

In their six-month post project review the participant noted that the impacts of the Programme had been significant. Specifically they pointed to:

- A new £1 million contract which was won;
- The increase in company turnover from £5 million in the year before the Programme to over £11 million in the year of the Programme (when consulted the participant was unwilling to attribute this solely to the Programme but acknowledged that there was definitely a positive correlation); and
- New accreditations which the company had achieved.

A co—worker of the participant in the company stated that she felt there was a greater communication with staff on the strategic direction of the business and that she was offered additional training regularly. This included Institute of Leadership and Management training on motivation and morale.

The participant herself has gone on to participate in various other Invest NI classes on topics including recruitment and selection and is engaged in the alumni network. The company is also considering becoming engaged on the Leadership Team Programme in September 2015.

The impact of the Leader Programme on the participant can also be seen by comparing the participant’s answers to the Business Overview section of the business diagnostic document and their answers to the same questions in the six-month review document.

The impact the Leader Programme has had on the participant can also be seen by comparing the participant's answers to the business diagnostic document (pre support) and their six-month review document (post support). See Table 3.8.

Table 3.8: Changes in Leader Programme participants feelings on various indicators of business leadership and strategy.



1. We know what the specific barriers or constraints to growth are for the business	7. We are clear about specific markets/segments which we are servicing	13. We can point to clear management behaviours being demonstrated in our business	19. We have a clear set of key performance indicators by which we run the business
2. We constantly think about how products and services can be improved	8. We have detailed information (including all possible customers) on each market we are targeting	14. People are clear about what needs done and receive feedback on how they are doing	20. Operations and financial reporting is matched with an overall plan for the business
3. We are currently introducing new products and services	9. We have one or more persons responsible for delivering a marketing plan within the business	15. We have recently developed the knowledge, skills and / or attitudes of our staff	21. We have a clear business strategy and action plan to achieve sustainable business growth
4. We have a culture which encourages and recognises the development of new ideas	10. We have identified clear opportunities for sales growth	16. I have recently developed my personal knowledge, skills and / or attitude	22. We have a thriving network of industry peers which we continually use and seek to develop
5. We are as innovative now as we were when the business started	11. Our customers are given the same level of service as they always were in our organisation	17. We have a commitment to the establishment of effective operational procedures /controls	23. We have clarity on future funding requirements and have identified potential sources of funding
6. It is clear how we are different from our competitors	12. We can point to clear leadership behaviours being demonstrated in our business	18. Operational procedures and policies assist in the decision making process	

Table 3.7 illustrates that since completing the Leader Programme the participant has developed a more strategic approach to financial reporting and operations. The participant also observed significant improvements in engagement and communication with staff.

Summary: Company Y detailed many positive changes which have been made on the back of the Leader Programme. These impacts have been both economic and changes to the organisational structure of the company. The participant stated that the changes and positive impacts seen definitely would not have been achieved without participation on the Programme and was keen to recommend the Programme to other business leaders.

3.3.6. Conclusion on Consultation Findings:

- **Overall Views on the Leader Programme:** The majority of companies were positive in their overall feedback on the Leader Programme. The companies recognised the impact the Programme has had on their skills, business performance and operating environments. The companies stated that they would have no concerns in recommending the Programme to others and in some cases they have already done.
- **Rationale and Awareness of the Programme:** The majority of participants consulted became aware of the Leader Programme through their Client Executive. In total 17 per cent of participants stated that they participated in the programme for solely business reasons, 38 per cent for personal reasons with 38 per cent identifying a combination of both business and personal development related reasons. The majority of participants consulted said that they would not have participated on the Programme without financial support (i.e. the financial contribution towards the costs incurred by Invest NI). Just one quarter of the participants spoken to said that they would have applied to the Programme without financial support being provided. The Programme enabled the leaders to learn and train 'on the job' and continue to run their business. Companies realised how personal development was linked to long term business development and that by developing their own skills they will ultimately improve the company in the long term.
- **Programme Activities and Techniques:** Feedback on the activities and techniques on the Programme was positive. The mentoring element was highlighted by the majority of participants as the most valuable component of the support. The tools and reports used by the mentors were also generally praised for adding a structure and focus to the mentoring support. Coaching also received strongly positive feedback from the majority of participants with the coaching team being complemented for their flexibility and approach. This is notable as several participants were initially wary of the coaching element. While still broadly positive feedback was generally more mixed on the peer learning element of the Programme. This is partly attributable to the variations between the 2012 version and the subsequent versions. It was broadly accepted that the outsourced delivery model used in the 2012 edition of the Programme did not meet the expectations of the Invest NI team or the participants. Other issues raised by participants in the later cohorts related to the applicability of the speakers to all participants (four participants raised this) and a lack of peers from an industry relevant to their own (three participants raised this). Conversely, many participants felt that issues relating to leadership and management were not industry specific. Satisfaction with the peer networking element increase following the restructuring after the Pilot. 73 per cent of respondents who had participated on the Pilot Programme responded that they were satisfied or very satisfied with the peer networking compared with 87 per cent on the following editions of the Programme.
- **Management and Delivery:** Management and administration of the Programme was regarded to have been strong. The companies stated it was well organised, flexible, strong communicators and open to listening to feedback and comments.

- **Impact of the Programme:** Each participant presented a very individual story of how the Programme had impacted on both them personally and on their business. Recurring impacts reported included: – increased confidence;
 - improved decision making;
 - improved communication;
 - greater clarity and focus;
 - formalisation of staff roles;
 - reorganisation of Departments;
 - developed approaches to dealing with underperforming staff;
 - improved working practices (e.g. staff appraisal, structured meetings etc); and – better delegation.

While many participants stated that there had been or anticipated that there would be positive business performance impacts as a result of the Programme, as set out in Section 4 only small numbers were able to directly quantify attributable changes in business revenue/performance to the Programme. Qualitative data collected as part of the consultation exercise with participants indicated that over 80 per cent of participants felt the Programme had a positive or very positive impact on their leadership and management skills while over 90 per cent said that their understanding of the importance of leadership and management had improved as a result of the Programme

4. Performance, Impact and Value for Money

The purpose of this section is to provide an overview of the performance of the Programme against its original objectives and targets. In addition, this section provides an analysis of the monetary net economic impacts and wider nonmonetary economic impacts associated with the Programme. It also includes a review of similar programmes delivered by comparator organisations and finally an assessment of the overall value for money associated with the Programme. The analysis in this Section is based on data gathered during the consultation process as well as Programme monitoring data.

4.1. Performance of the Leader Programme

The specific objectives for the Programme were set as part of the appraisal and casework approval process in advance of Invest NI securing approval for expenditure on the Programme. The objectives focused for the most part on programme activity levels, with two additional objectives focusing on programme monitoring and the achievement of economic impacts. Table 4.1 provides a breakdown of the performance of the Programme against the objectives using the programme monitoring data and the results of the consultation exercise.

Table 4.1: Performance against Objectives

Objective	Progress	Rationale for Variation	Achieved
Raise awareness of leadership capability through the facilitation of 5 cross-sectoral peer networks/best practice events with 10 participants in each network per annum.	The Programme has facilitated a peer network for each cohort of participants on the Programme. Each cohort of participants are invited to up to six networking events per year. All Programme participants in each cohort were invited to attend the networking events, with the majority of participants attending all events. In addition, the Programme Team has facilitated the development of an alumni network.	The original idea was to use the network events to split into 5x mini groups (based on sector) and use the mentors to facilitate these mini groups. Following the Programme's pilot year, the Programme Team decided, based on client feedback that this approach was not working. Instead the approach adopted was to have one overall network meeting five times per year. The best practice events were removed from the Programme following the Pilot Phase in January 2013. They are now facilitated outside of the Programme and are not within the remit of this evaluation.	Largely Achieved
Engage a minimum of 20 companies from the INI client base in company and individual diagnostics per annum.	The programme has completed personal and business diagnostics with all programme participants within each cohort. The number of companies in each cohort were as follows: 2012/13 – 12 2013/14 – 17 2014/15 A – 15 2014/15 B – 8 2015/16 – 16 proposed	Our analysis indicates the target of 20 companies was not met in two of the three years to date, due in part to the lack of awareness of leadership support across companies, barriers to accessing support and the lack of promotion/awareness of the Programme across the entire Client Executive's pool. However, the intake and pipeline of companies have improved year on year and despite not meeting the annual target of 20, the Programme will have had 68 companies and 76	Largely Achieved

Objective	Progress	Rationale for Variation	Achieved
	<p>In some instances companies had more than one participant completing the programme. The number of participants in each cohort was as follows:</p> <p>2012/13 – 12 2013/14 – 18 2014/15 A – 17 2014/15 B – 9 2015/16 – 20 proposed</p>	<p>participants availing of the support at the end of the four years.</p>	
<p>Provide mentoring and tailored personal development solutions to a minimum of 20 client companies per annum</p>	<p>Similar to above the Programme has provided tailored mentoring support to each of the participants. The number of companies and participants are similar to those described in Row 2.</p>	<p>The variance in the numbers of companies receiving mentor support is due to the similar rationale explained above regarding the overall numbers of company participants.</p>	<p>Largely Achieved</p>
<p>Engage 20 companies per annum in an individual diagnostics session per annum</p>	<p>Similar to above the Programme has provided tailored coaching support to each of the participants on the Programme. The number of companies and participants are similar to those described in Row 2.</p>	<p>The variance in the numbers of companies receiving tailored coaching support is due to the similar rationale explained above regarding overall numbers of company participants.</p>	<p>Largely Achieved</p>
<p>Develop a measurement framework with participating companies where leadership and management performance is linked to productivity improvements</p>	<p>The Programme has developed a monitoring framework that is issued to each of the companies six months after completing the programme. The monitoring framework contains information on financial performance of the company (e.g. comparing performance at the outset of the Programme and at the point of review), Impact of the Programme (e.g. Leadership and management, products and services, company vision etc.) and personal statements.</p>	<p>During the first year of the Programme company business performance related information was not collated as part of the 6 monthly reviews completed by participants. This changed during the programme's second intake to capture business performance and non-business performance related information.</p> <p>However, the 6 monthly review template does not capture business performance metric information that can be directly attributable to the support received as part of the programme. For this reason, it is difficult to measure the productivity improvements within companies resulting from the Programme support, given other external factors can also be at play.</p> <p>Note: For the economic analysis section of the evaluation, data gathered as part of our consultation with participants was used, rather than the programme monitoring information that is gathered by the Programme Team. The number of participants able to quantify business performance impacts as part of the consultation process was very small, with participants emphasising the difficulties in being able to accurately quantify business performance impacts attributable directly to the Programme.</p> <p>While attribution of impacts is a challenge, monitoring this is considered to be a development</p>	<p>Partially Achieved</p>

Objective	Progress	Rationale for Variation	Achieved
		point for the monitoring framework and ongoing monitoring of the Programme.	
Realise an improvement in net profit in participating client companies as a result of improved management and leadership practices increasing productivity.	The Programme has realised improvements across a number of business performance measurements. These business performance measurements include staff numbers, turnover and profit in cases. The basis of this information is from our company consultation process.	It is difficult for companies to attribute specific increases in profit and / or productivity to the Programme and the length of the review period does not allow business performance impacts to be fully realised. The net profit measurement contained in the monitoring framework captures changes in net profit levels for the business overall, rather than changes in net profit that are attributable to the Leader Programme. This is linked to the point raised in the objective above and is considered to be a development point for the monitoring framework and ongoing monitoring of the Programme.	Partially Achieved

Summary on the Objectives:

- **Performance against Objectives:** From the table above we can see that the Programme has largely achieved four objectives and partially achieved two objectives.

One of the objectives that has been largely achieved relates to the facilitation of peer networks. All Programme participants in each cohort were invited to attend the networking events, with the majority of participants attending all events.

The other Programme objectives that have been largely achieved relate to activity targets. The number of participating companies has steadily increased across the four years, with 68 companies (76 participants) compared to the target 80 companies. The proportion of Client Executives that did not refer companies on to the Programme is considered one of the reasons the Programme did not achieve its participation activity targets.

In relation to the 'measurement framework' objective, the Programme Team have developed a measurement framework in the form of the six month reviews. These reviews do not capture company financial performance information that can be directly attributable to the Programme. This creates difficulties when trying to measure the impacts of the Programme. This is considered to be a development point for the monitoring framework and for the future ongoing monitoring of the Programme.

In relation to the improved profit objective, it is difficult to measure the profit increases in each company as a result of the Programme. It is recognised that a number of the companies have experienced business growth and will continue to experience growth over the next number of years, however the current project monitoring framework does not capture what proportion of this is attributable to the support received. In addition, the six month review period does not enable the full scope of the benefits to be fully realised.

- **Appropriateness of the Objectives:** Invest NI had not previously implemented a similar type of programme and there are very few comparisons in the marketplace. As a result the objectives and targets had been based largely on consultation/desk based

research. However, it is now an appropriate stage to review the targets and to understand if changes should be recommended for the future years of the Programme. Targets should be challenging but realistic and reflective of prevailing market forces. Overall, it is considered that the targets are largely appropriate. However, there are two areas which could be developed, including the qualitative benefits and the current 'net profit' objective.

The impacts of the Programme are associated with developing personal skills/knowledge that can be then used to facilitate improved business performance in the longer term. The Programme impacts are interlinked and should encourage 'personal development for corporate gain'. The current range of targets do not provide a measurement for the softer qualitative impacts of the Programme that have been identified by companies, including increased confidence, improved leadership skills, better decision making etc. We think it is appropriate therefore that an objective/target is included to cover the qualitative area of the programme and the links that it can make towards improving business performance. These targets will need to be tangible and be capable of being measured, for example 'per cent of participants considering their leadership capabilities have improved as a result of participating on the Programme', "per cent of participants considering their understanding of the importance of leadership has improved as a result of participating on the Programme". The findings from the consultation with companies should be used to provide a baseline for these potential new objectives going forward e.g. 88 per cent of respondents stated that their leadership/management skills improved as a result of the Programme. 92 per cent of respondents stated that their understanding of the importance of leadership has improved as a result of the Programme.

In relation to the 'net profit' objective, to be fully realised there needs to be a measurement for capturing the profit attributable to the Programme included in the monitoring forms. In particular, it is considered that the six month review period is too short to allow full appreciation of the business performance impacts. Work should be undertaken to review this, to ensure that the balance is struck between long enough for benefits to be realised versus not too long for companies to forget. For example this could be moved to at least 12 months. Participation in alumni network should keep the relationship alive in the interim

4.2. Achievement of Business Performance Impacts

4.2.1. Approach to Assessment

This section of the evaluation focuses on measuring the Programme's monetary economic impacts.

The assessment is based on data provided by the surveyed programme participants. As set out in Section 3, in total 24 participants were surveyed of the 44 companies that had participated in the programme at the time of the commencement of the evaluation. The participants surveyed included 10 from 2012, 6 from 2013 and 8 from 2014.

Quantifying the monetary economic impact associated with the support provided proved difficult due to a number of factors including:

- the nature of the support offered as part of the Programme and its indirect link to business performance in participating companies;

- related to the point above, the difficulties experienced by programme participants quantifying the impacts of the programme on their business performance; and
- the relatively short evaluation timeframe i.e. some of the companies consulted with had recently just finished the Programme in October 2014.

We considered a number of approaches and worked closely with the Programme Team and the Invest NI economist to agree the most appropriate option. The approach used to assess the Programme’s monetary economic impact was to use a structured questionnaire with participating companies to collate ‘real’ business data, understand relevant business performance information and the level of quantifiable business impacts that could be specifically attributed to the support received under the Programme.

It is of note, that the level of quantifiable business performance data available from the survey was very limited, with many participants suggesting they were not able to quantify the extent to which the programme had directly impacted their business performance. As such, caution should be exercised in terms of assigning any strong degree of accuracy and robustness to the analysis in the following sections. Rather, the analysis represents a best estimate of potential impacts based on the low level of data that was available.

A number of the companies stated that the Programme had had an impact on their business performance, but found it difficult to put a direct value on the impact. This varied across the categories of business performance indicator data being sought, namely: turnover, employment and costs. Table 4.2 provides a summary of participants identifying impacts and the numbers quantifying those impacts attributable to the Programme on each business metric.

Table 4.2: Overview of Companies Identifying Business Performance Impacts

Business Metric	Companies Identified Positive Impacts	Companies who Quantified Impacts
Revenue	15	5
Employment	17	8
Costs	12	3

4.2.2. Assessment of Additionality/Deadweight

Additionality relates to the additional economic activity generated as a result of intervention by the public sector. To determine whether or not an intervention is additional requires knowledge of whether the activity would have been generated in the absence of such intervention.⁷

Table 4.3 below provides an overview of the additionality associated with the Programme. Additionality was assessed as part of the survey of programme participants where participants were asked to self-identify the extent to which there was a causal relationship between their participation in the Programme and the business impacts achieved.

⁷ This concept is closely aligned with deadweight loss which is defined as an economic inefficiency resulting from investment in generating economic benefits that would have been generated in the absence of any intervention. Deadweight is concerned with benefits that would have occurred without the intervention i.e. business performance and associated benefits that would have occurred in the absence of the support.

Additionality weightings were then applied to the responses. The weightings were agreed in consultation with the Invest NI economist. From the Table we can see that average additionality associated with the Programme is 60.1%⁸.

Table 4.3: Assessment of Additionality

Additionality	Adjustment Factor	Numbers	Total
They definitely would not have been achieved	100%	5	5
They probably would not have been achieved	95%	4	3.8
The business would have achieved some of the impacts but to a lesser extent	50.50%	3	1.5
They would have been achieved but at a later date	50.50%	1	0.5
They would have been achieved but to a lesser extent and at a later date	43.77%	8	3.5
They probably would have been achieved anyway	5%	2	0.1
They definitely would have been achieved anyway	0%	1	0
Sub Total (Total of factor x Numbers of responses)			14.4
Average Additionality (subtotal/total respondents (n=24))			60.1

4.2.3. Assessment of Displacement

Displacement in this context relates to the degree to which the benefits of the Leader Programme results in a reduction in activity elsewhere across competitors in NI.

Table 4.4 below provides an overview of the estimated displacement associated with the Programme. Displacement is estimated on the basis of where participant's competitors are located and the general market environment in which the participant is operating over the course of the Programme (i.e. growing market/stagnant market/declining market etc.).

As part of the survey of Leader participants, survey respondents were asked to provide detail with respect to the location of their competitors. In relation to market conditions, the evaluators have assumed that market conditions for all participant companies were unchanging over the relatively short period of the programme. The rationale for this approach being that companies have participated in the Programme over the 2012-14 period and market conditions have fluctuated over this time period. Whilst there are now more positive market growth trends emerging, a conservative 'no market change' assumption was used.

On the basis of established weightings that were applied, a Programme level displacement factor has been estimated at 18.2 per cent – see Table 4.4.

⁸ This additionality figure is broadly in line with similar Invest NI supported programmes. The Productivity Improvement Service evaluation (Jan 2015) reported that the additionality was 61 per cent. The Sustainable Productivity Improvement Programme reported that the additionality was 59 per cent (December 2014).

Table 4.4: Assessment of Displacement

Displacement	Adjustment Factor	Numbers	Total
All	50.0%	2	1.000
Almost All	45.0%	1	0.450
Most	35.3%	2	0.706
Approximately half	25.3%	3	0.759
Few	15.3%	2	0.306
Very Few	5.3%	8	0.424
None	0.0%	2	0.000
No Answer		4	
Sub Total (Total of factor x Numbers of responses)			3.645
Average Displacement (subtotal/total respondents (n=20))			18.2

4.2.4. Business Turnover

Table 4.5 provides an overview of the company responses in relation to turnover increases/decreases attributable to the Programme. From the table we can see that 15 companies reported an increase in turnover as a result of the Programme, but only five companies could place a specific value on this increase. Notwithstanding the limitations associated with the level of quantification data available, the analysis has estimated the level of impacts on the basis of the responses provided.

We have applied a scaling up factor of **1.8** to represent the sample of companies consulted who gave an answer (20) to those that have completed the Programme at the end of 2014 (44).

Table 4.5: Business Turnover Breakdown

Company Breakdown	Quantity
Total Survey	24
Number of companies that reported an increase	15
Number of companies that could quantify an increase	5
Number of companies that identified increase but could not quantify	10
Number of companies that quantified impact as zero	4
Number of companies who could not report/quantify increase/decrease	5
Total Programme Intake	44
Scaling up Factor	1.8

Table 4.6 provides an overview of the turnover impacts that the participants have been able to quantify and attribute specifically to the Programme. The table highlights that the total value of turnover attributable to the Programme among the five companies that were able to quantify impacts is £1,440,000. On the basis of the average turnover effects among the five companies, and scaling up to represent the total programme population, it is estimated that the total gross turnover effects is £7,920,000.

A final net turnover total has been estimated by applying the average additionality factor of 60.1 per cent and an average displacement factor of 18.2 per cent to produce a total figure of £3,893,615.

Table 4.6: Company Turnover Impacts

Company	Turnover Value (£)
Company 1	20,000
Company 2	600,000
Company 3	450,000
Company 4	350,000
Company 5	20,000
Sub Total	1,440,000
Average of sub total	288,000
Sub Total for the Companies who Recognised Impact (n=15)	4,320,000
Sub Total for Programme Participants (n=44)	7,920,000
Net Turnover for the Programme (Applying an Additionality Weighted Average of 60.1%)	4,759,920
Net Turnover for the Programme (Applying a Displacement Weighted Average of 18.2%)	3,893,615

4.2.5. Employment Impacts

Table 4.7 provides an overview of the company responses in relation to employment increases/decreases. From the table we can see that 17 companies reported an increase in employment as a result of the Programme, with eight companies able to provide a specific value on this increase. We have applied a scaling up factor of 1.8 to represent the sample of companies consulted (24) to those that have completed the programme (44).

Table 4.7: Company Employment Impacts

Company Breakdown	Quantity
Total Survey	24
Number of companies that reported an increase	17
Number of companies that quantified an increase	8
Number of companies that identified increase but could not quantify	9

Company Breakdown	Quantity
Number of companies that quantified impact as zero	7
Total Programme Intake	44
Scaling up Factor for Sample to Programme	1.8

Table 4.8 provides an overview of the employment impacts that the participants have been able to quantify and attribute specifically to the Programme. The table highlights that the total value of employment generated among the eight companies able to quantify employment impacts is 25. On the basis of the average employment effects identified, and scaling up to the total population, a total employment effect of 97 jobs was estimated.

The net employment figure has been calculated by applying the average additionality figure of 60.1 per cent and the average additionality figure of 18.2 per cent to produce a total employment number of 47.

Table 4.8: Company Employment Impacts

Company	Employment Value (£)
Company 1	13
Company 2	2
Company 3	5
Company 4	-5
Company 5	2
Company 6	2
Company 7	5
Company 8	1
Sub Total	25
Average of sub total	3.13
Sub Total for the Companies who Recognised Increase (n=17)	53
Sub Total for Programme Participants (n=44)	97
Net Employment for the Programme (Applying a Additionality Weighted Average of 60.1%)	58
Net Employment for the Programme (Applying a Displacement Weighted Average of 18.2%)	47

The evaluation did not assess the impact the Programme had on the participating companies cost base. From the questionnaire, only three companies were able to quantify an impact on their costs as a result of participating on the Programme. Two reported a reduction in costs and one an increase (new staff salary costs). The increases largely cancelled out the reductions. The sample was considered to be too limited to draw robust conclusions. As a result the costs have not been factored into the GVA calculation outlined below. This approach was discussed and agreed with the Invest NI economist.

4.2.6. GVA Assessment

GVA is defined as the “value generated by any unit engaged in production (of goods and services)”. The main components of GVA can be made up from EBITDA and Direct Labour Costs. Table 4.9 provides an assessment of the GVA for the Programme. In the absence of detailed cost information provided from the companies we have used the Northern Ireland Annual Business Inquiry percentage ratio of turnover to GVA of 29.7 per cent. When applying this percentage to the overall net turnover figure for the Programme (adjusted for displacement and additionality) this produces a GVA of approximately £1,156,404.

Table 4.9: GVA Assessment

Company	Turnover Value (£)
GVA for the Programme (Applying the GVA to Turnover Ratio based on NI Annual Business Inquiry of 29.7%)	1,156,404

4.2.7. GVA Return on Investment

A GVA Return on Investment was determined having recourse to the total programme costs and GVA monetary impacts associated with the Programme up to the end of 2014 only e.g. 44 in total. The return is based on impacts identified to date and excludes impacts that may be realised in the future in the 2012 - 2014 participant companies.

The level of net additional GVA (£1,156,404) that has been provided by the Programme and the full economic cost of delivering the Programme (£866,083)⁹, the GVA Return on Investment is £1:£1.34. Taking into account both the monetary economic/business performance impacts and the range of softer benefits set out in Section 3, it is considered that the Programme has delivered Value for Money.

4.2.8. Productivity Calculation

Productivity measures the change in output per head as a result of the programme intervention. In measuring productivity change, an evaluation would normally use the changes in turnover and costs associated with a programme and overall employment numbers. As discussed above, it was not possible to gather complete data in relation to participant business metric changes as a result of participation in the Programme. Limited numbers of companies were able to quantify the turnover/employment/cost impacts specifically attributable to the Programme which would have facilitated an analysis of productivity changes attributable to the Programme.

However, as an indication of the measure of productivity changes experienced by participants we have used the Programme’s 2013 six monthly review information. As previously set out in Section 4.1, the six monthly review information provided by participant companies relates to overall changes in the company’s business performance data (i.e. turnover and employment) without a direct link to the Programme. For this reason, the data presented below are at most indicative of productivity changes within the participant companies; they do not represent productivity changes within the companies that are specifically attributable to the Programme.

⁹ The economic costs of delivery have been calculated based on the costs incurred up to the end of the first cohort 2014/15. The costs include the full INI costs, company contributions and VAT. The costs for the 2014/15 full year have been divided by two to acknowledge that this is the first of two cohorts for 2014/15.

Notwithstanding the above, the productivity workings based on the company position before commencing the programme and the company position at the six month review point suggests that output per head (Average GVA/FTE) per company has increased on average from £25,708 to £26,689 over the nine plus six month period.

Table 4.10: Productivity Calculation

	2013 Starting Point			6 Month Review Period		
	Turnover	Employment	GVA	Turnover	Employment	GVA
Company A	7,996,991	100	2,375,106	9,126,812	150	2,710,663
Company B	2,650,000	15	787,050	2,670,000	15	792,990
Company C	3,225,756	40	958,050	3,034,834	40	901,346
Company D	870,000	18	258,390	774,000	18	229,878
Company E	484,023	5	143,755	685,077	5	203,468
Company F	2,582,000	12	766,854	2,663,924	12	791,185
Company G	4,946,889	39	1,469,226	11,489,854	42	3,412,487
Company H	7,580,000	116	2,251,260	9,320,000	129	2,768,040
Company I	3,975,789	22	1,180,809	1,729,141	24	513,555
Company J	2,459,000	78	730,323	2,402,453	49	713,529
Company K	1,580,000	23	469,260	1,754,000	23	520,938
Company L	4,740,426	10	1,407,907	4,740,426	13	1,407,907
Company M	988,194	19	293,494	1,008,007	19	299,378
Company N	652,000	9	193,644	971,267	12	288,466
Company O	2,363,874	25	702,071	2,447,980	25	727,050
Company P	3,555,093	30	1,055,863	1,799,379	30	534,416
Company Q	1,286,000	39	381,942	1,433,000	40	425,601
Total	51,936,035	600	15,425,003	58,050,154	646	17,240,896
Average GVA/FTE			25,708			26,689

4.2.9. Economy/Efficiency and Effectiveness

Economy: Economy measures are concerned with showing that the appropriate inputs (i.e. the resources used in carrying out the project) have been obtained at least cost.

It is considered that the Programme Team utilised the most appropriate range of resources in managing and implementing the Programme. The team utilised internal expertise of the existing mentor pool to deliver the one to one mentoring element with a maximum cap at £800. In order to address the required level of expertise to deliver coaching support the Programme Team competitively procured a contract with Wilson Sloan Consulting.

Overall, it is considered that the Invest NI team made the appropriate efforts to ensure that the project inputs were achieved at the least cost to the NI economy. The support delivered was of a high standard and has supported businesses to deliver a range of business related and personal benefits. In two of the four years, the Programme costs have been below the budget (2012/13 and 2013/14) and in the final two years the programme costs are expected to marginally exceed the budget.

Efficiency: Efficiency relates to measures that are concerned with achieving the maximum output from a given set of inputs.

Based on the data available and the companies completed the Programme as of the first intake in 2014/15, the project will have delivered improved business performance and personal outcomes. The business performance metrics include net turnover of £3,893,615, net employment impacts of 47 and a GVA of £1,156,404. The range of personal outcomes includes the following:

- increased confidence,
- improved decision making,
- improved communication,
- greater clarity and focus,
- formalisation of staff roles, reorganisation of Departments,
- replacement of underperforming staff,

- improved working practices (e.g. staff appraisal, structured meetings etc.)
- better delegation.

It is recognised that the Programme has both corporate and individual outcomes. Given that these outcomes are at a point in time we will anticipate that they will grow over the coming years.

Reviewing the expenditure per company over the course of the Programme reveals that the cost to the public increases marginally from approximately £17.3K in 2012/13 to £17.8K in 2015/16, when adjusted for inflation over the three years¹⁰ (i.e. using 2012 prices). Therefore, in terms of cost efficiency, the Programme has performed consistently through its life.

Effectiveness: Effectiveness measures are concerned with showing the extent to which aims, objectives and targets of the project have been met.

As presented in Section 4.1, the project has largely achieved four objectives and partially achieved two objectives.

The objective that has been largely achieved is in relation to the facilitation of peer networks. All Programme participants in each cohort were invited to attend the networking events, with the majority of participants attending all events. The objectives that have been largely achieved are associated with numbers of participating companies. In relation to the number of participating companies the evaluation has identified the rationale for these variances including the lack of awareness across companies and Client Executives about the Programme. However, it is important to note that the number of participating companies has steadily increased and across the four years will have 68 companies and 76 participants as opposed to the anticipated 80 companies.

In relation to the ‘measurement framework’ objective, the Programme Team have developed a measurement framework in the form of the six month reviews. These reviews do not capture company financial business performance data that can be directly attributable to the Programme. This creates difficulties when trying to measure the direct impacts of the Programme. This is considered to be a development point for the monitoring framework and for the future ongoing monitoring of the Programme.

In relation to the improved profit objective, it is difficult to measure the profit increases in each company as a direct result of the Programme. It is recognised that a number of the companies have experienced growth and will continue to experience growth over the next number of years, however there is no method for capturing what proportion of this is attributable to the support received. In addition, the six month review period does not enable the full scope of the benefits to be fully realised.

Overall, given that the evaluation has only largely met four out of the six objectives, we consider that the Programme is only partially delivering against the effectiveness measure of the Value for Money.

Summary of Economic Calculations: The limited availability of complete financial information and the difficulty companies had in quantifying the impacts directly attributable to the Programme has made the measurement of economic impacts challenging and somewhat constrained. The analysis is based on small numbers of companies which have then been

¹⁰ The cost per company calculation is based on company as opposed to the participant. Please refer to Table 3.5 for information on programme costs.

extrapolated to be reflective of the completed programme participants at point in time (44 companies as of end of October 2014). However, despite these limitations, it is evident that the companies consulted with have experienced improved business performance as a result of participating on the programme, including 15 companies who recognised an increase in turnover and 17 companies who recognised an increase in employment numbers. The Programme has produced positive business performance impacts across a number of business performance categories including net additional turnover of £3,893,615 and net employment impacts of 47. In terms of GVA the Programme has produced GVA totalling £1,156,404. The Productivity calculation despite using overall company information (as opposed to programme related information) highlights that there has been an average increase from £25,708 to £26,689 over a period of 15 months (application stage to six month review stage). The GVA Return on Investment is calculated as being £1:£1.34. In summary, given the business performance impacts the companies have generated coupled with the skills/knowledge that have been embedded within company leaders, and taking into account the cost of programme delivery, it is considered that the Programme has delivered value for money.

The Leader Programme has delivered positively against the three E's of the Value for Money in particular economy and efficiency. We feel that the Programme has delivered the project inputs at the least cost to the NI economy and delivered positive business performance and personal outcomes. In terms of the 'effectiveness' measure four out of the six objectives have been largely achieved, and as result is only considered to be partially effective against this measurement.

The approach provides an estimate of the level of business performance impacts given the limited data available. However, it is important to note that if the Programme is continued for another period of time, the recommended improvement in the monitoring framework to capture more quantitative information that can be directly attributable to the programme impact would support improved economic assessment.

4.3. Wider Economic Impact

In addition to the economic calculations, economic efficiency can be measured using a sample of the wider and regional benefits produced as a result of the intervention. These are highlighted and discussed below.

Wider Benefits

- **Knowledge/Skills** - A cornerstone of NI's future economic development is to encourage productivity growth within the NI economy and to promote competitiveness within high technology / knowledge-based areas. The companies that have been supported through the Leader Programme are across a range of industries (including engineering (largest number of participants represented), construction, technology and services, food and tourism, life sciences/electronic/consumer products) with a diverse range of product bases, customer segments and business ideas. Given that all the companies are Invest NI client companies they all demonstrate growth and scalability potential.

As noted in Section 2 of the report there has been multiple research reports written identifying the value of leadership and management training and the links to productivity and high performing companies. The majority of the companies consulted stated that the Programme had a positive impact on their leadership/management skills (83 per cent). The Programme has helped equip companies with the skills that will facilitate long term sustainable growth, including greater confidence, improved

decision making, improved strategic thinking, greater delegation, improved communication and improved working practices. This improved knowledge and skill base will enable the continued growth and development of the local private sector including improving business performance and growing employment levels.

Examples of Knowledge/Skills Contributions:

- “Made me think more. Better time management. More strategic focused now than based solely at an operational level”
- “I now understand the importance of effective communication between staff and senior management ...I can release ‘the grip’ and delegate”
- “Better skills at handling difficult conversations....and as a result better interactions with family members”
- “I have changed a lot...I doubted I could be changed but have become a better leader / manager”
- “A real boost to my confidence... not confident in role at start...helped to validate my thinking”

- **Markets** – The Programme is targeted at Invest NI companies that have growth and scalability potential. These companies therefore demonstrate the potential and ability for export and growth outside of NI. Given the breadth of industries and products/services that the Programme has supported there is evidence of considerable export potential based on the consultation exercise completed.

Examples of Markets Contributions:

“Currently export sales account for approximately 90 per cent of our total sales....we export to Europe, Middle East, Far East, Africa and North America”

“My main markets are ROI and UK....accounting for approximately 70 per cent of sales...through the Programme I would like to widen my coverage and enter new markets”

“I am currently expanding into Australia and have identified Malaysia and Singapore as potential markets”

- **Awareness Raising** – The Programme has helped to improve the awareness of leadership and management training and the importance of leadership and management to the performance of companies. The companies stated that they were now more aware of their leadership responsibilities and had a new perspective on the importance and value of the leadership to an organisation. The majority of participants stated that their understanding of the importance of leadership/management had improved as a result of the Programme (92 per cent).

Despite these improvements, it is still important for the Programme to continue to raise awareness of the support. This can be done through widening the number of Client Executives that are aware of and that actively refer companies onto the Programme.

Examples of Awareness Raising Contributions:

“I now understand the benefits and the importance of ‘sharing leadership’”

“As a result of the programme I now understand the differences between leadership and management and their link to business performance”

"It shone a light on my leadership skills...they needed prodding and poking"

Regional Benefits

- **R&D and Innovation** – The Programme has supported companies that are innovative and have the growth and scalability potential. Developing the leadership skills of these companies will help boost R&D expenditure in Northern Ireland and help diversify NI's R&D into different industries.

Examples of R&D Innovation Contributions:

Some of the examples of the R&D across the companies include investing in new cloud based functionality across an IT technology company providing accounting/HR solutions/CRM solutions. Another example is the development of three new products by a legal training company. These are e-learning platforms aimed at schools and cover harassment, safeguarding post-primary and safeguarding primary.

"We are developing a whole new side of the business – a cloud based product. This will require significant investment in research and development...this will require 2-3 new skilled people over the next few years"

Conclusion on Wider Economic Impact: The Leader Programme has led to a number of wider economic benefits which will aid the local and regional economies within Northern Ireland. The Programme has provided leadership based training to companies with growth and scalability potential that will strengthen the links between productivity and leadership. The Programme has equipped companies with the necessary skills and foundations to encourage long term sustainable growth.

The Programme has also helped to raise the awareness and importance of leadership capability development. In the long term this will help companies to understand the value of investing in leadership capability development which will be key in encouraging increased private sector activity in Northern Ireland and will contribute to the rebalancing of the local economy.

4.4. Equality Considerations

In terms of equality considerations, throughout this evaluation process there has been no evidence to suggest that the Programme, its processes, or any of those companies supported by the fund have had any adverse impact on any marginalised groups in society and did not restrict opportunity or accessibility to any groups in society. Analysis of the industrial spread of those companies that have received support on the Programme demonstrates an alignment to the engineering/construction focus, representing 45 per cent of the firms supported. However, there is a relatively even geographical spread of the companies across Northern Ireland, with representation from Belfast, greater Belfast and across the province.

4.5. Comparator Analysis

A key aspect of the Terms of Reference for this evaluation was to assess the Leader Programme's management, performance and impact against appropriate comparators and where possible identify if there are any lessons to be learned.

Table 4.11 provides a summary of the headline findings from the comparator exercise. We completed desk based research and follow up consultation with similar SME leadership and

management development programmes within the UK. We identified the LEAD Wales programme, the LEAD model developed by Lancaster University and various programmes run by Scottish Enterprise.

Table 4.11: Comparator Comparison

	Operator	Length of operation	Funding	Location	Activities
Leader Programme	Invest NI	2012 – Present	Invest NI	Northern Ireland	Mentoring Coaching Networking
LEAD Wales	Swansea University and Bangor University	2010 – Present	European Social Fund and Welsh Government	West Wales and Valleys Convergence Region	Coaching Shadowing Online forums Residential Masterclasses Peer networks
LEAD Lancaster	Lancaster University Management School	2004 – Present	Northwest Development Agency	North West England	Shadowing Online forums Residential Masterclasses Peer networks
Leadership Essentials, Leadership 4 Growth, GlobalScots and Business Masterclasses	Scottish Enterprise external contractors	Various start dates - Present	Scottish Enterprise	Scotland	Mentoring 1-1 Coaching Masterclasses Group coaching

From the table, it is evident that there are no direct comparable programmes to the Leader Programme currently being delivered across the UK. The programmes reviewed have broadly similar principles, ethos and objectives but differ according to size of cohorts, type of delivery model, timeframe, types of activities/support offered. However, despite these differences there are still learning points and suggestions that could be applied to any future iterations of the Leader Programme.

A more detailed description of each of the Programmes is described in greater detail in the following sections.

4.5.1. Wales – LEAD Wales

LEAD Wales	
Background & Timeframe	LEAD Wales operates in the West Wales and Valleys Convergence Region. It commenced in 2010 and is financially supported by the European Social Fund, the Welsh Government and Swansea and Bangor Universities. Programme is based on a design that was developed between 2004 and 2006 by Lancaster University Management School. The timeframe is over 10 month period with an average cohort of 26 companies (although is flexible depending on market demand).
Rationale	The Welsh economy is dominated by SME companies with limited provision of leadership and management development training in the market. Research emphasising the impact of leadership on productivity by institutes such as UKCAS presented a strong case for intervention.
Programme Activities	LEAD Wales contains numerous components. These include: a residential programme, action learning sets, one-to-one coaching sessions, online forums, shadowing with other member of the cohort and business masterclasses. Formerly the programme included a leader exchange element but this was removed. The team feel that the current mix of activities is appropriate. There is also an alumni element for programme. There is no mentoring support. “We felt that work shadowing pulled participants away from their own business which was time consuming for them, so we took it out. We feel that we have a good core of activities now.”

LEAD Wales	
Delivery Model	<p>The LEAD Wales delivery team is made up of a team of 15 FTEs in Swansea and 6 FTEs in Bangor. This includes a full time research team who evaluate the impacts of the programme and observe its delivery. The programme is fully funded and participants make no contribution to costs. Costs per participant are approximately £11,000 based on the number of companies in each cohort.</p> <p>“Once engaged the participants often become interested in other university projects which can add value to their business”</p>
Objectives	<p>The main objective of the LEAD Wales programme is to improve the “soft” leadership skills of SME owner-managers. The programme is designed to stimulate confidence and mitigate the perceived isolation of SME owner managers, and explicitly address the adverse consequences of ownermanager isolation through this peer-to-peer interaction.</p>
Performance & Impacts (headline performance findings)¹¹	<ul style="list-style-type: none"> • 725 participants since 2010 (against target of 700) • 30 cohorts of participants • Range of industries supported – financial services/real estate/technical services are the largest industries. Transport and construction are the lowest industries represented. • 96 per cent of participants have reported an impact on the way they work • Soft improvements included strategic activity, leading others, interpersonal relationships, better communication, etc. • Changes in personal skills have developed business improvements e.g. turnover, employment numbers. The companies have reported that these changes have led to sustainable impacts beyond the time on the Programme.
Lessons Learned/Future Improvements	<ul style="list-style-type: none"> • LEAD Wales use a delivery model based on principle of continuous improvement and feedback • Currently the team is looking at employing more agile delivery mechanisms and increasing the online element of the delivery model. • The participants on the LEAD Wales Programme are drawn from a wider industry spread than that of the Leader Programme. It would be valuable for the Leader Programme Team to discuss the targeting and marketing techniques that LEAD Wales use to understand how they could attract a wider industry spread than is currently represented. <p>“We are looking at creating a more agile delivery model with more online elements. This will decrease the demands on participant’s time.”</p>

4.5.2. North West England – LEAD Lancaster

LEAD Lancashire	
Background & Timeframe	<p>LEAD was developed in 2003-04 by Lancashire University Management School with a pilot scheme running from October 2004 and March 2006. The pilot scheme was commissioned by the Northwest Development Agency. The university was funded to develop a programme to develop leadership and management skills in the region. The LEAD model has since branched out to other regions of the UK. Additional Lancaster LEAD approved providers are located in London, Cheltenham, Swansea and Bangor. Timeframe is a 10 month period with an average cohort of 20 companies.</p>
Rationale	<p>The Northwest Development Agency commissioned the development of the programme after national statistics showed a deficiency in SME leadership in North West England. The pilot had few constraints other than a requirement for an independent evaluation. This evaluation concluded that the programme had directly attributable positive benefits.</p> <p>“We haven’t shied away from making the programme multi-sectoral, many SMEs face the same issues regardless of what industry they are in.”</p>

¹¹ Impacts based on Lead Wales Annual Report

LEAD Lancashire	
Programme Activities	<p>The programme contains numerous components. These include a residential programme, action learning sets, business masterclasses, online forums and a shadowing and exchange element. The programme previously included coaching and mentoring elements these have been removed from the programme.</p> <p>“Participants gained so much from each other that we decided to prioritise the peer interactions and remove the mentoring and coaching elements.”</p>
Delivery Model	<p>The LEAD team varies dependent on the number of companies on each cohort however generally includes a cohort leader (described as ‘Mother Hen’), an admin team and some staff for facilitation and delivery. The funding model has varied over the life of the programme. The initial pilot was fully funded however the team is opposed to giving the programme away for free. The programme costs approximately £11,000 to deliver. The most recent running saw a participant contribution of 20 per cent.</p>
Objectives	<p>The objective of the LEAD programme is to bring cohorts of like-minded growth-orientated owner managers together. The programme aims to facilitate peer-to-peer learning in strong, trust based groups to boost owner-manager confidence and help to develop skills that will underpin business growth.</p>
Performance & Impacts (headline performance findings)¹²	<ul style="list-style-type: none"> All of respondents stated that programme had improved leadership skills Soft skills improvements included improved confidence, stronger belief, better communication, better delegation, enhanced strategic focus Changes in business structure have occurred as a result of the Programme Business performance changes included increases in turnover, employment and productivity. 80 per cent of respondents stated that the changes were due to participation to LEAD in some extent.
Lessons Learned/Future Improvements	<ul style="list-style-type: none"> The LEAD team feel that the most important element of the programme is building a trust between owner-managers in comparable situations in order to facilitate knowledge exchange, peer learning and mutual support networks. The team removed the mentoring element of the programme as they felt peer-to-peer mentoring was more beneficial. Feedback on the mentoring was that the participants distrusted and were resistant to advice from ‘external’ parties. The coaching was removed as it was not perceived to be cost effective. It is important to have multi sectoral representation across participants on the Programme, to share learning and transferable skills. Single industry representation will create distrust and difficulties due to having potential competitors in the room together. <p>“It’s best not to have too much structure to networking. We have found that the cohorts often work things out for themselves. Watching peer mentoring emerge out of peer networking has been one of the highlights of the Programme for the team”</p>

4.5.3. Scotland – Scottish Enterprise

Scottish Enterprise	
Background & Timeframe	<p>Scottish Enterprise runs four programmes to develop the leadership and management skills of companies in Scotland. These programmes are Leadership 4 Growth, Leadership Essentials, Business Masterclasses and Global Scots. Leadership 4 Growth is the most comparable to the Invest NI Leader Programme as it includes coaching and mentoring. Leadership Essentials is a scaled down version of L4G, Masterclasses are focused on best practise and networking and Global Scots is mentoring delivered by Scots in the international business community.</p>
Rationale	<p>Scottish Enterprise identified that Scotland lagged behind the rest of the UK in leadership skills. Skills Development Scotland is responsible for skills development in Scotland, SE is responsible for supporting business development.</p>

¹² Based on 2013 Evaluation to LEAD Lancaster. The figures are based on 251 survey results from participants who had completed the programme between 2004-2011.

Scottish Enterprise	
Programme Activities	Leadership 4 Growth entails elements of coaching and mentoring, masterclasses and workshop. Leadership Essentials employs elements of one-to-one mentoring and coaching assessment along with workshops. Masterclasses provide expert guest speakers as well an element of group coaching. GlobalScots provides mentoring from Scots in international business
Delivery Model	The delivery of L4G and LE are outsourced to a contractor. Masterclasses and GlobalScots are delivered by industry experts from various fields and facilitated by SE. Each programme has an 'owner' in SE who is responsible for co-ordinating delivery. Leadership 4 Growth is priced at £1200 for participants (approximately half the total costs), Leadership Essentials is priced at £400 (approximately 40 per cent of the costs) while Masterclasses are free to participants. The programmes are funded through Scottish Enterprise.
Objectives	The core objectives of the Scottish Enterprise stable of programmes are development leadership and management in SMEs in Scotland.
Performance & Impacts	L4G and LE requires participants to present to the rest of their cohort at the conclusion of the programme. Impact and performance are measured on a framework which sets a baseline on entry to the programme and takes stock 6 months following the conclusion of the programme and a further 3 months after that.
Lessons Learned/Future Improvements	<ul style="list-style-type: none"> The Scottish Enterprise programme leads actively evaluate and take feedback on the programmes delivered by contractors. The programme recently received endorsement from the Scottish Enterprise board and is looking to expand into an advanced leadership offering which may be linked with academia. The period of review and evaluation allows for a longer period for benefits to be fully realised. The two tier approach allows for a checkpoint after six months and then a further review after nine months. This two tiered approach could be explored within the Leader Programme. <p>“We always try to keep abreast of new innovations. As part of this we have various linkages with universities at home and abroad.”</p>

Summary and Lessons Learned: From the case studies presented above, it is evident that there are no direct comparisons between the Leader Programme and the other programmes delivered elsewhere. However, in saying that there are areas that the Leader Programme can learn from and opportunities to explore. These opportunities include:

- **Reviewing the timeframe for evaluation and monitoring of impacts.** Scottish Enterprise uses a two tiered approach to evaluating performance after six months and then again at nine months. The LEAD Wales team conduct entry and exit surveys for the programme to gauge the performance of the participant and their business. This is followed up with data collections at six months and then twelve months after the participant has completed the programme. Data collected includes information on company employment and revenue. This approach allows the benefits to be realised over a longer time period. In addition, it will also enable the Programme Team to maintain greater links with the companies and understand what has happened when the support has finished.
- **The publication of an annual report.** The LEAD Wales team has committed to publishing an annual report to highlight the impacts and successes of their programme as well as any changes which have been made to the delivery model. This acts as both a marketing tool for the LEAD Wales programme and a method of tracking the impacts and results of the programme.
- **Academic collaboration.** The LEAD model has largely been delivered by universities and included a research component as part of the programme team. It was felt by the LEAD Wales team and by the LEAD Lancaster team that this provided additional opportunities for business and academic development. Examples include research pieces being carried out, data collected from the programme cohorts and programmes participants having access to the freshest academic theory and innovation in management and business. The LEAD Wales team reported that many programme participants have gone on to participate in further mutually beneficial work with the university management schools involved the programme's delivery.
- **E-Learning:** The LEAD Wales team have been exploring methods of increasing the online element of their programme delivery model. This has included online forums for participants but may in future grow to include e-learning and online masterclasses.
- **Work Shadowing:** Work shadowing forms one of the components of the LEAD model (although it has been discontinued by the LEAD Wales team). The LEAD Lancaster team felt that work-shadowing allowed participants to experience leadership roles outside of their own businesses and gain new perspectives on how to approach work-based problems.
- **Segmentation:** LEAD Lancaster has taken on various niche cohorts since its inception. These have included a LEAD for family businesses and LEAD 2 Innovate which focuses on smaller, innovation orientated businesses. The team felt that this helped to foster a co-operative and empathetic environment between participants as they have more issues in common with each other than randomly collated groups of SMEs.
- **Wider range of Industries:** The spread of industries represented across the other programmes are drawn from a wider industry spread than that of the Leader Programme. It would be valuable for the Leader Programme Team to discuss the targeting and marketing techniques that Lead Wales use to understand how they could attract a wider industry spread than is currently represented and how a wider mix could best add value.

These lessons while interesting in themselves will help inform final analysis and recommendations.

4.6. Conclusion on Performance, Impact and Value for Money

The Programme has largely achieved four objectives and partially achieved two objectives (please refer to Table 4.1 for breakdown of these objectives). The Programme Team were able to identify the reasons why full achievement had not been attained. Learning can be drawn in relation to setting future objectives (e.g. including an objective related to softer/qualitative impacts, incorporating measurements of programme impacts into the review etc).

The limited availability of complete financial information and the difficulty companies had in quantifying the impacts directly attributable to the Programme has made the impact analysis challenging and somewhat constrained. However, using the limited information available, it is possible to estimate that the programme has delivered improvements to company turnover (£3,893,615) and employment (47), has produced a positive GVA (£1,156,404) to the Northern Ireland economy and a positive GVA return on Investment (£1:£1.34). The GVA return on Investment is lower when compared against other recently evaluated INI Programmes.

The Programme has also lead to a number of wider economic benefits which will aid the wider local and regional economies within Northern Ireland. The Programme has provided leadership based training to companies with growth and scalability potential that will strengthen the links between productivity and leadership. The Programme has equipped companies with the necessary skills and foundations to encourage long term sustainable growth.

Overall, given the business performance impacts achieved, the skills/knowledge that have been embedded within company leaders, and taking into account the cost of Programme delivery, it is considered that the Programme has delivered value for money. For future iterations of the Programme, it will be important that a more complete data set (business performance attributed to the Programme) is captured from companies during monitoring rounds to enable more comprehensive economic analysis and review.

5. Conclusions & Recommendations

This section provides a summary of the key findings of the evaluation and presents recommendations for the future operation of the Programme. These conclusions and recommendations are based on the information presented in the earlier sections.

5.1. Conclusions / Lessons Learned

The conclusions from the evaluation have been based on our desk based research, wider stakeholder research and our consultation with the company participants. They include the following:

Strategic Fit:

- The Programme has a strong fit with government policy and direction. It helps contribute to and support the Northern Ireland Economic Strategy 2012 – Priorities for Sustainable Growth and Prosperity, the Programme for Government and Invest NI Corporate Plan by helping to drive productivity in local companies and rebalance the local economy by developing the leadership skills of private sector leaders.
- The original rationale for the Programme (as identified in the economic appraisal) confirmed that there were market failures at play which were preventing companies from availing of optimal levels of leadership/management support/upskilling, including the reluctance of firms to invest in skills development (due to funding/resource constraints), perceived difficulties faced by firms in internalising the benefits within the company, and the danger that staff undertaking the training will be poached by other firms.
- There remains an ongoing rationale for government intervention in the provision of leadership support. This is based on a number of factors including market failure (information failure, barriers to investment including funding, resources, competing priorities) market features (challenging economic conditions, makeup of the Northern Ireland industry), as well as the more recent research identifying the link between leadership skills and business growth
- The Programme sits in quite a crowded marketplace for leadership provision including other public sector provision and large/small scale private sector providers. The type of provision offered varies in types of activities, costs and quality. The Programme has a number of features that distinguish it from other provision including the following:
 - A unique understanding the company needs (through Client Executive knowledge);
 - Sessions delivered on company premises enabling 'On the Job Learning' ○ Focused sessions on with Managing Director
 - Multi-Faceted Mix of activities (e.g. mentoring, coaching, networking) ○ Focused on corporate growth through improving business leaders skills ○ Flexible and tailored approach

Delivery/Operation Model

- The Delivery model structures are working well and provide effective management and administration. The Programme has a small delivery team that are responsible for providing support across the entire process including the five phases of Pre Programme, Application, Delivery, Ongoing Support and Post Programme.. The Programme Team have maintained regular relationships with the mentor/coach and Client Executives throughout the Programme. The Programme Team have created a

culture of continuous improvement and are open to receiving and acting on feedback from participants. The most significant improvement implemented was to end ineffective and expensive third party delivery of peer network work stream after year one and move this in house. The Programme has effective risk management and financial management practices, including managing a risk register and handling and processing finance variances/claims process. From a marketing perspective, the Programme Team use Client Executives as the main conduit to access prospective companies. The current spread of Client Executives referring companies to the Programme is relatively low in relation to the total Client Executive pool (38 client executives representing 27% of the total population of Invest NI Client Executives of 138).

- The Programme Team is responsible for matching the company to the relevant coach and mentor. The mentor matching process allows the company to meet a series of mentors, have a discussion and gauge appropriateness and fit. The company will then pick a suitable mentor. By contrast, coaches are allocated with each participant without any input from the participant leader. This received mixed feedback from the companies with a number citing they would like the possibility of imputing into the coach matching decision.
- Feedback from the companies stated that the Programme was well organised, managed, flexible and encompassed an appropriate level of paperwork/administration.
- Consultation feedback on the mix of activities on the Programme strongly indicates that participant's feel that the mix of mentor/coach and networking support is effective and complementary. The feedback suggests that the coaching and mentoring are considered to be the most valuable elements. Companies noted that the networking element of the Programme was important in order to build relationships and networks but that the delivery of this element of support included the greatest scope for improving in the future. This is partly attributable to the variations between the 2012 version and the subsequent versions. It was broadly accepted that the outsourced delivery model used in the 2012 edition of the Programme did not meet the expectations of the Invest NI team or the participants. Other issues raised by participants in the later cohorts related to the applicability of the speakers to all participants (four participants raised this) and a lack of peers from an industry relevant to their own (three participants raised this). Conversely, many participants felt that issues relating to leadership and management were not industry specific.

Performance of the Programme

- To date 52 companies have either completed or are currently enrolled on the Programme (44 complete and 8 enrolled). In addition, 16 companies are registered to commence the Programme for 2015/16.
- In relation to the Programme performance against objectives, the Programme has largely achieved four objectives and partially achieved two objectives.
- One of the objectives that has been largely achieved relates to the facilitation of peer networks. All Programme participants in each cohort were invited to attend the networking events, with the majority of participants attending all events. The other Programme objectives that have been largely achieved relate to activity targets. The number of participating companies has steadily increased across the four years, with 68 companies (76 participants) compared to the target 80 companies. The Programme did not meet the target of 20 annual participants in two of the three years to date. However, through more focused work with the Client Executive group to raise the profile and potential benefits associated with the Programme, the Programme has increased its participant numbers. In 2014/15 the Programme had two cohorts with total participation of 23 companies and 26 participants. The pipeline for 2015/16 is 16 companies with 20 participants.

- The objectives that have been ‘partially achieved’ include the ‘measurement framework’ and ‘improved profit’. The Programme Team have developed a measurement framework in the form of the six month review templates. However, these templates do not capture business performance metric information that can be directly attributable to the support received as part of the programme. For this reason, it is difficult to measure the productivity improvements within companies resulting from the Programme support, given other external factors can also be at play
- In relation to the improved profit objective, this has been partially met. It is difficult to measure the profit increases in each company as a direct result of the Programme. It is recognised that a number of the companies have experienced growth and will continue to experience growth over the next number of years, however there is no method for capturing what proportion of this is attributable to the support received.
- The net profit measurement contained in the monitoring framework captures changes in net profit levels for the business overall, rather than changes in net profit that are attributable to the Leader Programme. In addition, the six month time period does not enable the full scope of the benefits to be fully realised.

Business Performance Impacts of the Programme

The impacts of the Programme can be split into both economic and non-economic;

– Economic Impacts

- Companies highlighted an increase in both turnover and employment as a result of participating in the Programme. In terms of turnover, 15 of the 24 companies we consulted with reported an increase in turnover as a result of participating in the Programme. In terms of employment, 17 of the 24 companies we consulted with reported an increase in employment as a result.
- Companies Report a diverse range of impacts associated with participation on the Programme. These include restructuring departments, restructuring senior management boards, increasing efficiency and productivity of manufacturing lines, replacing low performing staff, investing in R&D for new product development, launching new products, changing marketing focus and expanding into new markets.

– Non-Economic Impacts

- The participants recognised that the Programme had helped them develop into better leaders. The skills associated with this improved leadership included increased confidence, improved decision making, improved communication, greater clarity and focus, formalisation of staff roles, reorganisation of departments, replacement of underperforming staff, improved working practices (e.g. staff appraisal, structured meetings etc.) and better delegation. The companies recognised that the skills developed have enabled them to make improvements to business performance in the short term and provide the foundations to enable long term growth.
- The companies value the support provided, with a number of the companies having availed of additional Leader support when the Programme has finished. This has ranged from companies requesting additional days support from their mentor (both paid and pro bono examples were reported) to the company’s assigned mentor taking a seat on the company board following the conclusion of the Programme.

Economic Analysis

- The limited availability of complete business performance information and the difficulty companies had in quantifying the impacts directly attributable to the Programme has

made the economic analysis challenging and somewhat constrained. However, on the basis of the analysis completed with the level of information that was available, the evaluation has estimated a positive impact in the area of turnover (£3,893,615), employment (47), GVA (£1,156,404) and Return on Investment (£1:£1.34). The Return on Investment represents a positive return, however it is lower when compared to other recently evaluated INI programmes (e.g. Productivity Improvement Programme, Sustainable Productivity Programme).

- The Leader Programme has delivered positively against the three E's of the Value for Money including in particular economy and efficiency measurements. The support delivered was of a high standard and has supported businesses to deliver a range of business related and personal benefits. In relation to 'economy' measurement it is considered that the Invest NI team made the appropriate efforts to ensure that the project inputs were achieved at the least cost to the NI economy. In terms of the 'efficiency' measurement, the Programme has performed consistently over the life time and has delivered corporate and personal outcomes that will likely continue to grow. In terms of the 'effectiveness' measure, the Programme has not fully achieved all of the established objectives (four of six objectives have been largely achieved and two partially achieved), and as result is only considered to be partially effective.
- The Leader Programme has led to a number of wider economic benefits which will aid the local and regional economies within Northern Ireland. The Programme has provided leadership based training to companies with growth and scalability potential that will strengthen the links between productivity and leadership. The Programme has equipped companies with the necessary skills and foundations to encourage long term sustainable growth. The Programme has also helped to raise the awareness and importance of leadership capability development. In the long term this will help companies to understand the value of investing in leadership capability development which will be key in encouraging increased private sector activity in Northern Ireland and will contribute to the rebalancing of the local economy.
- Overall, we consider that, to date, the Programme has offered value for money. The Programme has generated positive business performance impacts across the companies and generated improved skills/knowledge across the participant leaders and has equipped companies with the necessary skills to sustain growth and development in the future.

In conclusion, given the range of evidence presented above (including the number of companies completing the Programme, the number of companies reporting increases in turnover/employment and the development of their skills/knowledge) we feel that the Programme is making a difference (in line with its scale) in terms of growing the private sector and addressing the productivity and skills gap between NI and other regions.

5.2. Recommendations

1. **Continue to Deliver the Leader Programme to Companies for Another Period of Funding.**

(Conclusion Linkage: Strategic Fit and Performance of the Programme)

Given that the Programme has performed positively (demonstrated through stakeholder and company feedback) during the four years of support, including the number of companies receiving support (68 against a target of 80), improved business performance (increased turnover, increased employment, development of new products, entering new markets, company restructuring etc) and the development of skills across the company leaders (including confidence, communication, delegation, strategic focus, decision making and awareness of leadership etc) the Programme should be continued to be supported for another

funding period. It is considered that the Programme is making a difference in the marketplace and has the potential to help close the productivity and skills gap that exists between Northern Ireland and rest of UK. Given the current pressures on public funding, it will be important that the Programme continues to focus on companies that demonstrate high growth potential. These could be across a wider range of sectors than is currently represented.

2. Review the Objectives of the Support ***(Conclusion Linkage: Impact of the Programme)***

Given that Invest NI had not previously implemented a similar type of programme, that there were very few direct comparisons in the marketplace, and the objectives and targets were based on consultation/desk based research etc., it is now an appropriate stage to review the targets to understand if changes should be recommended for the future years of the Programme. Targets should be challenging but realistic and reflective of prevailing market forces.

There are three objective areas which could be developed including introducing qualitative benefits to reflect the softer impacts associated with the Programme, and a further refining of the measurement framework and the current net profit objective. The impacts of the Programme are associated with developing personal skills/knowledge that can be then used to facilitate improved business performance in the longer term. The Programme impacts are interlinked and should encourage 'personal development for corporate gain'. The current range of targets do not provide a measurement for the softer qualitative impacts of the Programme that have been identified by companies, including increased confidence, improved leadership skills, better decision making etc. We think it appropriate therefore that objectives/targets are included to cover the qualitative area of the programme and the links that it can make towards improving business performance.

For example 'per cent of participants considering their leadership capabilities have improved as a direct result of participating in the Programme". The findings from the consultation with participant companies should be used to provide a baseline for these potential new objectives going forward e.g. 88 per cent of respondents stated that their leadership/management skills improved as a result of the Programme; and 92 per cent of respondents stated that their understanding of the importance of leadership has improved as a result of the Programme.

The measurement framework does not capture business performance metric information that can be directly attributable to the support received as part of the programme. For this reason, it is difficult to measure the productivity improvements within companies resulting from the Programme support, given other external factors can also be at play. While attribution of impacts is a challenge, it is considered important that this information is captured as part of the measurement framework to enable effective conclusions to be drawn on the economic impact of the Programme.

In addition, linked closely to developing the wider measurement framework, is the 'profit related' objective. In order for net profit of the Programme to be fully realised there needs to be a measurement for capturing the profit attributable to the Programme included in the monitoring forms. . While attribution of impacts is a challenge, monitoring this is considered to be a development point for the monitoring framework and ongoing monitoring of the Programme. In particular, it is considered that the six month review period is too short to allow full appreciation of the business performance impacts to be realised. Work should be undertaken to review this, to ensure that the balance is struck between long enough for benefits to be realised versus not too long for companies to forget. For example this could be moved to 12 months. The alumni programme would help maintain relationships between companies and the Programme Team in the interim period.

3. Improved Operation of the Programme

(Conclusion Linkage: Delivery Model of the Programme and Economic Analysis)

The feedback from the evaluation's consultation process was overwhelmingly positive in terms of the delivery model and management of the Programme. However, over the course of the fieldwork we have identified a number of improvements that could be made to ensure more effective delivery in future iterations of the Programme. These include the following:

- **Monitoring/Evaluation** – it is considered that the current monitoring template could be improved to capture business metric information specifically attributable to the Programme. For example when companies are providing company turnover information they could include the percentage of turnover growth that can be attributed to participation on the Programme. This would enable more accurate understanding of the impact of support on those companies receiving investment. It will be important that any changes made to the template are user friendly and encourage complete and full returns. In addition, it is considered that the six month review is too short to enable full benefits of the support to be realised. Consideration should be given to extending the review period beyond six months (e.g. 12 months) or adopting alternative approaches (for example the LEAD Wales model use a two tier approach with a review at 6 months and then again at 12 months following completion of the Programme).
- **Marketing and Client Executives** – tailored marketing through Invest NI's Client Executives is an appropriate method of attracting suitable and high quality companies to complete the Programme. However, the current spread of companies on the Programme has been referred from a minority of the Client Executives (38 client executives representing 27% of the total population of Invest NI Client Executives of 138). This demonstrates a potential development area for the Programme Team. It is considered that the Programme Team should actively engage with a greater coverage of Client Executives, educating them on the Programme benefits and the range of support offered. Greater engagement will encourage increased support of the Programme from the Client Executives and ultimately encourage a larger pipeline of company participation.
- **Wider Industry Spread** – Currently there are a number of industries that dominate the spread of participant companies (including advanced engineering and construction (25) and Technology & Services (12)). The Leader Programme Team should monitor the representativeness of the participant profile, to ensure all sectors that can benefit from the intervention are represented within the participant profile. This recommendation will be closely linked to the wider one around encouraging greater support and coverage of the Programme across the Client Executive pool. In addition, linked to this is the representation of the companies at networking events and ensuring that the representation is appropriate to maximise the learning and sharing of information/contacts/business leads etc. There may be value in liaising with the programme delivery team for LEAD Wales to discuss their experience in attracting a broader mix of sectors.
- **Joined up Approach** – the level of interaction/liaison between mentors/coaches and Client Executives differ across the Programme. It is considered that the Programme Team should make this interaction more structured with required checkpoints at the beginning and throughout the process. This will ensure that the appropriate information is being shared between the groups and that all parties have knowledge and understanding of the company situation and where support can be offered.
- **Matching of coaches** – the matching process for the mentors enables flexibility and offers choice to participants. This was considered to be important for understanding of the chemistry that exists between the two parties. The coaching matching process

does not offer the participants the same choice. The Programme Team should review this process and understand how they can offer participants a level of choice in picking their coach e.g. mirror the mentoring matching process, hold a consultation pre-programme with each participant and head of coaches to understand their needs/requirements etc. This improved matching process will improve participants buy-in to the Programme and help break down any negative perceptions of coaching.

- **Providing a more consistent experience of peer networking** – While largely positive, the peer networking element of the Programme generates the greatest level of mixed experiences for Programme participants. As highlighted this is partly attributable to the variations between the 2012 version and the subsequent versions. It was broadly accepted that the outsourced delivery model used in the 2012 edition of the Programme did not meet the expectations of the Invest NI team or the participants. The Programme Team should continue to work to understand areas for continual improvement, for example getting the correct balance of industries represented at the networking sessions and the applicability of the speakers to all participants to ensure appropriate sharing of ideas/lessons learned/concerns/contacts,. Also, within networking events companies could be allowed more time at the end of programme to present on the value and experiences they have delivered through the programme.

4. Continue to Review the Leadership Market Provision ***(Conclusion Linkage: Strategic Fit)***

Currently there is quite a crowded marketplace with regards to the provision of leadership development programmes ranging from government supported provision to small and large scale private sector provision. Our analysis has shown that the Programme has a number of distinguishing features (discussed in Conclusion 1 above). Despite these features, it is important that the delivery authorities of DEL and INI continually scan the market to review and understand how the Programme fits with other provision and to ensure that there is no duplication. Monitoring should be focused on understanding if the current mix of activities remains valid, relevant and matched to the needs of the target market.

It is important that INI and DEL understand the relative merits and activities in each Programme and should consult regularly and where applicable allow the programme teams to signpost to more suitable support (reflective of their stage of professional development) if required. It is also important to understand that companies may avail of multiple aspects of leadership support across providers depending on their need and stage of development.

5. Review Post Project Support ***(Conclusion Linkage: Impact of the Programme)***

The Programme Team should review the arrangements surrounding the coordination and implementation of post Programme support. Currently a large number of companies have requested additional mentoring/coaching support following participation on the Programme. These arrangements are informal at the moment and are largely dependent on the relationships that the company have developed with the support providers.

The Programme Team could explore the potential to make these arrangements more formal. For example an additional 'call off' support framework could be developed that will have formal arrangements and structures that can provide companies with access to the support where there is a strong rationale to provide it. This will enable greater control of this process and

provide the Programme Team with extended sight of the company development. However, it will be important that the company Client Executive remains involved in the company decision to avail of additional support to ensure that it is appropriate and linked to encouraging continued development.