

Summer 2015 Update

Promoted
37,000 jobs
against a target
of 25,000
2011-15 PfG target



This edition includes our end-of-year performance results for 2014/15, including how we have delivered against four year Programme for Government targets; how our access to finance funds performed last year; and information on the transfer of functions from Invest NI to the new councils.

**Delivering
against targets**



**Transfer of
functions to
councils**



**Focus for
2015-16**



**Customer
Experience**



**Access to
Finance
Performance**



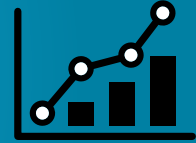
**Purchasing
Managers
Index**



**Export
Start Guide**



Delivering against targets



2014/15 has been a phenomenal year for Invest NI.

Following on the back of last year, our best year on record, this year's achievements really are impressive.

This year we not only report on our 2014-15 in-year performance but also our achievements against the four year Programme for Government targets.

As the animation shows, we have significantly exceeded many of the targets set for us and have delivered real benefit to the Northern Ireland economy.

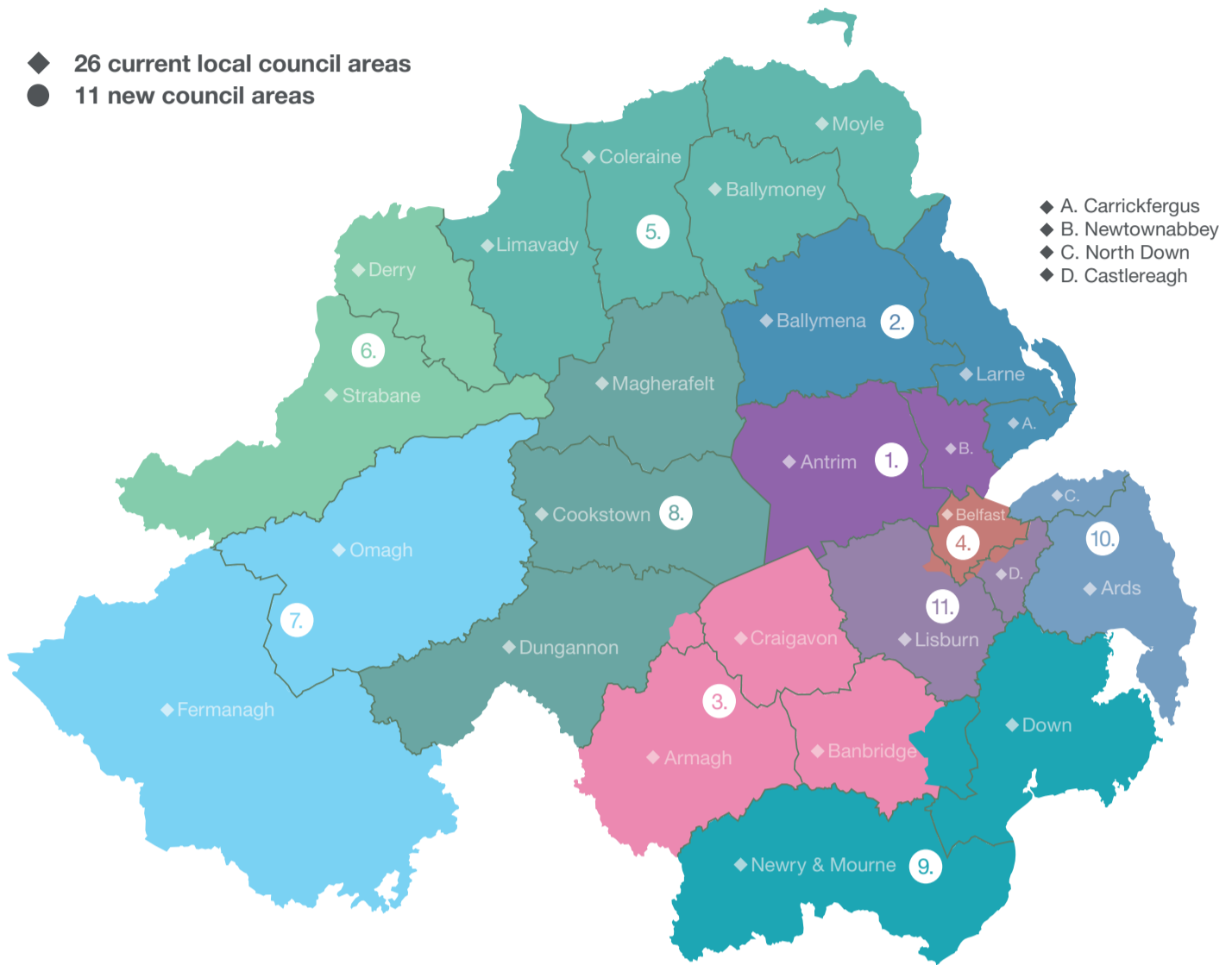


11 new councils take over from previous 26

Under Local Government Reform (LGR) the previous 26 local councils merged to become 11, [with the new councils officially coming into being on 1 April 2015](#). The map below shows how the council boundaries have changed, and the new areas covered by the new councils.

11 new council areas

- ◆ 26 current local council areas
- 11 new council areas



- | | | |
|------------------------------------|-----------------------------|-----------------------------|
| 1. Antrim and Newtownabbey | 5. Causeway Coast and Glens | 9. Newry, Mourne and Down |
| 2. Mid and East Antrim | 6. Derry and Strabane | 10. North Down and Ards |
| 3. Armagh, Banbridge and Craigavon | 7. Fermanagh and Omagh | 11. Lisburn and Castlereagh |
| 4. Belfast | 8. Mid Ulster | |

For illustration purposes only

Responsibility for entrepreneurship

As part of LGR, the councils will have enhanced responsibility for local economic development and local tourism (amongst other functions) in their area. From 1 April 2015 some of the areas linked to local economic development, that have historically been delivered by Invest NI will be transferred to the councils. These are:

Responsibility for encouraging the formation and growth of social enterprises with a local focus

Responsibility for encouraging under-represented groups in business start up (specifically, female entrepreneurs and young entrepreneurs - i.e. under 30 years of age)

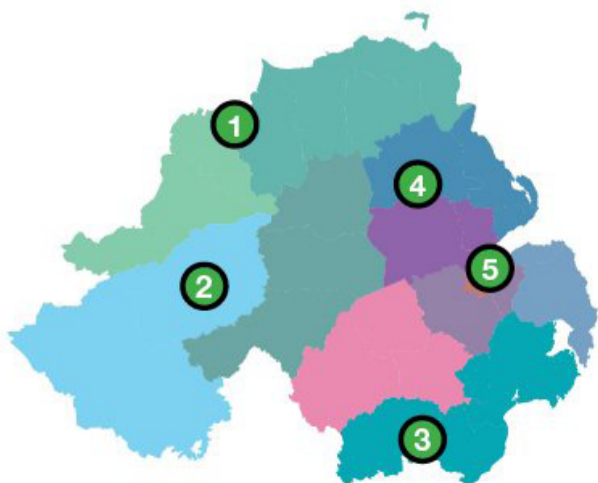
Responsibility for encouraging business start ups with a local focus (final transfer will take place October 2015)

The programmes that Invest NI has historically run to promote entrepreneurship in these areas such as **Regional Start Initiative** and **Social Entrepreneurship Programme** will end once the transfer is complete later this year and the councils will establish their own solutions to helping promote entrepreneurship in their area.

Invest NI has been **working closely with local councils** to plan for this change and ensure a smooth transfer of these functions. These working relationships will continue with our Regional Office teams liaising closely with Councillors and officials to support economic development across Northern Ireland.

As part of the changes under [The Local Government Act \(NI\) 2014](#), the new councils will also have responsibility for Community Planning. This will provide a framework within which councils, departments, statutory bodies and other relevant agencies and sectors can work together to develop and implement a shared vision for promoting the economic, social and environmental well-being of their area based on effective engagement with the community. Invest NI will have an active role in contributing to the Community Planning Process within each council area.

Invest NI offices



Invest NI Offices

- 1 North West Office (Londonderry)
- 2 Western Office (Omagh)
- 3 Southern Office (Newry)
- 4 North Eastern Office (Ballymena)
- 5 Eastern Office (Belfast)

Invest NI focus and targets for 2015-16

As part of the [Northern Ireland Executive's 2011-15 Programme for Government \(PfG\)](#) Invest NI has been [working to deliver five economic priorities](#).

Due to [the decision to move the NI Assembly Elections](#) to 2016 there has been a one-year extension to the current PfG. For this interim year, until the next PfG is published, **we have agreed the following targets** with the Department of Enterprise, Trade & Investment.

2015-16 targets

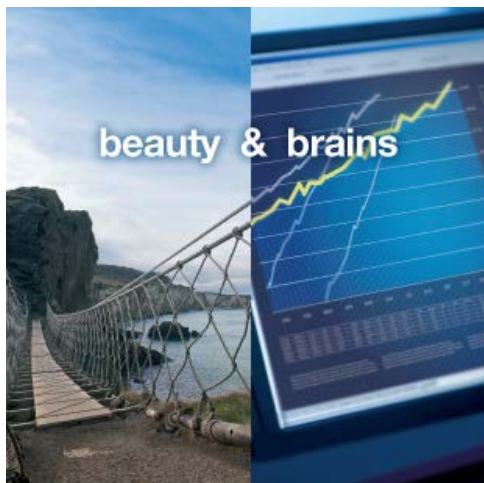
- Contributing to rising levels of employment by supporting the promotion of over 4,000 new jobs.
- Achieving £220 million investment in Northern Ireland economy.
- Increasing the value of manufacturing exports by 6%.
- Supporting £55 million investment by businesses in R&D, with at least 20% coming from Small and Medium sized Enterprises.
- Aiding the liquidity of Small and Medium sized Enterprises through a £50 million loan fund.

We continue to operate within a **challenging public sector finance environment** with strong competition for decreasing resources. The targets above have been set on the basis of access to the necessary resources to deliver these outturns and **maximise Invest NI's contribution to the local economy**.

[Stimulating innovation and creativity](#) across the business base, [improving productivity](#) and [driving export](#) focused business growth remain critical to our success in achieving these objectives.

We will **continue to utilise the full range of support solutions available** and focus on the sectors and markets where Northern Ireland has existing strong capabilities and those with the greatest potential for international growth.

We will continue to [showcase Northern Ireland](#) globally as an excellent location to visit, work, invest and do business. **Our focus will be to pursue projects** in Global Business and Professional Services, Financial Services, ICT, Software and Creative Industries, where the Northern Ireland investment proposition is strong.



Customer Experience



Customer focus is at the heart of Invest NI's values and we are committed to providing our customers with a quality experience.

Customer satisfaction reaches an all time high

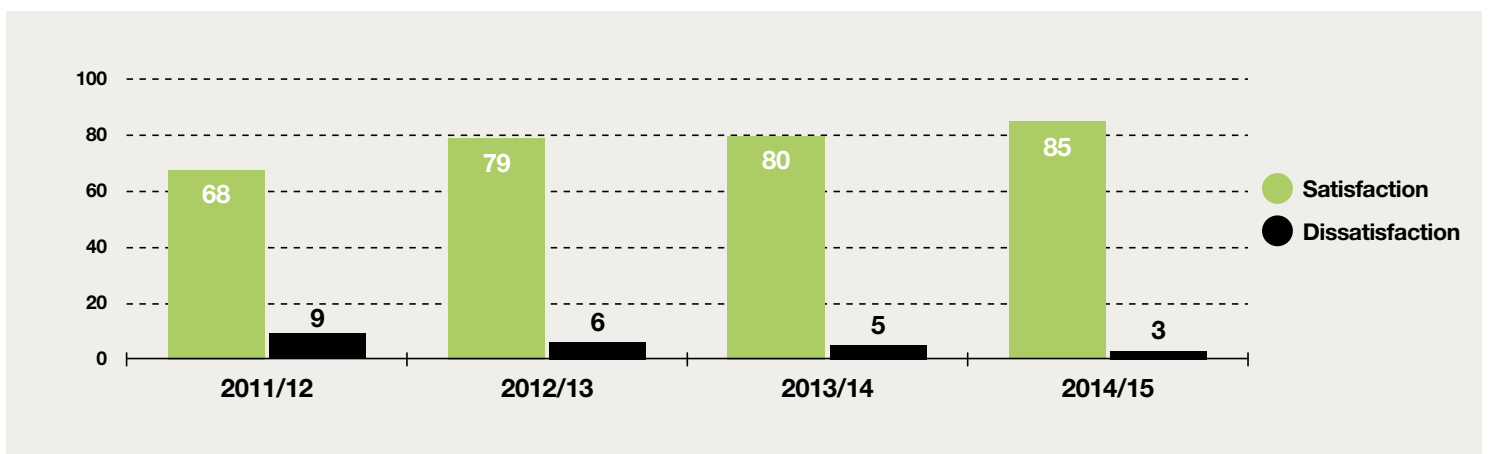
Every year we survey the customers we have had the **most interaction with**, asking them to rate their experience. This year the annual survey gathered the opinions of over **450 customers**. The survey asked them to **rate their satisfaction** over a number of areas including the team of people they dealt with, the support they accessed, communications they received, the claims process and overall experience.

We received the results of this survey in March and were delighted that our customers rated their **overall satisfaction at 85%** our **highest ever satisfaction** figure. More importantly those customers who were **dissatisfied reduced to an all time low of 3%**.



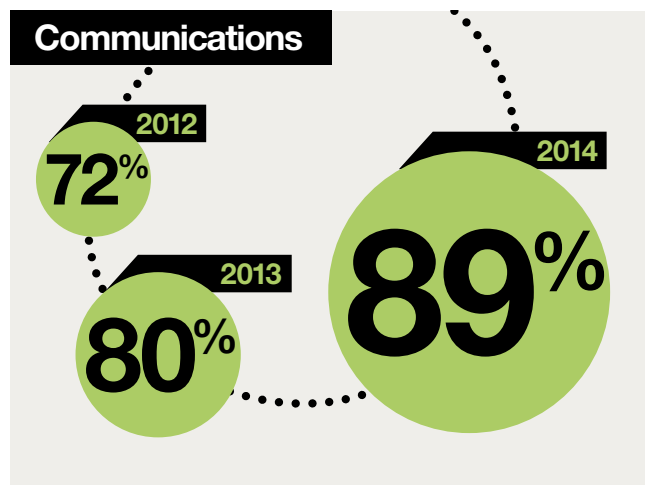
[Video: Hear what some of the businesses we work with have to say about us](#)

Four year growth of satisfaction and decline in dissatisfaction



Other survey highlights

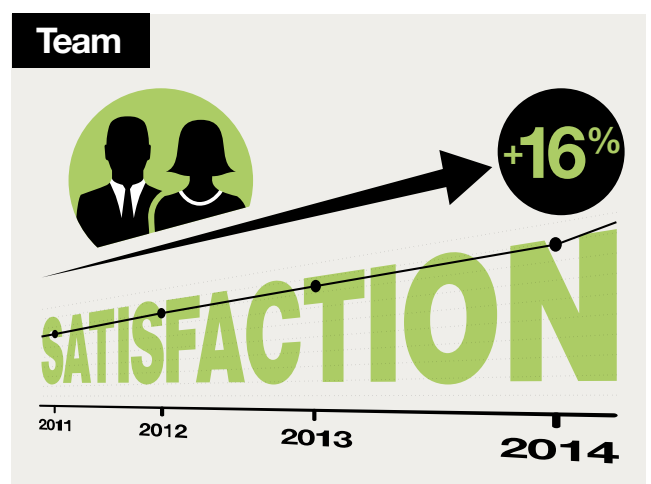
Our staff were **strongly associated with being polite** and friendly – 97% agreed in 2014 compared to 93% in 2013. Over the past 3 years there has been a **huge uplift in satisfaction with communication** between Invest NI and our customers. 89% of our customers surveyed were **satisfied with the team** they dealt with which is a growing trend. In addition to this our customers rated their Invest NI contacts extremely well at being **trustworthy (95% satisfied)** and **responsive (90% satisfied)**.



Improvements customers want to see

While almost half of customers (46%) were unable to suggest any improvements, 8% asked for the application process to be simplified, with a further 7% suggesting the application process should be faster. This feedback will be **used to inform improvement projects** going forward.

[Read further information about customer satisfaction survey \(PDF\).](#)



Customer service excellence

For the last two years we have been assessed under the **Customer Service Excellence (CSE)** standard, a Cabinet Office approved award which recognises an organisation's commitment to customer service.



In 2013 we achieved the award for the first time gaining 5 compliance plus ratings and in December last year we achieved 11 compliance plus ratings.

We are working toward our third assessment in December 2015 and we hope to add more compliance plus ratings to our standard.

Access to Finance Performance

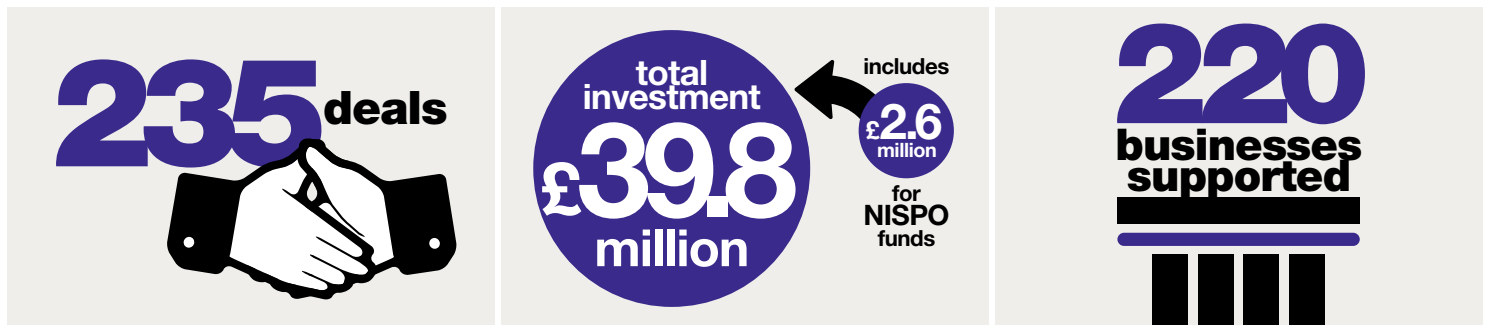


Helping local businesses achieve their ambitions

In 2010, Invest NI created a suite of funds which now **totals more than £170 million to help SMEs with high growth potential** to forge ahead and drive rapid growth within their business. These funds, a mix of loans and equity finance, are helping to fill the funding gap that has been created by a tightening of bank lending and changes to EU grant policy. We have been able to do this with part financing from the European Regional Development Fund.

The funds are part of our [Access to Finance initiative](#) and can support deals from start-up level right the way through to development capital.

2014/15 is the first full year that all elements of our Access to Finance initiatives have been available. These funds include four equity funds and two loan funds which provide funding to SMEs from start up through to the growth phase. Businesses that receive these funds will have high growth potential and are scalable through export markets. These funds provide finance which help local businesses achieve their ambitions through funding costs such as research and development, product development, marketing, equipment purchases and working capital.



Individual funds

Each fund is managed by an independent, experienced Financial Conduct Authority approved fund manager on a fully commercial basis. Within the terms of the fund, the fund manager is responsible for assessing applications and approving investments. In some cases Invest NI is the sole provider of investment to the fund, in others we are one of several investors.

Loan fund performance

	GROWTH LOAN FUND	NI Small Business Loan Fund	Development Fund	Co-FundNI	techstart ^{NI}
Fund Value	£50m	£5m	£60m	£28m	£29m
Start Date	June 2012	February 2013	July 2013	June 2012	July 2014
No of Deals	36	76	6	24	79
Total Investment	£18.8m	£1.7m	£4.2m	£9.2m	£3.3m

Total investment is both Invest NI investment (£17.7m) and private leverage investment (£22.1m) (including NISPO). It is not possible to compare the number of deals or sums invested by each fund as the parameters of each are different.

Benefiting business and the Northern Ireland economy

Having access to Invest NI's Access to Finance funds provides companies with a very **significant boost which supports the Northern Ireland economy** and represents a further increase in funding as our initiatives mature.

Two years into its five year lifespan the [Small Business Loan Fund](#) has been a real success providing much needed access to funds to a wide range of businesses across Northern Ireland. The fund continues to attract strong interest and remains an important part of our Access to Finance portfolio.

The [Growth Loan Fund](#), launched in 2012, has also been a great success, providing loan finance to local small and medium-sized businesses. Businesses that were unsuccessful in securing private sector funding have been able to access the capital required to exploit growth and export opportunities. This vital funding has also enabled businesses to invest in new equipment, recruit new staff and drive growth in export markets.

[Co-Fund NI](#) was launched in 2011 and co-invests alongside business angels and other private investors at a ratio of up to 50%. During the past year, this fund has invested in 24 deals resulting in over £9m of new funding being invested into growth focused SMEs.

[TechStart NI](#) is made up of a number of funding components aimed at early stage and seed SMEs. This fund is playing an important role in supporting businesses to accelerate the development of their products. In addition to this investment activity, Techstart NI provides proof of concept grants and investment support.

Launched in 2013 both [Crescent III](#) and [Bank of Ireland Kernel Capital Growth Fund \(NI\)](#) are in their early stages but interest has been high. The Development Funds have offered over £4m of equity funding, supporting businesses in developing new products, targeting new markets and strengthening their management teams.

Invest NI also supports the management costs of the [Halo business angel network](#), which is managed by the [Northern Ireland Science Park](#). During the year 2014/2015 Halo business angel activity led to investment of £5.2m in 12 deals, complementing the investment activity of the suite of Invest NI funds.

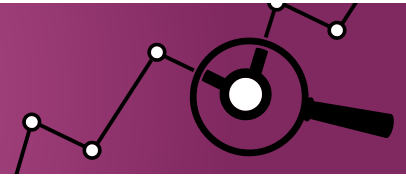
We will continue to review our offerings and tailor them to what the market needs, helping to bring forward new funds in a timely way to ensure that SMEs have the funding they need to achieve their growth objectives.

"The support we received from the NI Small Business Loan Fund has been instrumental in helping to develop our business, fulfilling bigger orders and putting us on track for future expansion." Lorraine McAleer, Manager of Learning Space NI

"This investment from the Growth Loan Fund will support our global marketing plans and enable us to meet working capital needs as the business transitions from in season selling to forward orders. We also have plans to take on up to 12 more staff to help meet growing demand." Celine Magill, Managing Director, Art on Fashion

"Kernel Capital has a strong track record of investing with high growth export focused innovative companies. We look forward to Kernel Capital's strategic and hands-on input as we scale the company, increasing our exports and creating further employment in Northern Ireland." Hugh Cormican, CEO Cirdan Imaging

Purchasing Managers Index



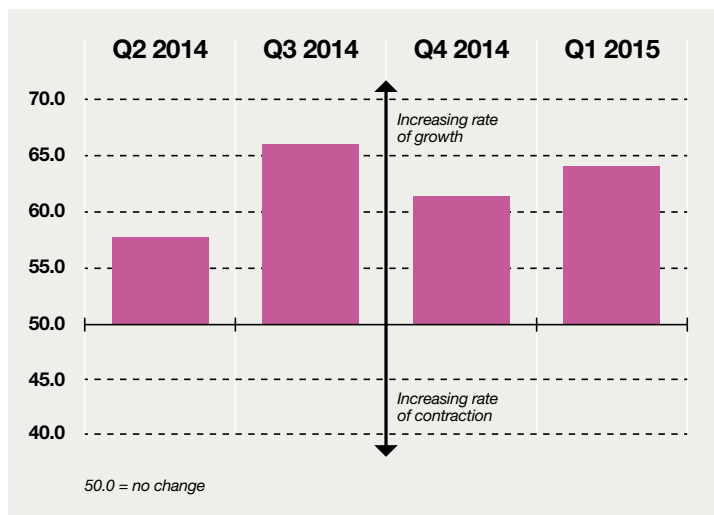
The Purchasing Managers Index (PMI) is a recognised means of monitoring sentiment amongst businesses to provide an indication of what is happening in the economy.

Using a panel survey of Invest NI supported businesses the [Invest NI PMI](#) tracks changes in business conditions and activity. It tracks **business output, new orders, employment and prices.**

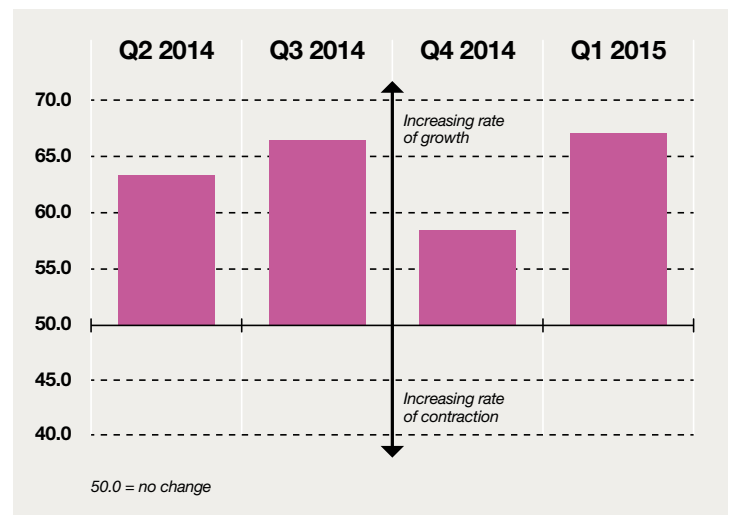
A strong end to 2014/15

Businesses remained **strongly optimistic about their future prospects**, according to the latest survey results (Source: Markit Economics, Q1 2015). More than 4 in 5 respondents expect their output to expand in the next 12 months, with just 4 per cent expecting output to contract. New orders were reported to be rising at their fastest level since the Invest NI PMI started a year ago, mainly due to new products and successful marketing and promotional activities. New export orders were also at the highest level since the survey began.

Output



Employment



The positive trend in outputs and orders was also replicated in the **growth in employment**. This is good news as Northern Ireland seeks to get above the employment levels which existed before the recession started. Businesses who expanded their workforce outnumbered those where employment fell by a ratio of more than 5:1.

Commenting on the survey results, David Roberts, Invest NI's Economist said: "The positive rate of growth across all of the main business indicators in the survey is encouraging for the rest of 2015. With businesses grappling with challenges such as the strength of sterling and other uncertainties, a drop off in sentiment and activity might have been expected. The results compare very favourably with the recent Ulster Bank PMI, where the recent trend has been a slowdown and stabilisation in activity and employment.

"The continued growth in employment is particularly welcome. Whilst unemployment has fallen in Northern Ireland now for a sustained period, expanding private sector employment remains a key challenge. The number of employee jobs in Northern Ireland remains below the level achieved at the end of 2007.

"Whether Invest NI supported firms continue to report strong growth remains to be seen. Competitive pressures remain strong, with input costs accelerating compared to the previous quarter. This was due to a combination of rising raw materials costs and increased staff costs. Looking ahead, it will be important for firms to continue to innovate, seek new market opportunities and invest if the forecast growth over the next year is to be delivered. The next set of PMI results will provide an insight into whether the strong growth and optimism can continue."

Businesses who expanded their workforce outnumbered those where employment fell by a ratio of more than 5:1.

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Export Start Guide



Doing Business Overseas

In January, we supported the launch of the [Export Start Guide](#), a comprehensive guide aimed at **supporting exporters** across Northern Ireland and the Republic of Ireland. The guide was developed in partnership with Enterprise Ireland, Chartered Accountants Ireland and ourselves.



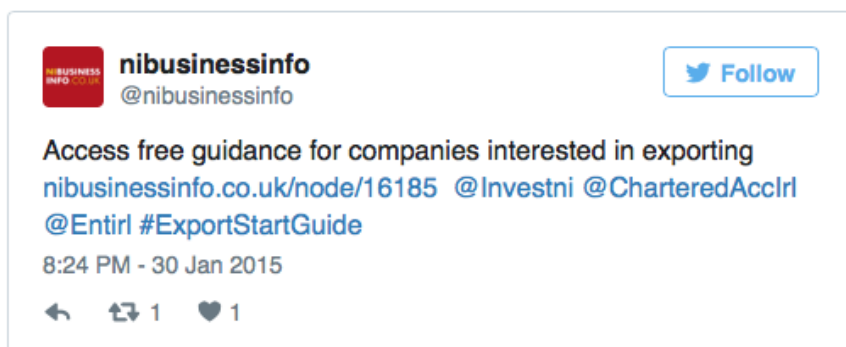
www.exportstartguide.com



About the Export Start Guide

The guide is a **valuable resource for businesses considering exporting** and supplements the information in our [Exports section](#) and that found on nibusinessinfo.co.uk. It offers **practical advice and information** on areas including resources, capacity, evaluating demand, selecting and understanding a market, price expectations and payment, distribution, marketing and export planning.

“Our sustained economic growth will only come from businesses developing their global footprint. Supporting first time exporters and indeed more experienced exporters to identify new markets, reach new customers and further develop their partnerships with existing customers is a core part of our role and central to strengthening the local economy.” Alastair Hamilton, Chief Executive, Invest NI



What to expect from the guide

The guide is **free to download** and will provide information including:

- Is exporting right for your business?
- How to export
- Export planning
- Export checklist
- Case studies

[Download a copy of the Export Start Guide \(PDF\)](#)

