

Invest NI

Programme Evaluation: of the Supply Chain Resilience & Development Framework – Final Evaluation Report

February 2023

# EXECUTIVE SUMMARY

## Overview of this study

Invest NI commissioned RSM UK to undertake an evaluation of the Supply Chain Resilience & Development Framework (SCRDF) programme. The SCRDF programme is designed to support businesses to develop their supply chain function to improve competitiveness and sustainability through the provision of expert supply chain advice and (in select cases) funding for a new dedicated supply chain role. This evaluation was conducted between September 2022 and December 2022, and aimed to assess the effectiveness of the programme, focusing on: i) the validity of its rationale and ongoing design in light of market failures; ii) appropriateness of its delivery model; iii) progress against delivery; iv) the types of outcomes and impacts generated; and v) the programme's efficiency and Value for Money (VfM). The evaluation also develops a series of key conclusions and recommendations for future support.

## Overview of the programme

SCRDF was originally established in response to the COVID-19 pandemic and the UK's EU Exit, both of which had severe negative impacts on Northern Ireland (NI) businesses and their supply chains. Invest NI secured funding for a pilot period over March 2021 to March 2022 at a cost of £1,700,000 (inc. VAT)<sup>1</sup> to enable the development and delivery of the SCRDF programme, later extended to March 2023. Staffing for the programme was forecast to comprise eight full-time equivalent (FTE) members of staff, including one programme manager and two programme administrative support staff (recruited via a temp agency), and a team of senior supply chain advisors, seconded from industry.

Support to participating businesses is undertaken in three steps: i) **step one** includes initial engagement with businesses in a scoping capacity from the team of senior supply chain advisors; ii) **step two** allows businesses to access up to an additional 10 days of support to develop a supply chain improvement action plan plus coaching and mentoring, facilitating and coordinating supply chain improvement projects, identification of opportunities, and repurposing operations; and iii) step three, which offers financial assistance of up to 50% of the first 12 months' salary costs to appoint a dedicated key supply chain worker.

## Key findings of the evaluation of the programme

The SCRDF programme has **delivered positive results** over the period since its launch in March 2021. The programme has **exceeded its delivery and outcome targets** despite lower levels of expenditure and resourcing than forecast in the programme's original business case.<sup>2</sup> Taking operational performance first, the programme has supported a total of 188 businesses, progressing 87 supply chain improvement plans, and supporting 37 key supply chain workers. Uptake of the programme is seen across a broad geography, with 86% of supported companies located outside of the greater Belfast area.

The programme has **delivered strong performance in delivery of outcomes and impacts**, too. This includes significant generation of gross value added (GVA), with supported businesses

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<sup>1</sup> NB: Original pilot funding was secured via Department for the Economy (DfE) COVID-19 response funding, and the subsequent extension was supported through Invest NI funding

<sup>2</sup> Due largely to staff turnover and difficulty offering full-term grants to some businesses

generating £8.1m of GVA against an original target of £5m-£6m.<sup>3</sup> While there are more mixed indications of business growth in terms of increasing sales and employment, this may be related to the timing of the evaluation, with more time required to observe these effects. At the level of beneficiary businesses, the programme is delivering tangible improvements in business practices and behaviours (e.g., the development of a 'supply chain ethos' and shifts in managerial mindsets), and in associated capability and capacity. These latter elements have been identified by consulted businesses as most important to their needs, and they are also the areas in which the programme has greatest attribution. In addition, there are strong indications of multi-year impacts and recurring benefits for businesses such as cost savings and supply chain process improvements related to improved capability.

The programme has supported £1.4m of new and safeguarded salary via the appointment of key supply chain workers, representing an average salary of £36,000 for these dedicated roles. This **average salary is higher than the latest private sector median salary for Northern Ireland**, as reported in the latest statistical release of the Annual Survey of Hours and Earnings.<sup>4</sup>

Key to the success of the programme is the hybrid model of delivery, which combines tailored advice, select financial support, and a structured learning curriculum. The SCRDF model is regarded as comparatively more effective by beneficiaries with experience of other related business support, and is **leading among international comparators**,<sup>5</sup> presenting a compelling combination of good practice found elsewhere. The SCRDF key worker support is additional to what is seen among the range of examined comparators, and ongoing mentoring to key workers appears to be over and above other observed provision of advice and guidance. One area in which the SCRDF programme does not meet international provision is that support for collaboration and partnership development (including peer-to-peer learning) is not a current specific pillar of support, though this is planned to be added according to programme management.

In addition to the nature of the hybrid model, the **profile, expertise, and legitimacy of the dedicated senior supply chain advisors is essential** to the programme. **Surveyed beneficiaries reported 100% satisfaction with the quality of advisor support**, and high levels of satisfaction with communication with advisors, and level of support provided. The provided supply chain advice was also rated as most important among surveyed respondents. Programme management is well-regarded by stakeholders and businesses, and the working methods of the programme team have been highlighted as supporting success in terms of embedding the programme among Invest NI colleagues. As such, supporting the retention of key programme staff (and reaching appropriate levels of resourcing) is an important consideration for any future iteration of the programme to help deliver further benefit.

The **rationale of the programme remains relevant**, with strong indications that the programme supports both key policy objectives and business needs. While the scheme was originally a

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<sup>3</sup> While much of this impact was delivered in urban areas when undertaking an assessment of equality impacts, this is in line with the composition of programme beneficiaries, and it follows that like uptake, impact is also evidenced proportionally outside of the greater Belfast area

<sup>4</sup> See: <https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-survey-hours-and-earnings> (October 2022)

<sup>5</sup> Comparing SCRDF to the Enterprise Europe Network EU Supply Chain Resilience Platform, Scottish Manufacturing Advisory Service (SMAS), the Co-operation and Supply Chain Development Scheme in Wales, InterTradelreland's pilot Supply Chain Support Programme, and the Supply Chains for the 21<sup>st</sup> Century (SC21) programme

response to the COVID-19 pandemic (and to support businesses in light of EU Exit), the focus on building resilient supply chains and engendering a greater focus among businesses on the importance of supply chains for growth continues to have policy and business relevance. Supply chain issues are increasingly recognised as important in addressing competitiveness and resilience, particularly in relation to recent geopolitical events. **The programme demonstrates a strong fit with the ‘triple bottom line’ of the 10X Economic Vision (innovation, inclusiveness, and sustainability).**<sup>6</sup> The **market failure addressed by the programme also remains valid**, with the information failure among firms still prevalent, and the programme addressing an identified gap in provision of specialist support for supply chain development in Northern Ireland.

Finally, examining the programme’s value for money (VfM), **SCRDF demonstrates a high return on investment.** Based on full programme expenditure (i.e. the scenario in which the programme uses its full budget to the end of March 2023), the estimates reached through this evaluation suggest **a return of £10.10 for every £1 of public expenditure.** This is significantly higher than the public sector standard target of 2:1, as well as the £2.25 target set in the business plan.

### Forward-looking considerations for the programme

Consultation highlighted significant confidence around the sustainability and scalability of the programme, with confident projections of demand. Consulted businesses were generally positive about future engagement with the programme.

Tweaks to the programme model going forward may help to further increase effectiveness. Primary among considerations for amendments include: supporting increased interactivity between beneficiaries, key supply chain workers, and advisors via peer-learning, partnership, and networking opportunities; examining ways to bolster available expert resource; and improving the interconnectivity and integration of the programme with the rest of Invest NI’s infrastructure and offer. Examples derived through consultation suggest that there is good potential to add value to other programmes such as the Collaborative Growth Programme,<sup>7</sup> as well as through connecting more broadly to Client Managers and Client Executives across the organisation.

### Recommendations

To conclude the evaluation, the study team developed five recommendations for exploration. These are set out below:

1. There is a strong case to recommend continuation of the programme, to facilitate ongoing support for businesses in the form of expert supply chain advice and select funding. Replenishing and retaining the high-quality resource and knowledge<sup>8</sup> is of central importance to the ability of the programme to deliver impact. A significant enabler of this is funding stability and clarity, supported by agreed multi-year budgets that allow for appropriate

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<sup>6</sup> The programme aims to foster stronger and more resilient supply chains among NI companies, with a view to improving economic sustainability. In addition, the programme aims to help businesses innovate through improved processes and increased efficiency. Finally, the programme aim of developing stronger local supply chains (including elements of re-shoring) would suggest an alignment as will with the inclusive growth aspect of 10X

<sup>7</sup> See: <https://www.investni.com/collaborative-growth-programme>

<sup>8</sup> For example, to original business case staffing levels as noted in section 2.4

contracts to be offered to supply chain advisors. Continuity overall is important across the whole programme team

2. There is significant potential to further connect the programme to the broader Invest NI offer as part of the programme evolution. This works well in areas of the organisation, but taking an approach similar to the Operational Excellence team<sup>9</sup> to raise awareness among and train Client Managers and Client Executives may achieve greater embeddedness and interoperability. This would have the benefit of offering further avenues for 'warm' leads from client-facing staff
3. Avenues for mainstreaming or broadening supply chain knowledge within Invest NI (in terms of both educating Client Managers and Client Executives and further developing internal supply chain knowledge and awareness) could help Client Managers and Client Executives to refer businesses into future SCRDF provision, and also part-mitigate the risk of knowledge loss in the event of staff departure
4. There is potential to undertake more strategic work with large companies and their supply chains (e.g., supplier shaping). The offer here should be made concrete and well-articulated to open access to large companies, and the legitimacy of the supply chain advisors will likely be key in gaining trust
5. The programme should include peer learning opportunities for key workers and beneficiary businesses, both to learn from one another and from advisors. This is an element that is currently missing from provision however plans are in development, though could be addressed via a regular programme of meetings or mini conferences, as well as potential bilateral matchmaking undertaken by supply chain advisors. The trust element between beneficiary businesses needs consideration in shaping this potential new element of the programme, to ensure that businesses are able to constructively participate

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<sup>9</sup> It is acknowledged that the Operational Excellence team has been operational for over 12 years, and thus with greater scope to reach these levels of penetration

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# 1. INTRODUCTION

## 1.1 Study scope

RSM UK Consulting LLP (RSM) has been commissioned by Invest Northern Ireland (Invest NI) to undertake an evaluation of the agency's Supply Chain Resilience & Development Framework (SCRDF) programme.

This evaluation was conducted over the period September 2022 to December 2022, and aimed to assess the effectiveness of the SCRDF programme and whether it has met its stated objectives, focusing on:

- i) the validity of its rationale and ongoing design in light of market failures
- ii) appropriateness of its delivery model
- iii) progress against delivery
- iv) the types of outcomes and impacts generated
- v) the programme's efficiency and Value for Money (VFM)

The evaluation also develops a series of key conclusions and recommendations for future support. The full set of study questions set out in the terms of reference for the work and addressed by this evaluation are listed below:

- Set out the objectives of the intervention and assess the extent to which it is meeting its stated objectives and all associated targets
- Review the validity of original and ongoing rationale for the intervention, including the nature and scale of the market failures and/or equity issues that the intervention is seeking to correct; and to examine the degree of complementarity with other Invest NI interventions and the extent to which the intervention overlaps with or duplicates other publicly funded support
- Assess the appropriateness of the intervention's delivery model and the effectiveness of the intervention's management and operating structures. In particular: i) the effectiveness of the specialist supply chain advisory service; ii) the complementary key worker grant support; and iii) the hybrid approach of advisory and financial support to build supply chain capability and deliver benefits for the companies
- Thoroughly assess the inputs, outputs, outcomes, and impacts associated with the intervention, to include a detailed assessment of the overall economic and wider impacts
- Identify the internal and external factors which have impacted upon the performance of the intervention either positively or negatively, within the period
- Determine the Return on Investment associated with the intervention to date, clearly identifying actual and anticipated values
- Assess the economy, efficiency, and effectiveness with which public funds have been used on the intervention

- Assess the extent to which the intervention represents good VFM and appropriate use of public funds across the full spectrum of relevant VFM indicators
- Compare the support offered by the intervention against equivalent services available to businesses in the UK, EU, and other similar regions<sup>10</sup>
- Present a succinct set of conclusions from the evaluation, taking account of all of the evidence gathered during the assignment
- Consider the merits of Invest NI continuing to fund the SCRDF, including an assessment of whether the strategic context remains valid and if need and demand still exist considering other publicly (Invest NI and other) available services
- Identify recommendations for future delivery<sup>11</sup>

## 1.2 Report structure

This final report presents the findings of the evaluation of the SCRDF support and is structured around the main evaluation questions as set out above. The remainder of this report is structured as follows:

- **Chapter 2** introduces the programme and sets out the programme logic model upon which the evaluation is based
- **Chapter 3** presents an overview of programme design and delivery, including the rationale and market failure, appropriateness and fit, the programme delivery model, as well as uptake of support and the composition of beneficiaries, based on analysis of programme data and consultation
- **Chapter 4** presents findings related to the effectiveness of the programme (i.e. the outcomes and impacts generated by the programme) based on analysis of programme data and consultation with Invest NI staff, stakeholders, and beneficiary businesses. This chapter also presents and assessment of value for money of the programme
- **Chapter 5** presents an overview of comparative practice and provision, qualitatively benchmarking the SCRDF programme with three international examples, based on desk research. This chapter concludes by setting out the main lessons to be learned
- **Chapter 6** presents the overarching conclusions and lessons learned from the evaluation, plus recommendations

<sup>10</sup> Identifying, where appropriate, potential service options for consideration going forward. To benchmark the management, performance, and impact of the intervention against appropriate comparators

<sup>11</sup> The Terms of Reference stipulate that the business case will make recommendations "...as appropriate in relation for example to the participant profile, strands of activity, delivery model, and the ongoing monitoring of the Service etc. with a view to enhancing the economy, efficiency, and effectiveness of the Service. The recommendations should be numbered and concisely worded and be Specific, Measurable, Achievable, Relevant and Time-Bound (SMART) where possible / relevant."



## 1.3 Evaluation methodology

The methodology for this evaluation encompasses a number of strands of data collection and analysis, covering both secondary and primary data. These are as follows:

- **Desk based analysis and research** to develop our understanding of the strategic context of the programme, the implementation processes of the programme, and to inform discussions with key stakeholders
- **Review of programme information and process review**, including analysis of programme data to inform the assessment of the SCRDF's progress against its stated aims and objectives
- **Development of a programme logic model** to set a foundation for the evaluation and to explore consideration of the programme's context, market failure assessment, project objectives, inputs, activities, outputs, outcomes (affecting direct, indirect, and wider beneficiaries and analysis of immediate, intermediate, and longer-term outcomes i.e. outcome 'steps'), intended impact and contribution to programme results.
- **Analysis of monitoring data** to assess the characteristics of participating companies and the performance of the SCRDF. This covers: the master company tracker, programme scorecard, collected economic benefit data, and the programme expenditure summary
- **Desk-based benchmarking analysis** to compare the support offered by SCRDF to equivalent services available to businesses in the UK, EU, and other similar regions
- Several **programmes of consultation**, broken down as follows:
  - 7 interviews with programme staff (programme manager, supply chain advisors)
  - 12 interviews with stakeholders (Invest NI Senior Managers, Client Managers, Client Executives, and external industry bodies)
  - 11 interviews with beneficiary businesses
  - 29 business survey respondents (based on invitations to 185, 16% response rate)<sup>12</sup>

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<sup>12</sup> NB: Business survey respondents and business interviewees were different groups, which has effectively improved the overall consultation reach

## 2. PROGRAMME OVERVIEW

### 2.1 Introduction

The chapter first presents the rationale for the programme and sets out a programme logic model (PLM), Figure 2.1.

A PLM provides a graphical depiction ('roadmap', or 'schematic') of an intervention in order to understand the ways in which its objectives are achieved, highlighting the relationships between activities and the intended effects, and helping evaluators and clients to understand the logical flow between activities and effects, and the assumptions that underpin their achievement. A PLM provides valuable framing and a 'sense check' of how interventions work, and how they are measured.

Following the rationale and PLM, the remainder of the chapter's sub-sections describe programme elements in detail, concluding with an overview of assumptions, enablers, and mitigating factors.

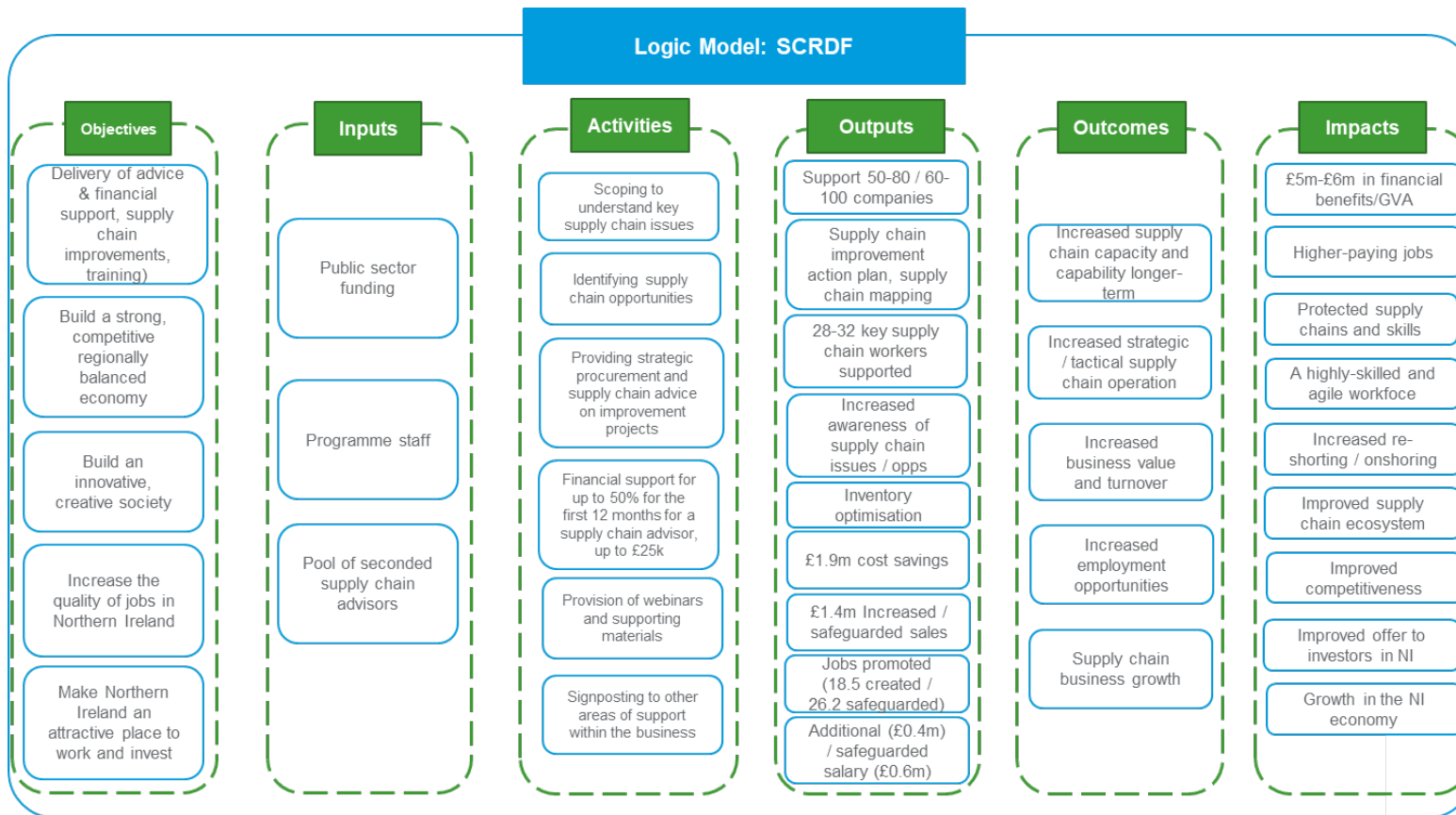
### 2.2 Programme rationale

SCRDF was originally established in response to the COVID-19 pandemic and the UK's EU Exit, both of which had severe negative impacts on Northern Ireland (NI) businesses and their supply chains.

The SCRDF programme of support was developed to provide expert supply chain advice and (in select cases) funding for a new dedicated supply chain role to mitigate risk and improve the resilience of supply chains. More broadly, and beyond COVID-19 and EU Exit, there is an increasing policy focus on supply chains as a way to generate and capture new opportunities and growth. SCRDF is designed to help this as part of the larger goal of embedding NI manufacturing firms in global supply chains.

Figure 2.1, overleaf, sets out the PLM for the SCRDF programme.

Figure 2.1: Programme Logic Model for SCRDF



Source: RSM, based on desk research and consultation

## 2.3 Programme objectives

SCRDF was created to support businesses to increase their supply chain competitiveness and resilience. The objectives of the programme can be understood at two levels. The first level describes direct business support objectives that relate to direct effects, and the second level describes a set of broader socio-economic objectives for the region to which the programme should ultimately contribute.

The first level of direct business support objectives themselves can be categorised in four areas, relating to the structure of the support on offer. These represent a mixture of operational or delivery objectives (i.e., meeting programme delivery targets), and one measure of delivery success (i.e., visibility of results of the support delivered):

- Delivery of advisory support delivered against profiled targets
- Delivery of financial support delivered against profiled targets
- Realisation of direct project benefits such as supply chain improvements (result of support)
- Business training delivered against profiled targets (a blend of formal events such as webinars, and in-company sessions on topics including supply chain management and negotiation)

The second level of broader socio-economic objectives for the programme correspond to policy priorities for the region set by the Department for the Economy (DfE), and in particular the 10X Economic Vision.<sup>13</sup> These are largely mirrored in the latest Invest NI business plan. These include:

- Build a strong, competitive regionally balanced economy (e.g., embedding stronger supply chain practices and further strengthening of local / re-shored supply chains)
- Build an innovative, creative society (e.g., fostering innovation through strengthened supply chain practices)
- Increase the quality of jobs in NI (e.g., improved employment opportunities and protected supply chain skills)
- Make NI an attractive place to work and invest (e.g., adding developed supply chains as part of the offer for companies investing in the region)

## 2.4 Programme inputs

Programme inputs refer to the ways in which an intervention is resourced to deliver. This includes the funding mix for the intervention and the human resources dedicated to delivering its activities.

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<sup>13</sup> See: <https://www.economy-ni.gov.uk/publications/10x-economy-economic-vision-decade-innovation> and <https://www.economy-ni.gov.uk/sites/default/files/consultations/economy/measuring-success-10X-metrics-to-achieve-a-10X-economy.pdf> (p.11)

Invest NI funded a pilot period over March 2021 to March 2022 at a cost of £1,700,000 (inc. VAT) to enable the development and delivery of the SCRDF programme, later extended to March 2023.<sup>14</sup> This public funding supports both programme costs (programme support and advisory staff, marketing, and communications, etc.) and grants to businesses.<sup>15</sup>

As identified in Table 2.1, staffing for the programme was forecast to include one programme manager and two programme administrative support staff (recruited via a temp agency). Secured funding also supported five full-time equivalent (FTE) supply chain advisors, seconded from industry.<sup>16</sup> Staffing is summarised in the table below, and reflections of actual resourcing is presented in the discussion of programme delivery in the next chapter.

**Table 2.1: Overview of intended programme staffing**

Role	FTE	Recruitment / staffing model
Programme manager	1.0	Fixed term contract
Admin support to team	2.0	Via Temp Agency
Senior Supply Chain Advisor	5.0	Secondment
Total staff resourcing	8.0	--

Source: Data provided by Invest NI

## 2.5 Programme activities

The SCRDF programme is a hybrid offer, focusing primarily on diagnosis, advice, and guidance, and with the option of subsequent financing in select cases.

Support to participating businesses is undertaken in three steps.

**Step one** includes initial engagement with businesses in a scoping capacity from the team of senior supply chain advisors. Businesses receive up to half a day of free support and specialist supply chain advice to help develop an understanding of their key supply chain issues and opportunities, and to provide initial advice and direction on how to resolve these.

**Step two** allows businesses to access an additional 10 days of support. This may be provided if, after consulting with the business, it is determined that an improvement action plan is clearly required to boost the business' supply chain operation. A dedicated senior supply chain advisor will then work with the company to offer the following support.

- Coaching and mentoring on supply chain improvements/techniques
- Facilitating and co-ordinating supply chain improvement projects
- Assessing supply chain risk and mitigation opportunities

<sup>14</sup> The budget of £1.7m was approved in November 2020 up to initial period of March 2022. A non-material amendment was approved in February 2022 to extend the programme to March 2023 within the existing budget

<sup>15</sup> The budget excludes the salary of the (Grade 7) programme manager

<sup>16</sup> Supply chain advisors are identified against pre-set criteria, as evidenced by a job specification provided by the programme team

- Providing strategic procurement and supply chain advice
- Identifying supply chain opportunities within businesses and promoting the benefits of a structured approach to managing suppliers
- Repurposing operations and supply chains to meet potential new opportunities.

Engagement with the supply chain advisor may also focus the identification of cost saving opportunities as part of supply chain improvements, with a view to improving competitiveness. This may include aspects of re-shoring the supply chain

If, through steps one and two, it is determined that a business would benefit from a new dedicated supply chain role,<sup>17</sup> **step three** offers financial assistance of up to 50% of the first 12 months' salary costs, up to a maximum of £25k of support. To be eligible for this support, the company must submit an online application providing rationale for: i) the necessity of a new dedicated supply chain advisor; ii) how it will contribute to the above-mentioned action plan; iii) the advantages it will have for the company; and iv) the results it will provide.

Training (webinars, checklists, coaching, mentoring) and supporting materials are made available to participants which provide structured learning opportunities related to aspects of supply chain management including: Inventory management, supplier sourcing, selection and performance management, supply chain strategy development, and supplier negotiation.

As with all Invest NI support, a final area of activity is signposting of businesses to other appropriate forms of support within the agency and elsewhere in the ecosystem.

## 2.6 Programme outputs

Outputs are the immediate consequences (or results) of activities delivered by an intervention or programme. These tend to be 'countable' such as the number of supported businesses (rather than benefits or effects) but may also be qualitative in nature, such as improved capabilities or increased awareness.

Targets for the operational progress of the SCRDF programme were set in the business case developed for board approval, and were monitored across a range of key performance indicators (KPIs) via a scorecard used by the programme team to track progress against delivery of support to engaged firms.<sup>18</sup>

During the development of the PLM for the SCRDF programme, the RSM study team assessed and attempted to synthesis the scorecard and business case for SCRDF, and sought further information on outputs from desk research and consultation. The result of this exercise is an expanded set of output KPIs for the programme, which are summarised below. This includes a number of additional output KPIs that address the result(s) of step of the of the programme, and qualitative measures of SCRDF engagement.

<sup>17</sup> For example, due to the business lacking the necessary supply chain resource (or capability) as part of the action plan agreed upon in Step 2

<sup>18</sup> KPIs are categorised in the scorecard as relating to advisory support (cases created), financial support (cases progressing to step three, letters of offer issued), project benefits (GVA generated by projects), and customer training (attendance at webinars)

**Table 2.2: Output KPIs for SCRDF**

Output KPI	Description	Scorecard target	Business case target
Companies supported	Number of businesses engaged in the programme (Step 1 cases)	140**	50-80 (pilot) / 60-100 (2022/23)
Supply chain improvement plans	Countable indication of results of working towards step 2*	80	N/A
Key workers supported	Step 3 / letters of offer for a grant to support hiring	72***	N/A (pilot) / 28-32 (2022/23)
Increased awareness of supply chains	Qualitative indicator of results of programme engagement	N/A	N/A
Inventory optimisation <sup>19</sup>	Quantitative and qualitative indicator of results of programme engagement	N/A	N/A
Financial benefit & GVA: Cost savings; Increased / safeguarded sales	Quantitative result of supply chain optimisation / efficiency	£9.3m****	£5m-£6m GVA; £1.9m cost saving; £1.4m sales
New and safeguarded jobs	Direct job creation and safeguarding through projects	N/A	18.5 new 26.2 safeguarded
£0.4m new salary / £0.6m safeguarded salary	Direct salary creation and safeguarding through projects, including value of key workers*****	£0.5	£0.4m new £0.6m safeguarded
Training uptake	Provision of workshops / webinars. No attendee target	4	N/A

Source: RSM, based on desk research and consultation. NB: \* denotes no target but recorded in programme scorecard; \*\* 80 in 2021/22 and 60 in 2022/23; \*\*\* 42 in 2021/22 and 30 in 2022/23; £4.2m in 2021/22 and £5m in 2022/23; \*\*\*\* The recorded salary value represents 50% of salary due to the grant intervention rate

The scorecard also measures gross value added (GVA) generated by engaged businesses upon closure of their project as an output. The programme logic model has re-cast GVA as an impact of the programme rather than an output, as it is a combination of factors. This is therefore discussed in section 2.8, below.

<sup>19</sup> This refers to, for example, quantified cost savings and qualitative measures of improved inventory management practices with implications for cost savings

## 2.7 Anticipated programme outcomes

The outcomes of an intervention follow outputs and relate to short-term business (or near-proximity) effects. The intended outcomes of SCRDF have been developed along three main areas: business-related outcomes, supply chain outcomes, and region-level outcomes.

As with the set of output KPIs described above, the development of the PLM for SCRDF has further elaborated the intended outcomes of the programme. These elaborations are again based on the business case for programme, calibrated and expanded via discussion with Invest NI programme staff and policy stakeholders.

As with all PLMs, it is possible to consider outcomes across a more nuanced time horizon, setting first order (earlier) and second order (later) outcomes. This also provides an opportunity to consider areas in which some outcomes may feed into others. We have maintained a simple overview of outcomes, without making this distinction, namely:

- **Increased supply chain capacity and capability longer term.** Improved awareness of the importance of supply chains, advice, and training, among businesses feeding through into future behaviours
- **Increased strategic supply chain operation.** As above, iterative intelligence and improved practice feeding into future behaviours and business strategies
- **Increased business value and turnover.** Aligned to reduced cost and increased sales directly among beneficiary businesses and indirectly elsewhere among suppliers to those businesses
- **Increased employment opportunities.** Employment opportunities generated by the programme within supply chain professions and as a result of business and sector growth
- **Supply chain business growth.** This outcome relates to the growth of individual businesses and growth of businesses as part of improved local supply chains

## 2.8 Anticipated programme impacts

In a PLM, the intended impacts of an intervention refer to longer-term, macro-level benefits. As set out in the description of outcomes, impacts can also be articulated as first-order and second order. In the context of SCRDF, first-order impacts would relate to participating businesses and the immediate labour market, while second-order impacts would relate to systemic and regional impacts.

In the context of business support interventions, impacts are often articulated as economic effects. For SCRDF, first order impacts in principle relate to business survival and growth such as turnover and employment, while second order impacts would relate to the supply chain ecosystem, plus the competitiveness of the region as a whole.

The first order impacts of SCRDF as articulated through the development of the programme logic model are as listed below:



- **GVA generated by beneficiary businesses** (£5.1m attributable to programme engagement)<sup>20</sup>
- **Higher paying jobs**, as a result of increased employment opportunities and business/sector growth, and the direct appointment of key worker roles
- **Protected supply chains and skills**, as a result of increased awareness, more strategic approach, and training undertaken of relevant individuals

The second order impacts of SCRDF as articulated through the development of the programme logic model are as listed below:

- **A highly skilled and agile workforce**, resulting from improved supply chain skills across beneficiary businesses and aggregated across the economy
- **Increased re-shoring** as a result of identifying alternative suppliers and developing domestic suppliers
- **Improved supply chain ecosystem** in terms of cohesiveness and management practice, aggregated across the economy
- **Improved competitiveness** of businesses and the economy resulting from lowered costs and increased efficiency in supply chains
- **Improved offer to investors NI** as a result of more developed local supply chains into which inward investors can be situated
- **Growth in the NI economy** as a result of improved competitiveness and workforce factors
- **A more regionally balanced economy** as a result of improved supply chains, competitiveness, and growth

## 2.9 Assumptions, enablers, and barriers

In order to move from outputs to outcomes, and impacts, it is assumed that SCRDF actions are undertaken in accordance with relevant targeting and design, and for appropriate businesses (i.e. the 'right' mix of activities is accessed by the 'right' mix of businesses). This means that activities are designed in light of appropriate intelligence, and that promotion and recruitment ensures that appropriate businesses are aware of the value of the scheme and able to access it.

Based on consultation with Invest NI staff and stakeholders, key enablers of programme success can be summarised as follows:

- Availability of supply chain advisors
- Knowledge of supply chain advisors

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<sup>20</sup> This is noted as £5m-£6m in the programme's balanced scorecard, with £5m used as a baseline

- Availability of key workers for recruitment into beneficiary businesses

From the same programme of consultation, key barriers to programme success include:

- Insufficient articulation of demand among potential beneficiaries
- Insufficient understanding of the importance of supply chains among beneficiaries
- Funding uncertainty undermining the retention of resourcing and expertise, and the ability to provide key worker grants

## 2.10 Summary of key findings

The main findings of this chapter are set out below:

- The SCRDF programme addresses ambitious policy objectives related to development of the regional economy
- The hybrid model of the programme is easily articulated, and all components appear to be coherent and complementary
- Output targets as included in the business case and scorecard appear to be partial and can be complemented with a range of additional qualitative measures that tell a more complete story of the consequences of the programme's activities
- Outcomes are also largely qualitative and focus on competency and capability development, and consideration will be needed in terms of how to capture these going forward
- First order impacts around business productivity, skills, and employment can be observed that would feed into second order impacts related to systemic change. These are appropriate for the programme; however, it will be important to clearly articulate the contribution of the programme in relation to these impacts as the business support landscape is complex
- Success of the programme is likely to depend on several key factors: staff expertise and availability, the availability of key workers, and ability to access and promote the scheme to appropriate firms

## 3. PROGRAMME DESIGN AND DELIVERY

### 3.1 Introduction

This chapter addresses evaluation questions related to the design and delivery of the programme, including: i) the validity of the rationale and market failure(s) under which the programme operates, ii) the appropriateness of the delivery model and effectiveness of the programme management, and iii) the complementarity of support. The chapter also includes an assessment of the extent to which the programme has achieved its operational targets.

### 3.2 Programme design

#### 3.2.1 Programme rationale and market failure

During consultation, the study team asked programme staff and stakeholders to describe their view of the ongoing market failure(s) and rationale, and whether these had changed from the original identified need for SCRDF as set out in the business case.

Programme staff unanimously described an ongoing need to support companies to develop **stronger and more resilient supply chains as a result of the supply side shocks** experienced due to EU Exit, COVID-19, and more recent geopolitical developments such as the invasion of Ukraine.<sup>21</sup> Stakeholders offered a similar view. Of five stakeholders interviewed, the majority reported that the need for the programme developed as a response to COVID-19 and other wider contextual factors which proved problematic for the supply chains of local companies. Wider contextual factors included the introduction of the NI Protocol following EU Exit, and examples such as the worldwide shortage of some electronic components.

In addition, three out of five Invest NI staff members consulted noted a need for supply chain support more broadly, describing **an historic lack of focus on supply chain issues among companies as a means to create value** and increase competitiveness. Again, stakeholder views aligned, with interviewees reporting that the companies they deal with tend to not invest in strategic supply chain planning. Another stakeholder added that NI is a region of SME's rather than large scale companies who often manage a lot of supply chain themselves, alluding to the fact that smaller companies do require assistance.

In discussing market failure, both Invest NI staff and stakeholders reported that SCRDF is a unique proposition in NI, with **limited programmes outside of SCRDF to address supply chain issues**. Some stakeholders offered more detail, with one describing SCRDF as the only structured and tailored programme to address supply chain issues, and another noting that the programme addresses a gap in the availability of professional supply chain personnel in the NI marketplace compared with other countries, leaving an increased need for public intervention.

#### 3.2.2 Programme appropriateness and fit

The study team has assessed the appropriateness and fit of the SCRDF programme in two main areas: policy fit and the extent to which the programme addresses specific needs of businesses.

The assessment of **policy fit** has been addressed via desk research and consultation with programme staff and stakeholders. Desk research consisted of a review of key policy and

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<sup>21</sup> Leading to, among other things, longer lead times and availability challenges / shortages of raw materials

strategy documents, including the Export Matters (published 2016), Economy 2030 (published 2021), the 10x Economic Vision (published 2021), Trade and Investment for a 10X economy (2021), the Economic Recovery Action Plan (2021), and the Invest NI Business Plan 2021/22 (2021), and the draft Invest NI Business Plan 2022/23 (2022). Taken in turn, SCRDF appears to align well with each of these policy and strategy documents. This is summarised in the table below.

**Table 3.1: Overview of policy fit**

<b>Policy/strategy</b>	<b>Statement of SCRDF fit</b>
DETI Export Matters (2016)	SCRDF is well placed to contribute to objectives related to increasing the value of sales made outside of NI. Improving supply chains helps to reduce significant costs associated with the creation of goods. This includes potentially reducing the costs of materials used within the manufacturing process. Cost reducing activities like these, can be a large factor in helping firms grow their sales.
DfE Economy 2030 (2021) Pillar: Driving Inclusive, Sustainable Growth	SCRDF is well placed to aid the achievement of the aims within this pillar. Supply chains are important in helping businesses scale up, stronger supply chains provide benefits such as the cheaper and/or faster delivery of raw materials. Helping to reduce costs, helps firms to realise larger growth. This also contributes to achieving better economic prosperity across the region.
DfE Economy 2030 (2021) Pillar: Succeeding in Global Markets'	SCRDF is well aligned with the aims within this pillar as supply chains and exporting are heavily linked with one another. Stronger supply chains improve the ability of firms to export, with raw materials potentially being cheaper with more being available. More resilience also reduces disruptions, which is beneficial to export markets. As well as exporting being stronger, stronger supply chains attract investment. If raw materials are cheaper and/or easier to obtain within one economy relative to other economies, investors may look more favourably upon the former. The same is true, if goods produced are easier to move into and sell within an economy relative to others. In addition, improving the effectiveness of supply chains should improve business competitiveness
DfE 10x Economy (NI's Decade of Innovation) (2021)	SCRDF appears to be well aligned with the guiding principles of the DfE 10x Economy. One of these principles 'positive economic outcomes' is directly related to the performance of supply chains, which can support cost reduction and increase delivery capacity. Another aspect is mitigation of burdens in the form of disruptions and/or higher prices. To be a competitive economy, a supply chain must be a source of strength for its users. The objective of SCRDF aligns well with this and thus can contribute to reaching the targets set out by the 10x Economy.

Policy/strategy	Statement of SCRDF fit
	SCRDF is well-positioned to address the 10X Economy 'triple bottom line' of innovation, inclusiveness, and sustainability, <sup>22</sup> and is aligned with suggested priority clusters.
DfE Trade and Investment for a 10X economy (2021)	Supply chains are important in improving performance within exporting and trade. Stronger supply chains can aid in cost reducing activities and provides other benefits to its users, which in turn can lead to more appealing product prices for investors and consumers which lends itself to growth and growing outside of just the domestic markets. The SCRDF is well aligned with this strategy.
DfE Economic Recovery Action Plan (2021)	One of the main objectives of SCRDF is to build resilience into supply chains and provide businesses with expert advice surrounding supply chains. This helps contribute to aims within the Economic Recovery Action Plan surrounding business support
Invest NI Business Plan 2021/22 (2021) Pillar: 'Compete 4.0 & Supply'	SCRDF helps achieve this through its cost reducing goal, and also helps boosts competitiveness both domestically and globally through identifying new opportunities and risk mitigation. Furthermore, for NI firms to be 'embedded' into global supply chains, then a strong platform must be provided within the domestic market. This is the overarching aim of the SCRDF. <sup>23</sup>
Invest NI Business Plan 2022/23 (2023) Pillar: c	SCRDF naturally addresses this pillar, which aims to build on the original COVID-19 response that first funded the programme pilot. This pillar of the new (draft) business plan focuses on 'exploit[ing] opportunities for sectoral and collaborative supply chain realignment', and highlights the desire to 'support businesses to re-purpose and pivot to exploit opportunities in new market segments'. The SCRDF programme is strongly aligned with these objectives, and shows promise for productivity effects too.
Invest NI Business Plan 2021/22 (2021) Pillar: Entrep. & Comm.	To deliver on the 'first-to-market' objective, supply chains must be able to perform to a level that both delivers on time and without disruption, and so that it contributes to cost reducing aims rather be a hindrance to firms. The SCRDF is very strongly aligned with this strategy, playing a significant role in creating the supply chain required to deliver its objectives.

Source: RSM, based on document review

In addition to policy fit, the study team assessed the programme's **fit with business needs** via direct consultation. In interview, participating businesses were asked to describe their motivations

<sup>22</sup> While these remain fairly broadly defined at this early stage of development of the vision, the linkages to SCRDF are clear in principle. The programme aims to foster stronger and more resilient supply chains among NI companies, with a view to improving economic sustainability. In addition, the programme aims to help businesses innovate through improved processes and increased efficiency. Finally, the programme aim of developing stronger local supply chains (including elements of re-shoring) would suggest an alignment as will with the inclusive growth aspect of 10X

<sup>23</sup> NB: The programme also directly links to the updated business plan strategic objectives (2022/23) listed under 'productivity, supply chains and digitisation' where the GVA figure is a specific target within the corporate scorecard

for seeking involvement in the programme. The reasons for why and how businesses first engaged with the programme ranged from businesses that had some awareness of the importance of supply chains, to those that were not thinking specifically about this area but were seeking support more generally (or were referred). These are relatively even among the small sample of interviewed businesses:

- Four companies sought support with pre-existing knowledge of supply chains: seeking support with supply chains post COVID-19, wanting to expand through improved supply chain practices
- Five companies engaged from a lower base of awareness: being referred from existing programmes or their Invest NI Client Executive or programme manager, seeking general support, identifying the programme through the Invest NI website, or seeking support after refusal from another scheme

### 3.2.3 Complementarity with other business support

The SCRDF programme is part of a broader portfolio of business support within a complex system. As a programme that is designed to address specific market failures, it is important to assess the extent to which the programme is complementary to (or duplicative of) other available support, as well as the ways in which businesses are referred to and from other interventions. This evaluation aims to assess complementarity via consultation with programme staff, stakeholders, and businesses.

Consulted programme staff and stakeholders unanimously described the programme as naturally complementary to broader business support, due to a perception that SCRDF is relatively unique or a 'first of its kind' in NI in terms of focused supply chain provision. When asked to suggest programmes that are similarly oriented or offer similar provision to SCRDF, a popular nomination among stakeholders was the **Supply Chains for 2021 programme (SC21)**, in which members of the current SCRDF team are involved as the Invest NI lead for the programme, and which was described as a stimulus for the SCRDF programme, albeit with a broader sectoral purview.

One stakeholder suggested that the SCRDF programme complements Invest NI's **Operational Excellence programme (OPEX)**<sup>24</sup> and the **Technical Advisory Unit** available to Invest NI clients. Another stakeholder noted that **Intertrade Ireland's EU Exit Voucher** service also contained access to supply chain expertise and advice, but that this was carried out via private sector consultants and appears to be more limited than the SCRDF programme. Other examples of supply chain support identified were from England, Wales, Scotland, and Ireland.

The similarity of focus between SCRDF, OPEX support, and SC21 present some potential for duplication, though the impression derived through this evaluation is that conscious design decisions (and the proximity of the programme team to each) are sufficient to avoid significant overlap. In particular, OPEX focuses on broader management practice and methodologies (e.g. Lean, Six Sigma), and clearly cross-references the SCRDF programme. SC21 offers similar diagnostic and advisory support from a range of approved advisors, but is focused on a particular

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<sup>24</sup> Operational Excellence advisors and technical advisory staff that advise on digitalisation and share similar delivery methods to SCRDF

sector. This latter point presents the greatest risk of displacement, as aerospace and defence firms may access both. However, the financial offer of SCRDF sets it apart from SC21.

While this presents a positive view of the SCRDF programme's complementarity, consulted staff and stakeholders also described a degree of un-tapped potential. In particular, there was a view in both groups that the ways in which SCRDF can interact meaningfully with other programmes of support is not fully capitalised. When asked to expand on this, examples of further potential included the Invest NI Collaborative Growth Programme,<sup>25</sup> and further structured exposure to a broader range of client executives. It was noted in conversation that good examples of interaction exist, but that this is dependent on awareness, exposure, and individual client executives.

To further assess the extent to which SCRDF is complementary with other available support, programme beneficiaries were asked in interview whether they had received other support. Three quarters of interviewed businesses (eight businesses) stated that they had received other support, while three gave no response or were not sure, and one said that they did not receive other support. Of those that received other support during their engagement with SCRDF, examples provided included OPEX support, SC21, other Invest NI support (e.g., an R&D grant and loan support) or sector specific grants.

### 3.3 Delivery processes

#### 3.3.1 Programme management

The SCRDF programme sits within the Skills and Competitiveness Division of the Business Solutions Group. As noted in section 2.4, the management of SCRDF is undertaken through one full-time equivalent (FTE) programme manager, appointed via a fixed-term contract and two additional administration resources (2.0 FTE) appointed via a temp agency. Six specialist supply chain advisors (5.0 FTE) were seconded from industry to advise/coach beneficiary businesses, scope supply chain improvement projects, deliver training, and mentor key supply chain leads and appointed key workers. The intervention coexists with the services now offered by the Operational Excellence Team, with some limited overlap in orientation and approach.

Delivery resource has differed from the original business plan, with the programme management (at the time of writing) being undertaken via fewer resources: one less FTE administrative resource, and one FTE less supply chain advisor. In consultation, it was suggested by Invest NI staff that this was due to funding uncertainty post-March 2023. This manifested in two ways. Administrative resource was difficult to secure and retain in light of other permanent employment opportunities elsewhere in the organisation. Similarly, one supply chain advisor pursued longer-term employment opportunities. In both cases, consulted Invest NI staff suggested that it was difficult to back-fill departing roles due to limited scope for contracts, which has a significant impact on team capacity.

Programme beneficiaries expressed positivity in relation to their experiences of programme management. When asked via survey whether any they had experienced challenges during their engagement with the programme or supply chain advisor, a majority (79% of respondents, 23 businesses) reported none. Of the 21% of respondents (six businesses) that reported

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<sup>25</sup> See: <https://www.investni.com/collaborative-growth-programme>. The programme has arguably reached a good degree of initial interaction with programmes such as Collaborative Growth, given the current stage of maturity

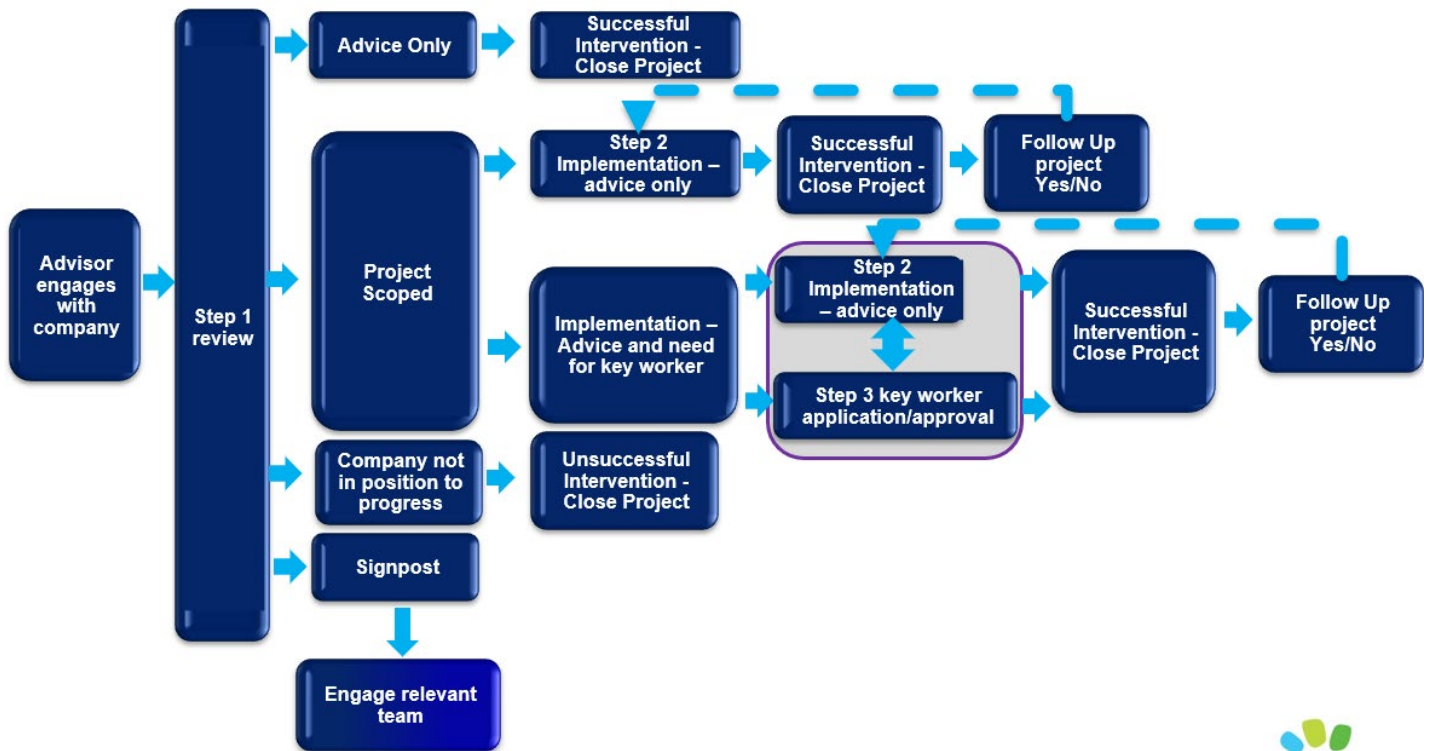
experiencing a problem, one business described difficulty recruiting a key worker, and another stated that they already had a strong supply chain and therefore it was difficult to further improve on this position.

### 3.3.2 Overview of the programme delivery model

Before entry onto the programme, businesses complete an online eligibility checker, following which the business can apply for SCRDF support. The programme team then provide a supply chain assessment checklist, to be completed by the business and returned to a dedicated supply chain query mailbox to be processed.

Upon entering the programme, companies are assigned a senior supply chain advisor. Following this, as set out in section 2.5, delivery of SCRDF support is undertaken in up to three steps. The aim of the first step is to review the companies' supply chain practices and scope out potential supply chain improvement projects which set the direction for the remaining intervention (proceed to step two, proceed to step two and three, close project, and signpost). If the decision is made to proceed to step two, or proceed to step two and three, then the next steps in the programme are to complete a feasibility assessment and begin step two. If it is decided the project will be closed, then the assessment will be completed, and the project will be closed. Finally, the project can be signposted to other areas of support, after which the relevant team will be engaged. The overall engagement process (or business journey through the programme) is set out in Figure 3.1.

Figure 3.1 SCRDF engagement flow process



Source: Invest NI



### 3.3.1 Efficacy and effectiveness of programme delivery

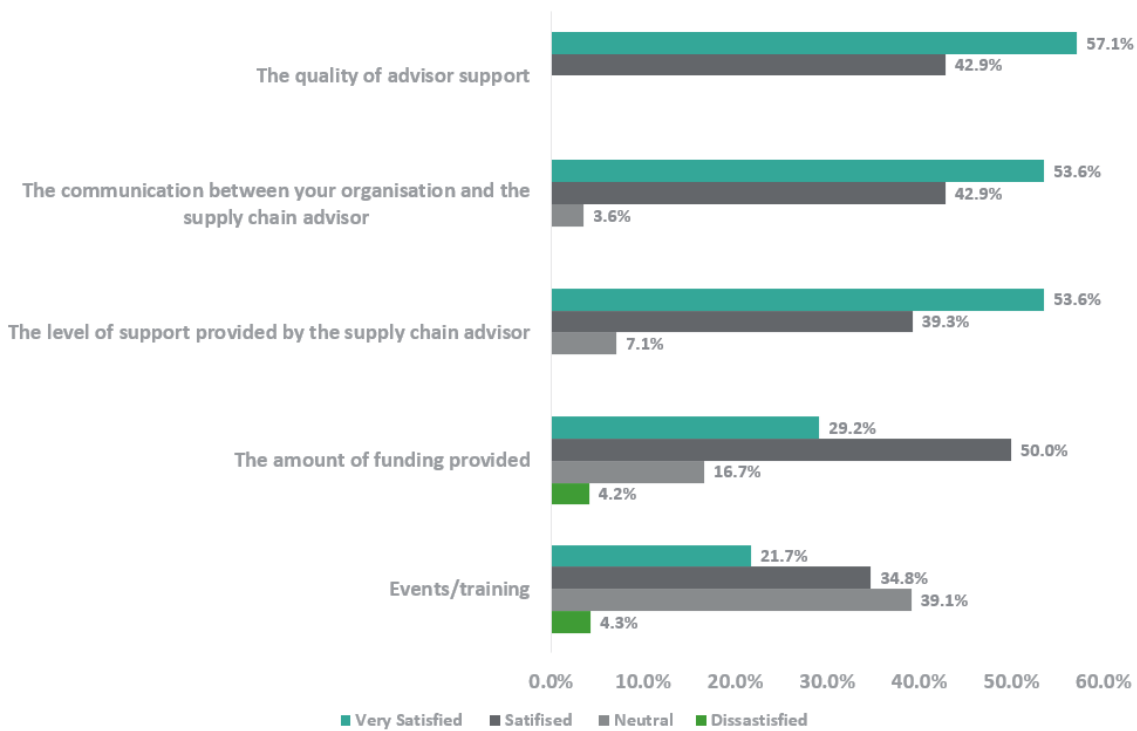
To test the efficacy and effectiveness of the delivery model, the study team consulted programme staff, stakeholders, and beneficiary businesses.

Taking the former two groups first, each were asked to comment on what they thought had worked well with delivery, and what could be improved. Reflections were positive, and there were no issues with the structure of the programme. When asked about the management of the programme, programme staff indicated a positive view of the efficacy of programme implementation. When asked for examples, one respondent indicated that the programme was very effective due to the fact that the model provided participants with a 'sandbox' experience for learning about supply chain issues, providing a safe environment to learn and test out new methods themselves instead of simply being told about them. Another noted that the one-on-one engagement with supply chain experts worked well, and a third noted that they found the quantity and in particular the quality of the supply chain advisors to be high and that this high level was particularly conducive to an effective delivery of the programme.

Further examples of good management practice included the commitment to cross-team communication as a mechanism to support learning and continued improvement, including the implementation of a 'wiki' that could support mainstreaming of knowledge. Consulted stakeholders described a clear flow of communication between programme staff and other areas of Invest NI (e.g., Client Executives and Client Managers), whereby other parties play an active role in programme promotion to potential beneficiaries. This needs-driven approach was reported as useful for creating value for Invest NI clients in the long term. However, this interoperability was also a candidate for improvement (see below).

Turning to beneficiary business, respondents to the online survey were asked to reflect on their experiences of the programme, including their levels of satisfaction with aspects of the programme, which parts of the programme had been most important to them, and whether they had experienced any challenges during their engagement. Questions related to satisfaction elicited positive responses, with high levels of satisfaction across the quality and level of support, communication with advisors, and the amount of funding available. All surveyed respondents unanimously reported satisfaction with the quality of advisor support (100%, 28 businesses). The lowest level of satisfaction was reported in relation to provided events and training. This is summarised in Figure 3.2 below.

**Figure 3.2 Engagement Satisfaction with SCRDF**



Source: RSM, based on survey data (n=28 for questions on quality of advisor support, communication between organisation and the supply chain advisor, and level of support provided; n=24 for question on amount of funding provided; n=23 for question on events and training)

When subsequently asked which part of the programme had been most important in their experience, the majority of surveyed businesses (86%, 24 respondents) reported that the supply chain advice was most important. This was followed by financial support (60%, 15 respondents) and webinars/training (13%, three respondents).

Finally, businesses offered indications of overall positive experiences with the programme. When asked whether they had experienced any challenges during their engagement with the programme or advisor, the majority of surveyed businesses (79% 23 respondents) reported that they had not.

While reflections of programme delivery were positive, consulted individuals also offered views on **potential improvements** for a future iteration of the programme. Two of three consulted programme staff that felt able to comment<sup>26</sup> noted that the programme could improve the participant selection process to ensure higher level of buy-in from participants. This was described as a legacy of the early phases of delivery, before the programme was able to better target participants. It was also suggested in interview that improved interoperability with other parts of Invest NI would allow for ‘warm leads’ where Client Executives have been able to make an informed referral to the programme based on established and known needs. Interviewed

<sup>26</sup> NB: Not all consultees commented on all questions / discussion points, so the base can differ in the analysis

stakeholders suggested a programme training that could facilitate this interoperability, with the day long-session delivered by the Operational Excellence team to help staff understand how they fit in to the process offered as a precedent.<sup>27</sup>

### 3.3.2 Referrals to and from the programme

While the view of complementarity discussed above is positive, the experience of consulted businesses in terms of referrals from the programme is less positive.<sup>28</sup>

Two fifths of surveyed businesses (79%, 23 respondents) reported that they were not aware of any potential for further referral to other areas of support. Interviewed businesses generally also recounted similar views. This is somewhat supported by examining programme data, finds records of referral for a small number of engaged businesses (23 of 188). Programme data sets out 23 referrals to date, which is higher than the 16 set as a target in the business case (2020). The most common referral recorded in the programme data is to OPEX support.<sup>29</sup>

In consultation, stakeholders suggested that increased interoperability and referral would amplify the impact of the SCRDF programme, as well as the progress towards the 10x Economic Vision. This was described as allowing beneficiary businesses to crowd in support that help further their progress, with one particular example of assumed significant added value of SCRDF to the clusters developed by the Collaborative Growth Programme.

It was noted by one Invest NI client executive that SCRDF uptake could be greater, highlighting that only three of their 55 companies had utilised the programme, indicating that there may be a need for further promotion amongst Invest NI clients.

### 3.3.3 Programme financial performance

As set out in section 2.4, £1.7M of funding was approved for SCRDF within the business case from April 2021 – March 2023. At of time of writing the evaluation, the project drawdown was £788,426 (46.4%% of the total budget).

This relative under-spend does not represent poor performance and is related more to structural factors. In summary and as described in consultation with Invest NI programme staff, underspend has been caused by a number of factors. These include: i) difficulties recruiting, replacing, or back-filling departed programme staff due to short-term offers; ii) difficulties offering sufficiently long-term key worker grant periods, presenting difficulties in paying out grants; and iii) supported businesses claiming behind profile, lowering committed drawdown.<sup>30</sup>

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<sup>27</sup> NB: It should be noted that OPEX is internal referral only

<sup>28</sup> Reflections on the 'optimal' point of referral are difficult due to the variability of appropriate referral timing. For example, this could happen during initial checks (i.e., where businesses are not appropriate for SCRDF access), at other points in the delivery process, or following completion of any programme step

<sup>29</sup> Referrals to OPEX support account for 11 of 23 recorded referrals. The remainder are a mixture of EU Exit support (1), the Technical Assistance Unit (2), ERE 2), MIS (1), IT solutions (2), the business support team (1), and the resource matching service (3)

<sup>30</sup> Also of relevance to this consideration is the timeline to engage with companies, scope out improvement projects and then scope out the new job role where appropriate

**Table 3.2: Total approved budget and programme expenditure to date**

	Maximum expenditure (£)	Total cumulative expenditure as of time of Evaluation (£)	Difference (%)
Total funding	1,700,000	788,426	46.4%

Source: Data provided by Invest NI

The available information on programme spend offers a view of spend over time in two main categories. The largest proportion of the programme spending was committed to the programme team, with £676,979 (85.9%) of funding spent on the programme team. Programme team spending covers all non-grant expenditure including: Secondment staff (supply chain advisors); administrative staff; expenses; and other programme running expenses. The remaining £111,447 (12.3% of programme spending) was the committed to offers of grant for beneficiaries to hire key worker offers. Breaking this down by year, spending for 2021/22 totalled £493,745, (29.0% of the total project grant). To September 2022, total spending for the programme for 2022/23 was £294,681.

**Table 3.3: Programme expenditure by category**

	2021/22 (£)	2022/23 (£) <sup>31</sup>	Total
Programme team	448,600	228,379	<b>676,979</b>
Grant	45,145	66,302	<b>111,447</b>
<b>Total</b>	<b>493,745</b>	<b>294,681</b>	<b>788,426</b>

Source: Data provided by Invest NI

## 3.4 Engagement with beneficiaries

### 3.4.1 Uptake of programme support

Programme data provided by Invest NI shows that (as of September 2022) a total of 188 companies had engaged with SCRDF.<sup>32</sup> Of these, 37 are marked as stage 3 projects, having been offered key worker grants. These levels of engagement exceed the overall engagement target of 50-80 companies for the pilot phase of the programme. Progress against output KPIs is summarised below.

**Table 3.4: Output KPIs for SCRDF**

Output KPI	Business case target	Achieved to date
Companies supported	50-80 (pilot) / 60-100 (2022/23)	188
Supply chain improvement plans	N/A	87*
Key workers supported	N/A (pilot) / 28-32 (2022/23)	37

<sup>31</sup> 2022/23 analysis is based on data to 31<sup>st</sup> October

<sup>32</sup> This number of engagements is taken from provided programme data (the master company tracker, September 2022). The dataset numbers 191 companies, but only shows records for 188, primarily due to some companies re-applying for support and thus appearing as duplicates. Recorded values differ in the provided scorecard across the piece

Increased awareness of supply chains	N/A	Not recorded
Inventory optimisation	N/A	Not recorded
Financial benefit: Cost savings and increased / safeguarded sales	£5m-£6m GVA; £1.9m cost saving; £1.4m sales	Captured in overall financial benefit figure
New and safeguarded jobs	18.5 new 26.2 safeguarded	FTE snapshots
£0.4m new salary / £0.6m safeguarded salary	£0.4m new £0.6m safeguarded	£0.7m* (average of £36,000 salary)**/**
Training uptake	N/A	8 workshops, 291 attendees*

Source: RSM, based on provided data. NB: \* Denotes KPI recorded in scorecard; \*\* £0.7m is the cost to the programme of £1.4m in supported salary for dedicated key workers (50% intervention rate); \*\*\* It should be noted that these salaries are significantly higher than the latest NI private sector median (PSM) salary as reported by the Annual Survey of Hours and Earnings<sup>33</sup>

To further understand the characteristics of the programme beneficiaries, the study team has undertaken a high-level composition analysis. The following sub-sections present a further breakdown of programme participants by location, sector / industry, and business size.

### Geographical location

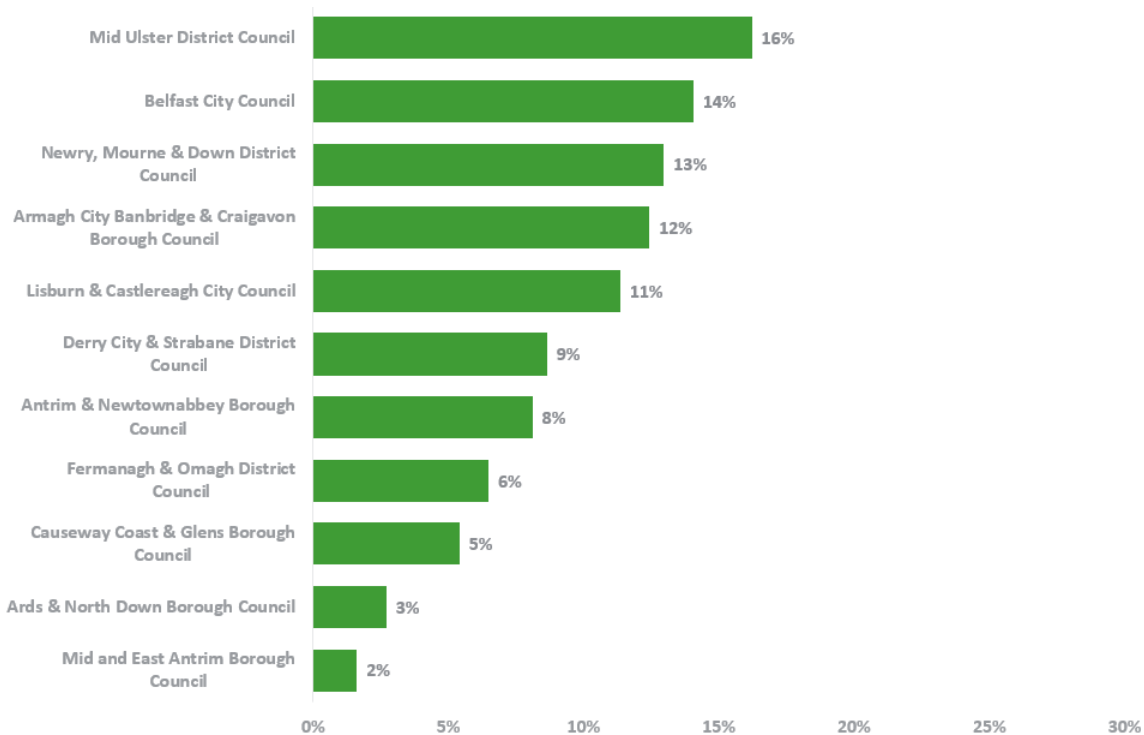
Examining the geographical split of the 188 businesses recorded in the provided monitoring data provides an indication of programme reach across NI to date.<sup>34</sup> This analysis reveals a broad geographical spread of companies engaged in the programme, with 86% of the companies (159 businesses) located outside the greater Belfast area.

The largest share of businesses that have engaged with the programme are located in Mid Ulster District Council, (16%, 30 businesses). The second largest share is Belfast City Council (14%, 26 businesses) engaging with the programme. Mid and East Antrim Borough Council has the smallest number of businesses engaged with the programme (2%, 3 businesses).

<sup>33</sup> See: <https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/annual-survey-hours-and-earnings> (October 2022)

<sup>34</sup> DCA data available for only 185 who interact with SCRDF

**Figure 3.3 Location of SCRDF Engagements by District Council Area (DCA)**



Source: RSM, based on data provided by Invest NI (n=185)

### Urban/rural spread

To achieve a view of the urban/rural spread of engagement beneficiary businesses in the SCRDF programme, the study team ran an analysis of the classification of participants' geography using the NISRA urban-rural classifications, with urban areas denoted as areas with a population greater than 5,000 inhabitants.<sup>35 36 37</sup> This analysis was achieved by constructing a concordance table of supplied addresses and settlement classifications, matching back to the programme data. The results of this analysis are shown below in Table 3.5. Almost nine tenths of beneficiaries (87%, 162 companies) are in urban areas, with 11% (21 companies) located in rural areas. Our analysis found 2% of beneficiaries (four businesses) are classed as mixed urban/rural according to the NISRA classifications. The financial benefit for companies in urban areas was £6.4m, with the financial benefit for businesses in rural areas was £1.7m.

**Table 3.5 Urban/Rural spread of engagement with SCRDF**

Urban/rural classification	Number of companies
Urban	162
Rural	21

<sup>35</sup> See: <https://www.nisra.gov.uk/support/geography/urban-rural-classification>

<sup>36</sup> NB: The programme team has completed an Equality Impact assessment and other assessments (Section 75, etc.), and these are reviewed on a regular basis

<sup>37</sup> Urban and rural issues are of significant long-standing importance to government policy and government funding decisions in Northern Ireland, and the classifications as used in this analysis were defined early in the century to provide necessary statistical definitions. See: [https://www.ninis2.nisra.gov.uk/public/documents/ur\\_report.pdf](https://www.ninis2.nisra.gov.uk/public/documents/ur_report.pdf) (2005)

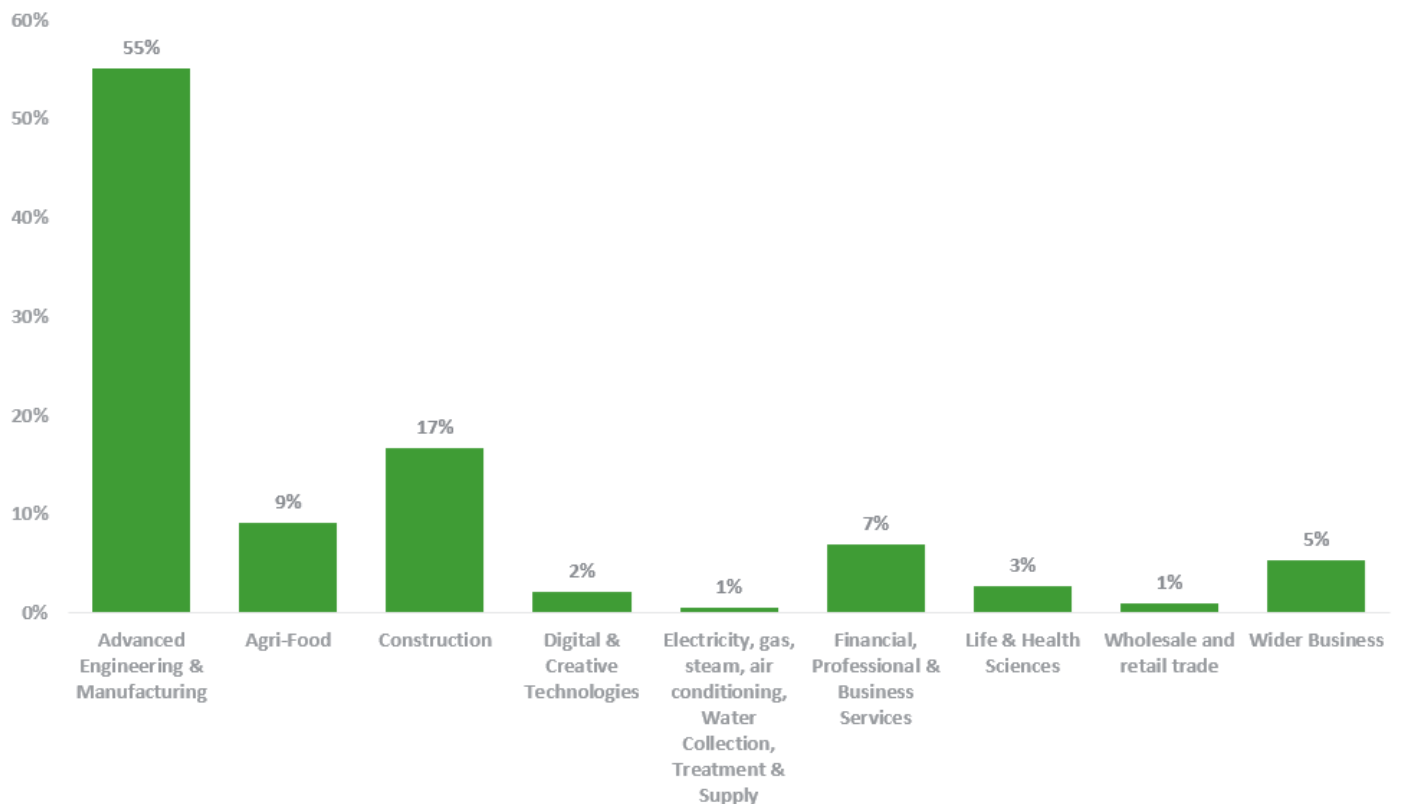
Mixed Urban/Rural	4
Total	187

Source: RSM, based on data provided by Invest NI (n=187 for the number of companies for which urban/rural classification could be applied)

### Industry / sector

Of 185 businesses for which industry classification was available in provided programme data, companies within the advanced engineering and manufacturing sector make up the largest proportion of businesses who have engaged with SCRDF, with 55% (102 businesses). The next largest proportion of businesses is in the construction sector (17%, 31 businesses). Businesses in the steam, air conditioning and water treatment industry (one business), and the wholesale and retail trade sector (the businesses) made up the smallest proportion of businesses, (approximately 1% of the programme population each).<sup>38</sup> These proportions feel broadly appropriate given the nature of the intervention. This is summarised in Figure 3.4 (below).

**Figure 3.4 SCRDF Business engagement by industry**



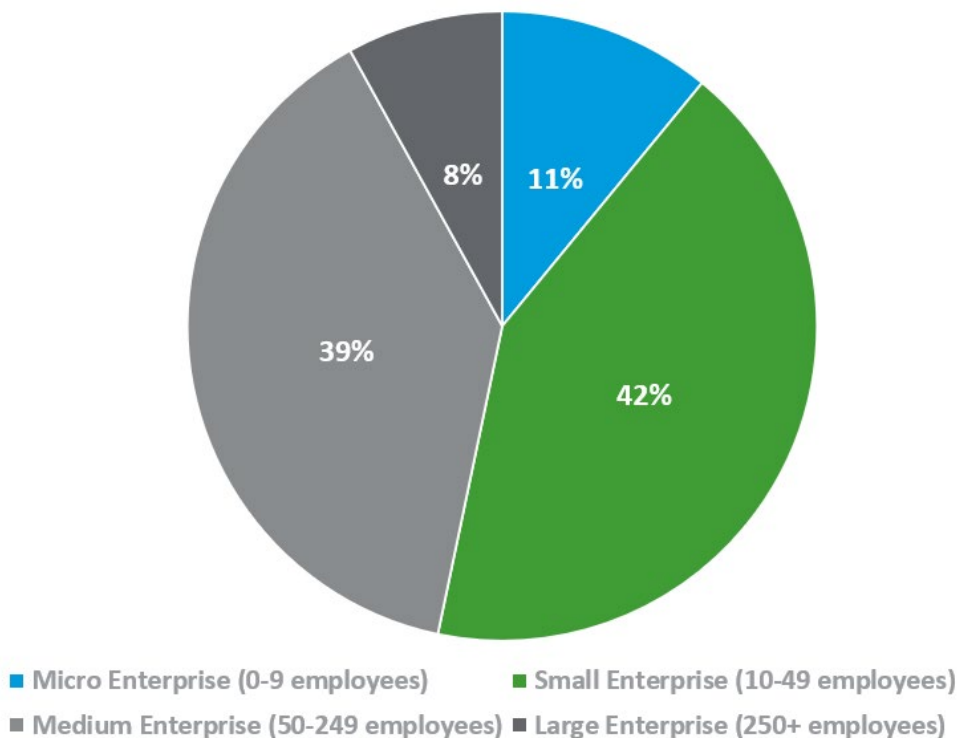
Source: RSM, based on data provided by Invest NI (n=185).

<sup>38</sup> NB: Figures present this way due to rounding.

## Business size

As shown in Figure 3-4 below, businesses who engaged with the SCRDF programme between March 2021 and September 2022 were largely predominantly small to medium-sized enterprises (SMEs), which account for 81% of programme participants (111 businesses). Micro businesses account for 11% of the programme population (15 businesses), and large enterprises make up 8% of all participants (11 businesses).<sup>39</sup> Further analysis would be required by step to understand performance against set business case targets for support to SMEs and large businesses.<sup>40</sup>

**Figure 3.5 SCRDF Engagement by enterprise size**



Source: RSM, based on data provided by Invest NI (n=137)

### 3.4.2 Reflections on programme beneficiary composition

In order to assess the extent to which the programme has reached an appropriate mix of beneficiary businesses, the study team asked programme staff to reflect on the composition of the programme population. Of the four members of staff that commented, two indicated that there was a good mix of business in regard to sector/industry, size, and geographical location. One respondent noted that the composition of businesses participating in the programme had

<sup>39</sup> Employment data only available for 137 of the 191 businesses SCRDF interacted with in the programme period.

<sup>40</sup> The business case (202, p.20) set differentiated targets for business size at step 3 of, in 2020/21, 3 SMEs and 1 large business (advice) and 6 SMEs and 6 large businesses (funding). For 2021/22, these targets were: 20 SMEs and 10 large businesses (advice) and 9 SMEs and 10 large companies (funding)



improved over time and since shifting away from being a 'purely' COVID-19 response. One respondent offered a critique of the mix of engaged businesses, noting underrepresentation of large manufacturing, service-focused, and IT-focused business among participants. Stakeholders did not have enough visibility of the programme population to be able to comment.

### 3.5 Summary of key findings

The main findings of this chapter are set out below:

- The programme rationale and market failures remain relevant. While the scheme was originally a COVID-19 response (and to support businesses in light of EU Exit), the focus on building resilient supply chains and engendering a greater focus among businesses on the importance of supply chains for growth continues to have policy and business relevance, particularly in relation to recent geopolitical events
- The programme is unique in NI and is thus complementary to other support. There is some cross-fertilisation with Operational Excellence and SC21, though more can be done to encourage interoperability with other parts of Invest NI. This could amplify the impact of the programme (and others such as the Collaborative Growth Programme)
- The programme has over-performed its main business plan output KPI targets. Programme data shows that the programme has engaged 188 unique businesses, with 87 progressing to step 2 and 37 to step 3. The programme has also supported £1.4m of new and safeguarded salary (supported at £0.7m programme cost, a 50% intervention rate), representing an average salary of £36,000 for dedicated supply chain roles
- This strong performance against targets has been delivered despite relative under-resourcing and limitations to expenditure. The underspend does not therefore relate to under-performance of the programme, but to structural factors that affected dispersal of committed funding
- Further mainstreaming of the programme could also ease uptake and leverage Client Executive and Client Manager relationships for the programme. This may require further intra-organisational engagement and marketing, with precedents for awareness-raising and training already evident in the organisation that can be copied
- The delivery model appears to be appropriate and effective, and programme management is well-regarded. Delivery resource has been lower than planned (reflected in a relative underspend), and this should be addressed to help the programme deliver further benefit
- The programme is largely regarded to have reached an appropriate mix of businesses, albeit with some effort required to shift the programme away from general COVID-19 related enquiries in the early phases of delivery. This can be further improved via improved interoperability with Invest NI client executives and managers
- The knowledge of supply chain advisors, and the quality of advice provided is regarded by businesses as the main area of value. Retention of this resource is potentially undermined by budget uncertainty, which could be addressed by multi-year funding commitments and internal mainstreaming of knowledge

## 4. PROGRAMME EFFECTIVENESS

### 4.1 Introduction

This chapter addresses evaluation questions related to the outcomes and impacts of the programme, including: i) the nature of benefits delivered by the programme, ii) the extent to which these are attributable to the programme, and iii) return on investment and value for money for the programme. This chapter also assesses potential limitations to the programme's successful delivery.

### 4.2 Programme outcomes and impacts

This first sub-section aims to assess the types of outcomes and impacts that can be observed from the programme. In doing so, the study team has analysed provided programme data and consulted programme staff, stakeholders, and businesses on both quantifiable and non-quantifiable results.

We first take direct business benefits (i.e., firm level outcomes and impacts), such as behavioural changes, new knowledge and skills, and business growth (e.g., increased turnover, and employment) before examining broader benefits that may be observed at the sectoral, cluster, or regional level

#### 4.2.1 Direct benefits

As discussed in the narrative around the PLM (see sections 2.3, 2.7, and 2.8), the programme seeks to support companies in developing more robust supply chains to overcome potential issues caused by COVID-19 and EU Exit and, more generally, to help businesses realise gains from creating more effective supply chains. In order to deliver this, the programme aims to deliver increased awareness of supply chain issues, increased supply chain capacity and capability, increased strategic focus, and increased business growth (and employment opportunities). Ultimately, the programme aims to deliver GVA, higher-paying jobs, and protected supply chains, with a view to improving the regional economy.

#### Capability, competitiveness, and resilience

To test the extent to which the programme has delivered any of these benefits, the study team consulted programme staff and businesses, each of which had visibility of direct business effects.

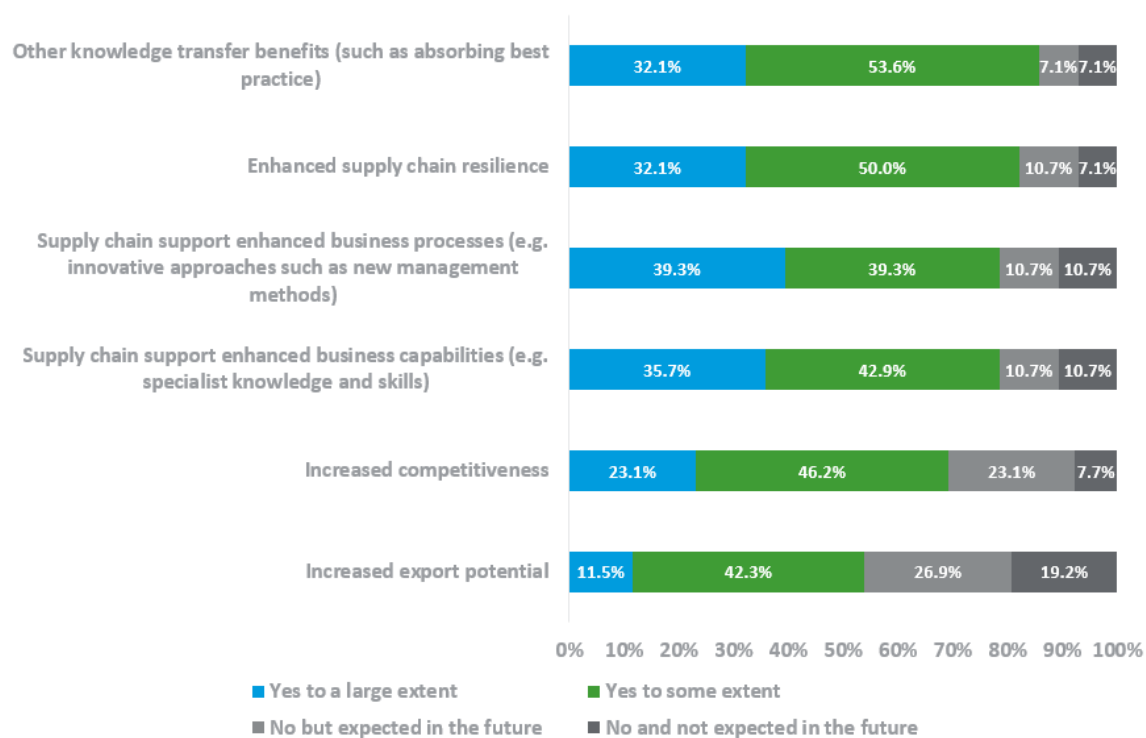
Consulted programme staff were able to offer concrete examples of benefits observed among businesses with which they have worked directly. The most common areas of business benefit listed by the interviewed staff were largely competency based:

- Improved/more efficient supply chains (two responses)
- Greater confidence/higher skill levels regarding supply chain issues (three responses), e.g., a company that managed their suppliers better, driving down costs and increasing the reliability and competitiveness of their supply chains
- Improved inventory management (two responses), which significantly drove down costs

In order to gain a more granular view of business effects, beneficiary businesses were asked via the online survey to report the extent to which they had experienced a pre-defined list of benefits.

Respondents were asked to score each benefit in terms of whether it had been experienced 'to a large extent' or 'to some extent' or, where not experienced, whether this benefit would be expected 'in the near future' or 'not expected at all'. The figure below shows that all areas of benefit were regarded positively by survey respondents. Reinforcing the view of programme staff reported above, **benefits related to knowledge, capability, and business processes were rated most often** as having been experienced by businesses, in addition to enhanced supply chain resilience. Business processes include innovative approaches, which links to policy goals set in the 10X Economic Vision. Increased competitiveness and export potential were rated slightly lower, though these may be realised over longer time horizons.

**Figure 4.1: Benefits experienced from programme participation**



Source: RSM, based on survey data (n=28 for all questions except increased competitiveness and increased export potential, for which n=26)

The below case studies exemplify areas in which beneficiary business have experienced capability-related improvements.

**Box 1: Case study – a medium-sized manufacturing business**

This business detailed having accessed advice and supply chain support through the programme. Outcomes experienced relate to competitiveness and marketability, resulting from a clearer sense of direction and improved efficiency achieved through the programme. Involvement in SCRDF was also credited as contributing to the company’s achievement of a SC21 Gold Supply Chain Excellence Award:

*'We had been trying to work with a company for 9 years and the minute we were told they were here looking to give us orders'*

The business also achieved significant cost savings, which have allowed the company to increase wages to retain important staff

*'In the first year we exceeded our target of £0.25m in savings with £0.26 achieved'*

The business reported that monthly onsite visits from programme staff had been effective and motivating, and that they had been supported in i) implementing new improvement measures as a result of training taken by staff, ii) reengineering and streamlining job roles, and iii) the introduction of communication boards.

## Box 2: Case study – a start-up manufacturer

This business accessed advice and online information/training. A key benefit for this business was support in decision making and time management:

*'In absence of board of directors, it can be difficult to make these big decisions alone'*

Decision making support has led to strategic change represented through the removal of some problematic customers and placing more strategic focus on others:

*"We have a lot of new ... work coming in and we've been able to take it on because our operations have changed"*

As a result, the business reported that revenue has increased significantly, and long-standing relationships have been formed with large, well-known buyers.

Other key activities undertaken include: refining paperwork, implementing routines and systems for operational scale up and cash flow, introduction of wrap rate sheet, forward planning, coaching and decision-making support and streamlining of suppliers

## Business growth: GVA, sales, and employment

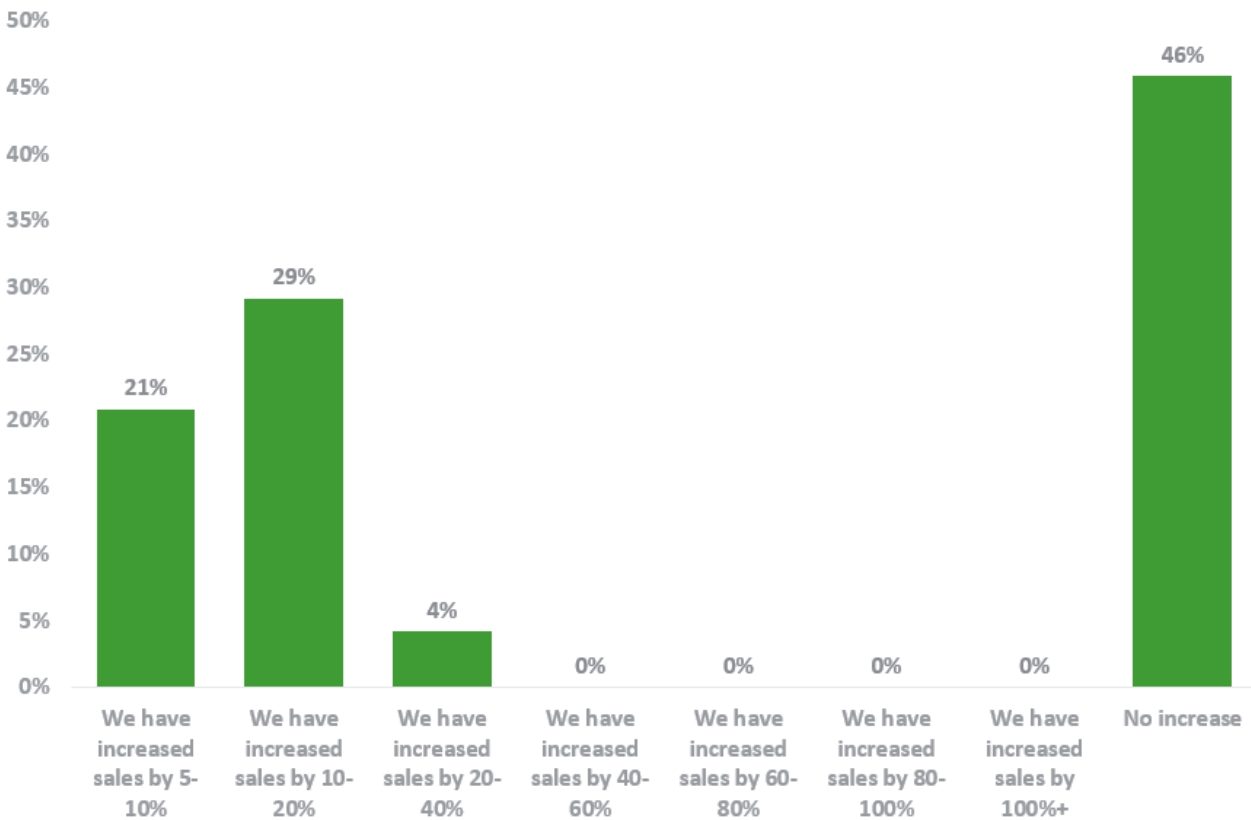
Turning to business growth, programme data provided by Invest NI<sup>41</sup> details that £8.1m of GVA was generated by 26 businesses between September 2021 to October 2022. This is **significantly higher than the £5m-£6m GVA target**, and is recorded as a high-level financial benefit figure in the programme data and verified by the programme team through confirmation with the customer. The study team was not able to independently assess this GVA figure or examine trends in its generation due to the way the data was recorded. Similarly, snapshots of turnover and employment were available for the direct period April 2021 to September 2022, making an assessment of trends in these variables also difficult to achieve.

Business growth was also assessed via the online survey. Figure 4.2, below, highlights the impact on programme participants' recorded sales since participating in the programme. While almost half of respondents (46%, 11 businesses) reported no increase in sales, just over a fifth (21%, five businesses) stated that they had seen sales increase by 5-10%, 29% (seven businesses) stated they had seen sales increase by 10-20%, and 4% (one business) had experienced sales increase by 20-40%. This mixed view may be explained by the timing of the evaluation, as it is possible that further benefits including increased sales may be realised later.

<sup>41</sup> Economic benefit data (October 2022)

This is a standard consideration for evaluations undertaken part way through the delivery of an intervention.

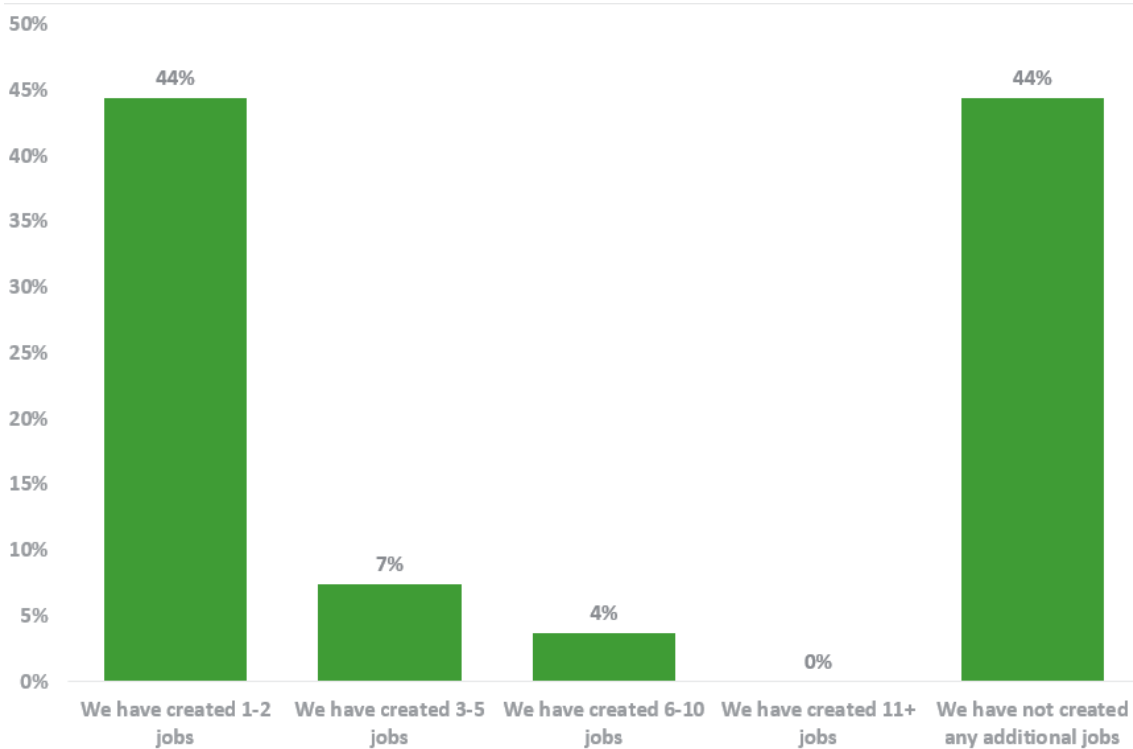
**Figure 4.2: Increase in sales due to programme participation**



Source: RSM, based on survey data (n=29)

Survey respondents were also asked to report any job creation that had resulted from their participation in the SCRDF programme. Figure 4.3 below shows that, while 44% of businesses (12 respondents) said there had not been any job creation, a further 44% (12 businesses) reported having created 1-2 jobs, 7% (two businesses) reported having created 3-5 jobs, and a further 7% (one business) reported having created 6-10 jobs. No business reported job creation over these levels. As above, this more mixed view may be explained by the timing of the evaluation.

**Figure 4.3: Job creation due to programme participation**



Source: RSM, based on survey data (n=29)

To gain a more granular view of the effects of the programme (see section 4.3 in relation to attribution and additionality), interviewed businesses were asked to describe any ways in which the support had delivered benefit. All 11 interviewed companies reported that the support provided by SCRDF to be helpful with regards to strengthening their supply chain resilience, but in particular:

- Five companies interviewed found the support useful to improve their inventory management practices, and to reduce the amount of stock they had, saving money and storage space. Other considerations include risk of damage to and obsolescence of held stock
- Three companies noted that the programme had improved the security and management of their supplier networks
- Two companies noted that that they had respectively created a new role in their business as a result of SCRDF: one Supply Chain Manager and one Quantity Surveyor

There is also evidence that the programme was attentive to the particular needs of the businesses. For example, one company noted that they found that participating in SCRDF freed up the necessary time to think about supply chain issues. Another company with specific growth ambitions noted that participation in the programme increased their growth opportunities, and another with ambitions to foster further US/NI relations noted that these had improved.

In order to further understand the views of participating beneficiaries on the effects they had experienced through SCRDF, the survey and interviews of businesses subsequently invited respondents to identify the single biggest benefit resulting from the supply chain support or advisor. Taking survey responses first, seven **businesses highlighted cost savings and a wider knowledge of local supply chains related benefits.**

Both of these points were further supported in responses to the same question answered by interviewed businesses. Six of the 11 interviewed businesses also reported most valuing tangible cost savings, implementation of new and improved systems and practices, revisions to job scopes, and strengthened positioning.<sup>42</sup> Three interviewed companies reported the introduction of a **'supply chain ethos'** to be most beneficial, describing shifts in managerial mindsets. This included the use of the supply chain advisor as a sounding board for decisions, and signposting to industry contacts. One further company reported that revenue increased because of being able to take on new work due to improved operations.

The below case studies exemplify areas in which beneficiary business have experienced concrete cost savings and increased sales.

### Box 3: Case study – a small manufacturing business

This business accessed advice and financial support for a key supply chain worker.

The joint owner of the business highlighted a number of benefits to the business of participating on the programme. A key programme activity of which the business availed was assistance in implementing a new scheduling and scorecard system for suppliers:

*'[This] addressed gaps in the key technical skills and allows me to spend more time on the growth of the business'*

As a result, the company have fulfilled a multimillion-pound contract extension with their leading customer:

*"...it's allowed us to have major sales retention because they stipulated that we needed to improve our scheduling system and delivery performance. This [was] beyond my skillset."*

As a result of this growth the business has purchased a site for larger premises in order to increase space and headcount to satisfy the continuing demand for their products and services.

### Box 4: Case study – a design and manufacturing business

This business accessed advice, a key supply chain worker, and online training and materials.

The business reported that the programme enabled them to derive benefits from forward purchasing:

*'It helped us develop a resilient supply chain for components'*

<sup>42</sup> Interviewed businesses detailed that costs savings were created through implementation of new and improved systems, cycle counting, establishing targets, forward purchasing, inventory reduction, improved and streamlined supply, re-engineering of jobs, process improvements, and strengthened positions as a buyer

The business detailed a cost saving of £1m as a result of inventory reduction, which subsequently enabled other improvements:

*'We invested this £1m and put it into raw material and machinery to allow us to kick off this project to generate more revenue and more profit'*

This was reported to have helped fund the firm's multinational expansion plan exporting into new markets such as the US, South America, and the rest of the world, creating employment and NI Exports:

*'Over time this will create 100 jobs'*

Other key activities undertaken included: Introduction of balanced scorecards, co-creating a job description and role for the new supply chain worker, availing of signposting to existing Invest NI clients as potential suppliers, and large-scale inventory reduction.

Overall, the programme appears to be delivering appropriate and expected outcomes and impacts based on its lifecycle and stage of maturity.

#### 4.2.2 Wider benefits

In order to gauge the wider benefits of SCRDF (i.e., outcomes and impacts generated at the sectoral or regional level), the study team asked stakeholders to describe any examples they had observed. Stakeholders were deemed the most appropriate avenue for this question due to their broader review.

Broader outcomes were difficult to capture, and any examples were anecdotal in nature. Two stakeholders reported that the programme had played a role in moving supply chain and process improvement thinking from the micro (business) level to a more systemic level in NI, noting that previously there was little effort by most manufacturers to assess supply chains via the lenses of risk, strategy, and economic opportunity. One stakeholder added that SCRDF had helped to create this opportunity.

More indirectly, one stakeholder noted that the SCRDF team within Invest NI had played an important role in generating reputational improvements by involving NI companies in the internationally recognised SC21 Programme for the aerospace and defence industry.<sup>43</sup> Clear cohesion amongst stakeholders, bodies, and companies was pivotal in this success, and had made NI firms more attractive to work with.

#### 4.2.3 Unanticipated effects

Another area of investigation for this evaluation is the emergence of unanticipated effects. This question was primarily asked of programme staff in order to access their experiences of broad engagement with companies. Examples were not easily identified, though two respondents noted that highlighting supply chain issues may have been an overwhelming experience in particular for smaller companies. This was further described as going through a 'drastic change' as part of the

<sup>43</sup> This stakeholder stressed that 50% of the SC21 gold award companies are NI based despite only representing 3% of the UK business population



programme and causing some anxiety for businesses that had previously been unaware of the scale and scope of supply chain considerations.

#### 4.2.4 Sustainability of benefits and effects

To gain a sense of whether the results of engaging with the programme would continue post-engagement (i.e., without further SCRDF support), businesses were asked via the online survey to rate the sustainability of i) the benefits realised through the programme, and ii) the relationships developed through the programme.

Responses to these questions were positive, with over two thirds (68%, 19 respondents) reporting a belief that benefits would be sustainable without further support and, three quarters of respondents (75%, 21 respondents) reporting that relationships they had developed would be sustainable without further SCRDF support.<sup>44</sup>

### 4.3 Assessment of programme additionality and deadweight

Following the establishment of the types of outcomes and impacts generated by the SCRDF programme in 4.2, this sub-section assesses the extent to which the programme demonstrates additionality or deadweight. This is assessed via a self-reported counterfactual, collected through the business survey and interviews.

Before addressing the counterfactual, we will discuss the relative effectiveness of the programme. Though SCRDF is a fairly unique programme in terms of its orientation and scale, businesses were asked in the online survey whether they felt the programme was more or less effective than any other supply chain support they have accessed. Almost half of respondents (46%, six businesses) said that SCRDF was more effective, and just over half (54%, seven respondents) reported that SCRDF was similarly effective to other schemes.<sup>45</sup>

Turning to the counterfactual, respondents to the survey were asked to report whether a series of benefits would have been achieved without access to the programme, and to what extent.

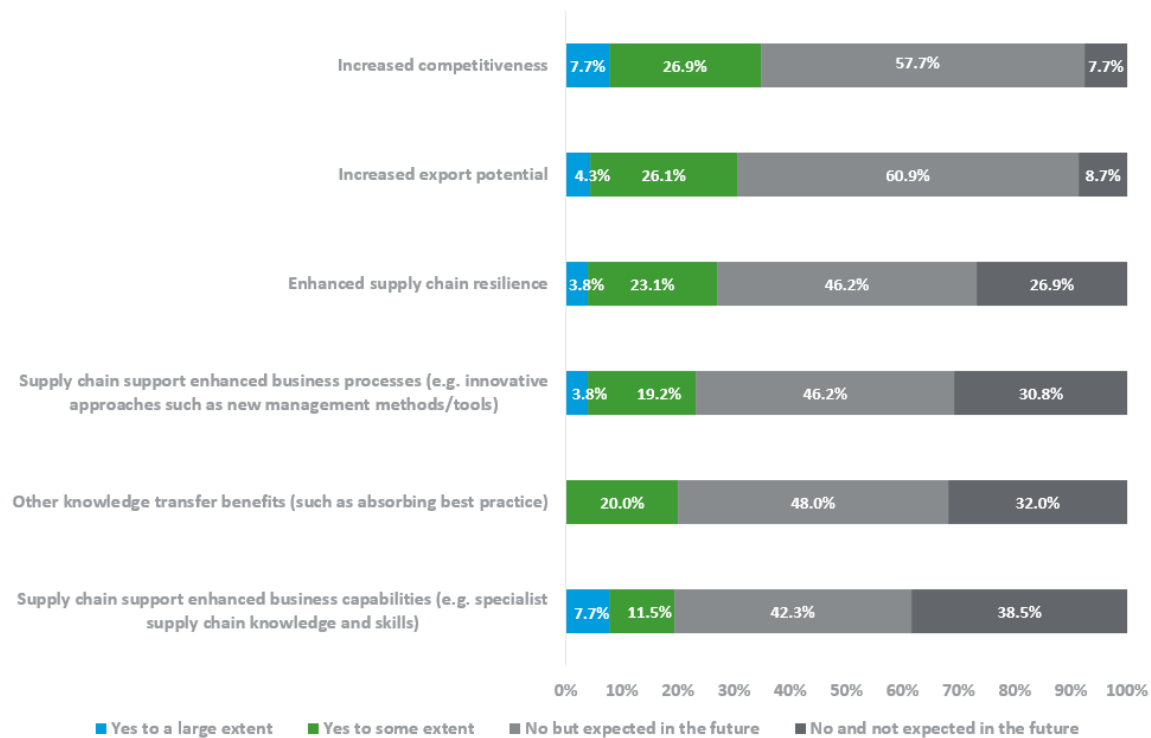
**Survey results suggest that most benefits would have been delayed or would not have occurred at all without the SCRDF programme.** This is particularly the case for knowledge, capabilities, and process improvements, which show a higher proportion of respondents indicating that they would not have experienced these benefits if not for the programme. This is summarised in Figure 4.4 below.

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<sup>44</sup> The total number of respondents to this question was 28

<sup>45</sup> 16 respondents stated that this question was not applicable to them

**Figure 4.4: Likelihood of benefit realisation without access to the programme**



Source: RSM, based on survey data (n=26 for questions on supply chain support enhanced business capabilities, other knowledge transfer benefits, enhanced supply chain resilience and increased competitiveness; n=25 supply chain support enhanced business processes; n=23 for increased export potential)

During in-depth interviews, when businesses were asked what would have happened in absence of the SCRDF support in interview, all 11 interviewees indicated that they would be in a worse position that they are now. In particular, five companies explicitly reported that absence of support would have delayed or stalled progress as a result of not implementing supply chain resilience activities.<sup>46</sup> This would have had knock-on effects such as running out of stock, experiencing cost increases, or the inability to take on a key worker in the desired time frame. Another two (smaller) companies stated that without the intervention they would lack supply chain knowledge and direction. A further two interviewees responded with quantifiable cost savings, one indicating that they would not have achieved £0.35m in savings and the other that they would have had to ‘take £1m out of [their] business’ without the programme support. Another respondent reported that they would not have secured in a multi-million-pound contract with their key supplier.

<sup>46</sup> Such as the introduction of metrics, cycle counting and inventory reduction

## 4.4 Assessment of enabling and mitigating factors

The programme of consultation undertaken for this evaluation sought to understand factors that could affect delivery of the programme and realisation of benefits and effects. All examples were anecdotal.

In terms of enablers, staff and stakeholders noted the **availability of relevant expertise**, and the **legitimacy of supply chain advisors** from their industry backgrounds. One Client Manager reported that the **flexibility and collective approach of the programme staff** in working with other members of Invest NI staff had created a positive effect on the organisation and its clients, and that there no lines of demarcation between the teams.

Examples of potential mitigating factors largely related to flux in funding and other structural factors. Consulted Invest NI staff suggested that **funding uncertainty** was a mitigating factor. Of the four respondents who noted this as an issue, the most notable examples of how this could limit the programme's impact related to difficulty hiring new and qualified staff. Another respondent noted that participating companies could be unlikely to receive key worker support due to funding uncertainty, deterring companies who may need the programme from participating and thus potentially limiting its potential impact. Another stakeholder suggested that the **time commitment for participation** may deter smaller companies from participating, particularly where they do not qualify for key worker support. Finally, two stakeholders suggested that the **availability of skills among potential key workers** could hinder the programme's effectiveness.

## 4.5 Equality impacts

Following the analysis of urban/rural classifications among beneficiaries presented in section 3.4.1, the same approach was taken to highlight the financial benefit delivered by the programme across the same split.<sup>47</sup> This analysis finds that impact from the programme in the form of GVA is generally concentrated in urban areas (79%, £6.4m) as compared to rural areas (21%, £1.7m). This is consistent with the overall proportions of beneficiaries that had accessed the programme at the time of the evaluation being undertaken, though it would also follow that significant impact is delivered outside of the greater Belfast area given the composition of programme beneficiaries. This is summarised in the table below.

**Table 4.1 Urban/rural split of programme impact / financial benefit**

Urban/rural classification	Financial benefit / GVA
Urban	£6.4m
Rural	£1.7m
Mixed urban/rural	--
Total	£8.1m

Source: RSM, based on data provided by Invest NI (n=26 for number of businesses with known financial benefit)

<sup>47</sup> As noted in section 3.4.1, the programme team has completed an Equality Impact assessment and other assessments (Section 75, rural needs IA, etc.), and these are reviewed on a regular basis

## 4.6 Assessment of Value for Money

### 4.6.1 Introduction

This section analyses the Value for Money (VfM) delivered by the SCRDF programme. In doing so, we have utilised estimated GVA impacts provided by Invest NI<sup>48</sup> that have been verified by the Invest NI programme team through discussions with beneficiary companies. N.B. The RSM evaluation team has not been able to independently assess the GVA inputs or calculations due to the way the data was recorded. Consequently, the robustness of our findings on programme VfM is highly reliant on the accuracy of the GVA data provided by Invest NI, and is calibrated through interviews and surveys conducted with a sample of the beneficiary companies.

### 4.6.2 Assumptions

#### GVA by type of project

The analysis outlined below is based upon the following GVA data provided by Invest NI.

**Table 4.2: Summary of GVA data**

Type of project	Number of businesses	Total GVA	Average GVA
Key worker	17	£4,371,866	£257,169
Non-key worker	9	£3,699,787	£268,723*
<b>Total</b>	<b>26</b>	<b>£8,071,653</b>	-

*Source: Invest NI (October 2022). \* Note: this average GVA estimate excludes an outlier within the data. The study team assumed that the higher GVA figure among non-key worker projects may be related to the small sample size, rather than structural issues, for example*

#### Deadweight

The survey data presented in Figure 4.4 (found in Section 4.3 above) identifies the likelihood of benefit realisation without access to the programme, across a wide range of business impacts (e.g. increased competitiveness, increased export potential, enhanced business capabilities etc.). Each of these factors have the potential to impact upon the businesses' GVA through increased scales of efficiencies realised in cost savings. Therefore, to estimate deadweight, a broad approach has been adopted which includes data relating to each of those benefits.

The proportion of businesses that highlighted in Figure 4.4 that they would have achieved the same benefits, at least to some extent, without access to the programme ranged from 19.2% to 34.6%. Furthermore, the proportion of businesses highlighting that they would have expected to achieve the same benefits in the future ranged from 42.3% to 60.9%. Therefore, the overall proportion of businesses that expect they would have achieved those benefits at some point ranges from 61.5% to 92.3%. To account for the delay in impacts and potential for achieving less impact in the absence of the programme, we propose **to present a prudent, but balanced view of additionality, utilising the upper estimate of 34.6% of those expecting to achieve the**

<sup>48</sup> Economic benefit data (October 2022)

**same benefits, to at least some extent.** This additionality factor has been applied to all net GVA impacts presented in this section.

#### Timeframe

This analysis has assumed that the benefits are limited to one year, although it is noted that benefits resulting from the project for those companies highlighting that they would not have achieved the benefits in the absence of the programme (ranging from 7.7% to 38.5%) may in practice be experienced over a longer timeframe. This is particularly relevant to impacts delivered to beneficiary companies in the form of multi-year impacts and recurring benefits (e.g. cost savings, supply chain process improvements, capability development, etc.)

### 4.6.3 Gross economic impacts

As noted above, Invest NI data is only available for 26 out of 188 participating businesses, as detailed in Table 4.3.

**Table 4.3: Breakdown of business data coverage**

Type of Project	No. of Businesses (Total)	No. of Businesses with Data	No. of Businesses with no data
Key worker	37	17	20
Non-key worker	151	9	142
<b>Total</b>	<b>188</b>	<b>26</b>	<b>162</b>

To estimate the potential GVA impact for the businesses for which data is not yet available, the average GVA (by type of project) has been utilised i.e., £257,169 for key worker projects and £268,723 for non-key worker projects. Therefore, the total potential GVA for all businesses on the programme is outlined in Table 4.4.

**Table 4.4: Estimated gross GVA impacts**

Type of project	Data / estimate	No. of businesses	Total estimated GVA
Key worker	Data	17	£4,371,866
Key worker	Estimate (Table 4.2)	20	£5,143,372
Non-key worker	Data	9	£3,699,787
Non-key worker	Estimate (Table 4.2)	49	£13,167,445
Scoping projects (advice only)	N/A	16	--
Successful projects (advice only)	N/A	77	--
<b>Total</b>		<b>188</b>	<b>£26,382,470</b>

#### 4.6.4 Net economic impacts

As noted above, a figure of 34.6% has been assumed in relation to additionality (based upon results of the survey analysis). Table 4.5 provides a summary of the estimated net impacts of the programme.

**Table 4.5: Estimated net GVA impacts**

Type of project	Data / estimate	Estimated gross GVA	Estimated net GVA	No. of businesses	Avg. net GVA per business
Key worker	Data	£4,371,866	£2,859,200	17	£168,188
Key worker	Estimate (Table 4.2)	£5,143,372	£3,363,765	20	£168,188
Non-key worker	Data	£3,699,787	£2,419,661	9	£268,851
Non-key worker	Estimate (Table 4.2)	£13,167,445	£8,611,509	49	£175,745
Scoping projects (advice only)	N/A	--	--	16	--
Successful projects (advice only)	N/A	--	--	77	--
<b>Total</b>	--	£26,382,470	£17,254,135	<b>188</b>	<b>£91,777</b>

As highlighted in Table 4.5, the estimated total net impacts of the programme is **£17.3m**, an **average GVA impact per business of £92k**.

#### 4.6.5 Value for Money Assessment

As noted in section 3.3.3, the programme has recorded spend of £788,426 (as of September 2022). Including programme manager costs for the purposes of this assessment, this increases to £904,466. Table 4.6 presents the range of possible expenditure scenarios for the remainder of the programme period. The estimated potential expenditure is based upon the recorded spend as of September 2022, plus the profiled anticipated cost of key workers as outlined in the SCRDF team scorecard (October 2022) and the estimated costs of the programme team and programme manager over the remaining six-month period to March 2023.

**Table 4.6: Programme expenditure**

Spend to date	Estimated potential spend	Maximum programme spend
£904,466	£1,481,022	£1,700,000

Table 4.7, below, provides a series of VfM estimates (presented as GVA per £1 of public sector cost), utilising the estimated gross and net GVA impacts (as per Table 4.5) and the expenditure scenarios identified in Table 4.6.

**Table 4.7: GVA per £1 of public sector cost**

Type of project	Spend to date	Estimated potential spend	Maximum programme spend
Gross impacts	£29.2	£17.8	£15.5
Net impacts	£19.1	£11.7	£10.1

Following consultation with the Invest NI economists, suitable VfM benchmarks could not be identified. However, **the Return on Investment (ROI) for the SCRDF programme demonstrated in Table 4.7 is significantly higher than the public sector standard target of 2:1, and also higher than the proposed £2.25 return on Invest NI investment set out in the business plan (2020).**

## 4.7 Forward-looking considerations

### 4.7.1 Future demand

This evaluation has established that the rationale and market failures for the SCRDF programme remain valid (see section 3.2.1), that the programme addresses policy priorities such as the 10X Economic Vision 'triple bottom line', and business needs (see section 3.2.2), and that it is likely unique and a good fit with other existing provision (see section 3.2.3). In addition, evaluation findings related to the mix of businesses the programme has reached (see section 3.4.1 and 3.4.2).

Our programme of consultation also addressed forward-looking aspects of SCRDF, in order to assess the sustainability and scalability of the support offer.

Our in-depth interviews asked Invest NI staff and businesses for a view of future demand for the programme.<sup>49</sup> Both groups were positive. Three of five interviewed Invest NI staff suggested that the nature of demand for the programme will not change, despite the original rationale being tied to COVID-19 recovery and help through EU Exit. This was articulated as relating to both the general importance of supply chains to growth, and the legacy of supply side shocks being experienced in NI. It was felt that demand for the programme may in fact increase with further awareness-raising of the importance of supply chains among businesses.

In addressing this question to businesses, the study team asked survey respondents whether they would re-engage with the programme. The vast majority (93%, 15 respondents) suggested that they would do so. Interviewed businesses were also asked whether they would continue to avail of the supply chain support going forward. All but one company reported their intention to do so. Furthermore, of 11 companies interviewed, three reported **that the support features in their future growth plans**, demonstrating increased awareness of the importance of strategic supply chain management. Example elements of future plans encompassed diversification, reducing

<sup>49</sup> Stakeholders did not have sufficient visibility

inventory, and implementing new metrics to measure the performance of their supply base. When asked to consider future-facing benefits, three companies reported that the knowledge transfer resultant from the programme will be the greatest benefit going forward. Two stated that they will keep on their key worker beyond the contracted Invest NI salary contribution. One further business highlighted that SCRDF had put them in a better position to apply for wider UK governments support such as the Help to Grow Programme, whilst another had hired a new inventory manager.

#### 4.7.1 Changes to the programme

All consulted individuals were asked to suggest which areas of the programme could be adapted or changed in a future iteration to improve its effectiveness. Programme staff discussed alterations that can be grouped into two main categories:

- **Better interconnectivity:** Staff unanimously suggested that more can be done to integrate the programme with the rest of Invest NI's infrastructure and offer. This included awareness-raising among client executives and managers to foster informed referrals into the programme, and more bespoke and in-depth interaction with other specific programmes, such as the Collaborative Growth Programme.<sup>50</sup> Other potential areas to explore include exemplifying business impact through marketing materials such as case studies and testimonials
- **Inclusion of more varied business sizes:** Three of five consulted staff members stated that support could be diversified to cover a broader range of businesses. This included suggestions that the current entry requirements preclude micro companies across NI who could benefit from support.<sup>51</sup> Another suggestion in this area related to building in an option to provide more 'sophisticated supplier shaping approaches' to better target the needs of larger firms and benefits to their broader supply chains

Other areas discussed by single consultees related to reduction of administrative burden, and the introduction of more specific support around digitalisation of supply chain management.

Interviewed stakeholders offered individual examples of changes (i.e., these suggestions relate to single-person recommendations). These include: i) addressing potential limitations in the availability of appropriate key workers by drawing on a panel of **external consultants and/or experienced project managers** that can contribute appropriate skills, experience, and knowledge; ii) introducing an **industry-recognised accreditation** system such as that used by the SC21 programme; and iii) establishing **peer to peer networks** to encourage shared learning/knowledge transfer. These included networks within Invest NI to broaden the supply chain knowledge base and mitigate the risk of knowledge loss, and networks among supported businesses and key workers.

Businesses consulted via the online survey were asked what one change to the supply chain programme would make it more impactful from their perspective. Open text answers from 19 respondents<sup>52</sup> mostly centred around **longer timeframes for interaction with the advisors** and

<sup>50</sup> See: <https://www.investni.com/collaborative-growth-programme>

<sup>51</sup> The current programme eligibility criteria include a threshold of £100k supply chain spend – this could be reviewed as part of the following business case work

<sup>52</sup> 10 respondents skipped the question




having more physical **opportunities for networking**. When asked in interview, five of 11 businesses highlighted that they would like **more interaction with and learning from the experiences of other beneficiaries and advisors**. One recommended more and clearer signposting to other services on offer, and another stated that more help in the recruitment process of the key worker would be beneficial and overcome delays.

## 4.8 Summary of key findings

The main findings of this chapter are set out below:

- The SCRDF programme demonstrates a high return on investment. Based on full programme expenditure (i.e. the scenario in which the programme uses its full budget to the end of March 2023), the estimates reached through this evaluation suggest a return of £10.10 for every £1 of public expenditure. This is significantly higher than the public sector standard target of 2:1, and offers a positive reflection of the value of the programme
- Overall, the programme is delivering value in expected areas, with indications that **improvements to capability and capacity are most important among participating businesses**. These are also the areas in which the programme has greatest attribution, i.e., the programme is credited as having the most discernible impact
- There are concrete examples of improvements in business practices and behaviours following engagement with the programme, and dedicated personnel is an important part of this consideration
- The programme is performing well above its target for GVA generation. However, there are more mixed indications of business growth in terms of increased sales and employment, though this may relate to the timing of the evaluation. Trend analysis and a counterfactual would offer greater insight in this area, and should be considered for future monitoring and evaluation of the programme activity. The programme is delivering proportional impact to urban and rural areas in line with the split of the locations of beneficiary business
- As broader outputs were difficult to capture, only anecdotal examples are included in this report. Where discussed, these related to a shift in thinking around supply chains from the business level to a more systemic and strategic level, and reputational improvements for NI business
- Benefits generated by the programme were felt to be sustainable beyond the lifetime of the SCRDF intervention, as assessed by the online survey
- Indications suggest that the success of the programme largely depends on the expertise and legitimacy of the supply chain advisors, and the flexibility and approach of the programme staff in working across teams and functions
- Potential mitigating factors generally focus on funding/budget uncertainty, which has affected to some degree the recruitment and retention of staff (related to fixed term contracts and/or viable timescales for contracts), and availability of key workers

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- There appears to be significant confidence around the sustainability and scalability of the programme, with confident projections of demand. Tweaks to the programme model may help to increase its effectiveness

## 5. BENCHMARKING THE PROGRAMME

### 5.1 Introduction

As part of this evaluation, the study team has undertaken a series of desk-based benchmarks against which the SCDRF programme can be compared. The benchmarks enable the evaluation to contextualise and compare SCRDF in terms of the scale of intervention and the types of support offered in the mix. Due to many programmes being fairly new, little evaluative material is available. This makes the identification of concrete examples of impact and value for money, as well as lessons learned and best practice difficult to identify for comparators. However, the case studies have provided a way to articulate the potential options for improving the SCRDF programme going forward.

### 5.2 Selection of comparators

The selection of comparators for this evaluation has been informed by broad-ranging desk research and consultation with Invest NI to reach a final list of comparator programmes. The result of this has been the selection of five programmes to review, set out below:

- The Enterprise Europe Network EU Supply Chain Resilience Platform
- Scottish Manufacturing Advisory Service (SMAS)
- The Co-operation and Supply Chain Development Scheme in Wales
- InterTradelreland's pilot Supply Chain Support Programme
- The Supply Chains for the 21<sup>st</sup> Century (SC21) programme

Further contextual benchmarking was undertaken via a brief examination of the supply chain support available via the English Growth Hubs and the supply chain support available via UK Catapults, though these did not reveal significant depth.

### 5.3 Assessment of SCRDF in light of comparator programmes

The five benchmarks selected for this evaluation represent a cross-section of recent and current practice in public interventions focused on supply chain support.

Looking across the benchmarks shows that the aims of SCRDF are in line with international practice, which also focus on competitiveness, resilience, opportunity identification, raising awareness of supply chain good practice among businesses, and development of linked capabilities.

Similarly, the rationale for the SCRDF programme is in line with the set of benchmark comparators, which address a mixture of coordination and information failures experienced by businesses (largely SMEs). While SCRDF focuses more explicitly on information failures than coordination failures, the advisory aspect of SCRDF can cover identification of new suppliers and partners, from which collaborations may emerge. In addition to this, the offer of SCRDF is in line with international practice. The hybrid model (which combines tailored advice, select financial support, and a structured learning curriculum) presents a compelling combination of good practice found elsewhere, and thus may be considered leading. The SCRDF key worker support is additional to what is seen among comparators, and ongoing mentoring to key workers appears

to be over and above other observed provision of advice and guidance. One area in which the SCRDF programme does not meet international provision is that matchmaking and partnership development is not addressed as a specific pillar of support (though this will reportedly be added).

**Table 5.1: Overview of five benchmarks for the SCRDF programme**

	<b>Enterprise Europe Network EU Supply Chain Resilience Platform</b>	<b>Scottish Manufacturing Advisory Service</b>	<b>Co-operation and Supply Chain Development Scheme in Wales</b>	<b>InterTradeIreland Supply Chain Resilience Pilot Programme</b>	<b>Supply Chains for the 21<sup>st</sup> Century (SC21)</b>
<i>Aim</i>	To address supply chain disruptions post-COVID-19, <sup>53</sup> and to improve readiness and resilience to market shocks	To provide manufacturers with practical support and advice on supply chain issues as part of the broader service (COVID-19 disruption, cost-saving, identification of new opportunities, digitalisation)	To support the creation of new groups and pilot projects and cooperation among supply chain actors to establish and develop short supply chains and local markets To enhance competitiveness and promote inclusion <sup>54</sup>	To help companies explore new business opportunities and increase their cross-border supply chain robustness	To support companies to improve competitiveness through increased efficiency, reduced duplication, lower overheads, and lower costs in the supply chain
<i>Rationale / market failure</i>	Coordination failure among small firms regarding partners <sup>55</sup>	Information failure (small firms): insufficient in-house skills or knowledge of trusted solutions Risk-based failure (large firms): difficulty allocating resources	Coordination failure among small firms to find economies of scale and adopt collaborative actions	Information failure among firms: insufficient in-house skills or knowledge of trusted solutions	Information failure among firms: insufficient in-house skills or knowledge of trusted solutions
<i>Management</i>	European Cluster Collaboration platform and Enterprise Europe	Scottish Enterprise	Welsh Government – Agriculture, Fisheries and Marine Group - Rural Economy & Legislation Division <sup>56</sup>	InterTradeIreland with support from Winning Moves	Managed by ADS, working with participants, prime contractors, regions, and various partners, associations, and practitioners
<i>Funding</i>	European Commission <sup>57</sup>	Scottish Government	European Agricultural Fund for Rural Development (EAFRD)	Department of Enterprise, Trade and Employment (Ireland) and the Department for the Economy (NI)	Mixture, including UK government funding

<sup>53</sup> See: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698815/EPRS\\_BRI\(2021\)698815\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698815/EPRS_BRI(2021)698815_EN.pdf)

<sup>54</sup> Source pp. 4-9 <https://gov.wales/sites/default/files/publications/2020-10/co-operation-and-supply-chain-development-scheme-guidance.pdf>

<sup>55</sup> See: [https://single-market-economy.ec.europa.eu/news/supply-chain-resilience-platform-launched-today-2022-03-16\\_en](https://single-market-economy.ec.europa.eu/news/supply-chain-resilience-platform-launched-today-2022-03-16_en)

<sup>56</sup> See: <https://gov.wales/sites/default/files/publications/2022-03/rural-development-programme-document-2014-to-2020.pdf>

<sup>57</sup> See: <https://supply-chain-resilience-platform.b2match.io/>

			via the Shared Islands Initiative <sup>58</sup>		
<i>Eligibility</i>	Open to all companies Broad set of key sectors	All businesses (all sectors and all sizes) in Scotland	SME businesses; education and research organisations; community or voluntary sector organisations Focus on agriculture and rural areas	20 ROI & 10 NI SMEs with a minimum supply chain spend of £25kper annum in the cross-border jurisdiction and sales turnover of less than £40m	Aerospace and defence companies primarily
<i>Services offered</i>	Matchmaking platform to help SMEs connect Marketing support to showcase needs and capabilities Draws on advice of inhouse and OECD reports	General business advisors Supply chain mapping Business directory Signposting (e.g., to support to hire customs professionals)	Financial support for facilitation, travel and subsistence, mentoring, training, communications, evaluation	Access to an assessor that guides business through a diagnostic Up to 3 days free mentoring support.	Diagnosis, improvement planning, and implementation guided by a four-step framework Access to tools and approve knowledge providers, partners, and practitioners
<i>Impact</i>	No evaluative material available	No evaluative material available	No evaluative material available	No evaluative material available	No evaluative material available
<i>Lessons learnt</i>	No evaluative material available	No evaluative material available	No evaluative material available	No evaluative material available	No evaluative material available

Source: RSM, based on desk research

## 5.4 Summary of key findings

The main findings of this chapter are set out below:

- The SCRDF programme compares well to international practice, and addresses similar aims and market failures
- The programme's hybrid model appears to be leading among comparators, assessed as a combination of good practice from the benchmarks
- Key worker support is additional to what is seen in international benchmarks, and ongoing mentoring to appointed key workers is over and above other observed advice and guidance provision
- While there is potential for SCRDF to support new partnerships, it is missing explicit support for collaborations and/or cooperation, which may include peer-to-peer learning

<sup>58</sup> See: <https://intertradeireland.com/assets/general/InterTradeIreland-Board-of-Directors-Minutes-February-2021.pdf>

## 6. CONCLUSIONS AND RECOMMENDATIONS

### 6.1 Introduction

This chapter draws together the discussion from previous sections and presents high-level concluding findings against the individual evaluation questions. A series of recommendations are presented at the end of the chapter.

### 6.2 Conclusions and lessons learned

The high-level findings from the evaluation are presented below, grouped by relevant evaluation question.

#### **Set out the objectives of the intervention and assess the extent to which it is meeting its stated objectives and all associated targets**

The objectives of the programme are at two levels: direct business support objectives that relate to direct business benefits, and broader socio-economic objectives for the region to which the programme should ultimately contribute. The first of these include i) delivery of advisory and financial support, direct business supply chain improvements, and deliver of training, and ii) building a strong and competitive regionally balanced economy, building an innovative and creative society, increase the quality of jobs, and making NI an attractive place to work and invest.

The programme appears to be making progress against each of these objectives, though it is early in the process and further progress may be observed later as time passes. The programme has exceeded its targets for engagement, delivery, and GVA generation.

#### **Review the validity of original and ongoing rationale for the intervention**

The programme rationale and market failures remain relevant. While the scheme was originally a COVID-19 response (and to support businesses in light of EU Exit), the focus on building resilient supply chains and engendering a greater focus among businesses on the importance of supply chains for growth continues to have policy relevance (especially related to the 10X Economic Vision) and business relevance (including in light of the current global environment and geopolitical situation).

The programme is unique in NI and is thus complementary to other support. There is some cross-fertilisation with Operational Excellence and SC21, though more can be done to encourage interoperability with other parts of Invest NI.

#### **Assess the appropriateness of the intervention's delivery model and the effectiveness of the intervention's management and operating structures**

The delivery model appears to be appropriate and effective. The hybrid model (advice and financing, plus educational/training aspects) is valuable and compares favourably to international benchmarks. The evaluation has found that consulted businesses rate the quality of advice highly, and similarly programme management is well-regarded. Delivery resource has been lower than planned (reflected in a relative underspend), and this should be addressed to help the programme deliver further benefit.

Indications suggest that the success of the programme largely depends on the expertise and legitimacy of the supply chain advisors, and the flexibility and approach of the programme staff in working across teams and functions. Access to dedicated personnel is also deemed important, and is over and above what is seen in international practice.

The programme is fairly unique in its offer and complementary to other support. Risks of displacing beneficiaries between other mechanisms such as OPEX and SC21 are acknowledged but somewhat mitigated by conscious referral, particularly in relation to OPEX. While displacement to/from SC21 represents a larger risk in principle (due to the specific supply chain focus), this is mitigated in two ways: i) by the in-depth involvement of the SCRDF programme team, who monitor the signposting between the two programmes, and ii) by programme design, as SC21 is sector-specific. In addition, the offer and orientation of SC21 and SCRDF differs sufficiently in terms of model.

### **Thoroughly assess the inputs, outputs, outcomes, and impacts associated with the intervention**

Uptake of the programme appears to be broadly sensible given the nature of the intervention, though ongoing reflection on reach should be maintained. The programme is delivering value in expected areas, with indications that improvements to capability and capacity are most important among participating businesses. These are also the areas in which the programme has greatest attribution, i.e., the programme is credited as having the most discernible impact. There are concrete examples of improvements in business practices and behaviours following engagement with the programme.

The programme is performing well above its target for GVA generation, which includes recorded cost savings through new processes and practices. There are strong indications of beneficiaries realising a 'supply chain ethos' and/or experiencing shifts in managerial mindsets, and similarly examples have been offered of increased awareness of the importance of strategic supply chain management in future growth plans. Consultation revealed clear additionality of the programme, with beneficiaries noting an assumed lack of knowledge and direction had they not engaged with the support. However, there are more mixed indications of business growth in terms of increased sales and employment, though this may relate to the timing of the evaluation. Trend analysis and a counterfactual would offer greater insight in this area and should be considered for future monitoring and evaluation of the programme activity.

While broader outcomes were difficult to capture, there are indications of shift in thinking around supply chains to a more systemic and strategic level, and reputational improvements for NI business.

### **Identify the internal and external factors which have impacted upon the performance of the intervention**

As noted above, the quality and legitimacy of the supply chain advisors is a key underpinning factor of the programme's ability to deliver against its objectives. Potential mitigating factors generally focus on funding uncertainty, which has affected to some degree the recruitment and retention of staff (related to fixed term contracts and/or viable timescales for contracts), and availability of key workers.

**Determine the Return on Investment associated with the intervention to date; Assess the economy, efficiency, and effectiveness with which public funds have been used on the intervention; Assess the extent to which the intervention represents good VFM and appropriate use of public funds across the full spectrum of relevant VFM indicators**

The results of the evaluation are qualitatively positive on the return on investment, the economy, efficiency and effectiveness of delivery, and value for money of the programme. The programme has over-delivered on its targets even in the event of an underspend of the approved budget.

The dedicated quantitative value for money assessment finds clear evidence of significant return on the investment in the programme. Taking a projected scenario in which the programme maximises its possible spending and extrapolating from available financial benefit data for engaged businesses finds that **the programme returns £10.10 for every £1 of public sector spend**. This is based on assumptions contained within the financial benefit data that were provided to the study team, but this level of return is significantly higher than the public sector target of 2:1.

**Compare the support offered by the intervention against equivalent services available to businesses in the UK, EU, and other similar regions**

Benchmarking the programme against international practice examples finds that SCRDF compares well against comparators in terms of its offer and orientation. Analysis finds that the programme's hybrid model appears to be leading among comparators, as a combination of good practice from the benchmarks. Key worker support also appears to be additional to what is seen in international benchmarks.

**Consider the merits of Invest NI continuing to fund the SCRDF**

There appears to be a strong case for continued investment in the programme. The strategic context remains valid, with significant potential to contribute to delivery against the 10X Economic Vision as it is translated into delivery streams. There appears to be significant confidence around the sustainability and scalability of the programme, with confident projections of demand drawing on engagement to date and strong indications of intention to re-engage due to high levels of satisfaction and value. This case is further strengthened by a good sense of complementarity with other support.

## **6.3 Recommendations**

These recommendations are set out at a high level for the purposes of this evaluation report, and will be translated into the required SMART format as the subsequent business case is developed. The study team has developed five recommendations. These are set out below:

1. There is a strong case to recommend continuation of the programme, to facilitate ongoing support for businesses in the form of expert supply chain advise and select funding. Retention of high-quality resource and knowledge<sup>59</sup> is of central importance to the ability of the programme to deliver impact. A significant enabler of this is funding stability and clarity,

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<sup>59</sup> For example, to original business case staffing levels as noted in section 2.4



supported by agreed multi-year budgets that allow for appropriate contracts to be offered to supply chain advisors. Continuity overall is important across the whole programme team

2. There is significant potential to further connect the programme to the broader Invest NI offer as part of the programme evolution. This works well in areas of the organisation, but taking an approach similar to the Operational Excellence team<sup>60</sup> to raise awareness among and train Client Managers and Client Executives may achieve greater embeddedness and interoperability. This would have the benefit of offering further avenues for 'warm' leads from client-facing staff
3. Avenues for mainstreaming or broadening supply chain knowledge within Invest NI (in terms of both educating Client Managers and Client Executives and further developing internal supply chain knowledge and awareness) could help Client Managers and Client Executives to refer businesses into future SCRDF provision, and also part-mitigate the risk of knowledge loss in the event of staff departure
4. There is potential to undertake more strategic work with large companies and their supply chains (e.g., supplier shaping). The offer here should be made concrete and well-articulated to open access to large companies, and the legitimacy of the supply chain advisors will likely be key in gaining trust
5. The programme should include peer learning opportunities for key workers and beneficiary businesses, both to learn from one another and from advisors. This is an element that is currently missing from provision however plans are in development, though could be addressed via a regular programme of meetings or mini conferences, as well as potential bilateral matchmaking undertaken by supply chain advisors. The trust element between beneficiary businesses needs consideration in shaping this potential new element of the programme, to ensure that businesses are able to constructively participate

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<sup>60</sup> It is acknowledged that the Operational Excellence team has been operational for over 12 years, and thus with greater scope to reach these levels of penetration

