



# Final Report

## International Institute for Product and Service Innovation

Evaluation and Overview of Outcomes of the  
IIPSI Project delivered between 2010-2015

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## Acronyms

<b>APC</b>	Advanced Propulsion Centre
<b>AWM</b>	Advantage West Midlands
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method
<b>DCLG</b>	Department for Communities and Local Government
<b>DI</b>	Digital Innovation
<b>ELI</b>	Experience Led Innovation
<b>ERDF</b>	European Regional Development Fund
<b>FTE</b>	Full Time Equivalent
<b>GVA</b>	Gross Value Added
<b>IIPSI</b>	International Institute for Product and Service Innovation
<b>KET</b>	Key Enabling Technologies
<b>LEP</b>	Local Enterprise Partnership
<b>PI</b>	Polymer Innovation
<b>PMP</b>	Project Management Plan
<b>PPG</b>	Project Progressing Group
<b>SME</b>	Small and Medium-sized Enterprises
<b>WMOP</b>	West Midlands Operational Programme
<b>WMG</b>	Warwick Manufacturing Group

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## 1. Executive Summary

This document presents the findings of the Final Evaluation of the International Institute for Product and Service Innovation (IIPSI) project, covering the period from grant award in 2010 to June 2015.

This report provides a summative evaluation of the project considering:

- The context and rationale for IIPSI.
- The value for money of the IIPSI interventions in contributing towards the region's Gross Value Added (GVA).
- Whether the IIPSI Innovation Programme has improved the region's technology base as expected.
- Lessons learned which can be applied to future regional development programmes.

### The evaluation has found:

#### Context and Rationale for IIPSI

- **Continued relevance** - IIPSI was a precise fit with the West Midlands ERDF Programme and matches an ongoing need for support by SMEs across the region for technology demonstration, intensive projects and R&D feasibility support.

The IIPSI project experienced significant interest and demand, with over 1,400 SME businesses visiting IIPSI in the 2012-2015 period, although only around 200 received in-depth support. The evaluation has observed that the standard 2-day assistance produced limited impact and that longer (5 days+) intensive company projects maximised the programme impact.

- **Stakeholder recognition** - IIPSI has achieved high visibility in the regional and national press (over 110 online and offline publications) and broadcast media (7 radio and TV interviews). On the political stage the project has attracted Ministerial visits (Dr Vince Cable), attention from MPs and come to the notice of the European Commission. IIPSI has also been recognised by regional, national and EU representatives as providing an exemplar model for future interventions in the West Midlands and Europe.

IIPSI has contributed towards a 5 party Study Group for the European Commission to look at Key Enabling Technologies.

- **Sound governance and project management** - was a strength of the IIPSI project, building strong collaborations with stakeholders across the West Midlands.

#### Value for Money of IIPSI

- **Value for money** - The IIPSI project offers good value for money. IIPSI has generated GVA of £16,883,715 exceeding expectations with substantial additional financial benefits for enterprises. It is estimated that for each £1 of ERDF funding the project has generated net business benefits of £12, based on the initial £5.7m of ERDF investment (over the useful economic life of the building) and the Gross Value Add and additional R&D investment secured.

- **New products and services have been developed and showcased** - with 60.7% of those surveyed saying this is a positive outcome of their engagement with IIPSI. The interviews also provide evidence that new SME capabilities have accelerated the development of products and opened up new markets for SMEs in the region.
- **Partnership and networking opportunities have increased** - 78.6% of those surveyed saw increased business collaborations and 66.1% felt that personal networking had increased.
- **Benefits for the West Midlands** - Were generally perceived to have arisen, with one beneficiary commenting "This [IIPSI] was a bold move from the University of Warwick and has played a large part in keeping small business cohesion during this time of economic disintegration in the UK."
- **The ability to safeguard jobs** - IIPSI was credited by 71.4% of those surveyed with significantly safeguarding jobs in the West Midlands; in addition to those it has directly created.
- **Success in attracting and creating new businesses** - IIPSI has exceeded its target by 125% for developing new businesses in the region.

#### Improved Technology Base

- **Achievement of the IIPSI building programme** - facilities are in place to provide lasting physical legacy benefits. The technology hall with its innovation demonstration equipment is a unique facility for enterprises in the West Midlands.
- **Development of overall knowledge and skills** - The online survey shows 73.2% of respondents perceived increased technical knowledge. Beneficiaries have observed in many cases that the project/product development could not have gone ahead without support from IIPSI.

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- **The technology base of the region has increased** - SMEs welcome the opportunity to conduct hands-on experiments with innovative technology and in particular have endorsed the benefits of rapid prototyping, low volume manufacturing and additional functionality in their products. 57.1% of those surveyed thought IIPSI had improved the regional technology base.
  - **Improved efficiency in product development** - SMEs agree that development times have been shortened and new products created that might not have happened without IIPSI support.

#### Lessons Learned

- **Sustainability beyond 2015** - Considerable scope exists for continuation of IIPSI activities following agreement with DCLG for use of the IIPSI building in conjunction with the strategically important Advanced Propulsion Centre (APC) initiative that will provide resources to maintain staffing and continuity of IIPSI whilst additional funding streams are leveraged to further enhance future delivery.
- **Mobilisation** - Future projects should build into their planning a clear period of at least 6 months at the outset to fully mobilise staff and establish facilities when the profile of output expectations is limited and aligned to initial resources, before ramping up in later periods.
- **Staff recruitment and retention** - Stability and expansion of the team is desirable to sustain and extend the range of support services provided.
- **Diversified Funding** - opportunities need to be sought to complement the main funding stream and enrich the types of service that might be offered, so that IIPSI is not overly dependent on one source of funding (e.g. ERDF) to sustain the work.
- **Flexibility** - is needed to adapt innovation themes and delivery methods to suit changing needs, especially on a long duration project.

Overall, the IIPSI project is found to have continued relevance, to have successfully achieved its objectives and has fulfilled or exceeded all output, outcome and impact targets.

The main evaluation report consists of sections, organised as follows:

- Summary of the objectives and scope of the evaluation including the approaches used to inform the evaluation.
- An overview of the context, delivery and implementation of the IIPSI project highlighting the objectives and response to Mid-term evaluation recommendations.
- Summary of the main findings of the evaluation, including consideration of the following aspects:
  - The relevance and consistency of the IIPSI project within ERDF, UK and West Midlands policy frameworks.
  - Consideration of the effectiveness of the procedures used to manage the project by WMG.
  - Detailed assessment of the innovation themes, including a consideration of the 'key successes' and some 'key issues'.
  - A detailed consideration of the outputs, outcomes and impacts of the project, including assessment of value for money and whether IIPSI has contributed towards the region's GVA as expected.
  - Consideration of IIPSI legacy and sustainability.
- Summary of the main lessons learned which can be applied to future regional development projects of this type.

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## 2. Objectives and Scope of the Evaluation

### 2.1 Aims of the Commission

The University of Warwick commissioned Loxley Consultancy in September 2013 to carry out an ongoing evaluation service, over the life of the International Institute for Product and Service Innovation (IIPSI) project to deliver a:

- Mid-Term Evaluation (September-November 2013);

and

- Final Evaluation (January-June 2015).

These phases of evaluation had distinct objectives geared to ensuring successful delivery of the IIPSI project and demonstrating its impact on the regional economy. Specifically, the Mid-Term Evaluation sets out 3 key objectives:

- 1. To ensure that the programme was delivering value to the IIPSI user community.**
- 2. To determine if the assumptions made at the outset of the programme remain valid based on current market conditions.**
- 3. To drive the re-alignment of objectives and outputs for the IIPSI programme, where appropriate, to ensure the programme delivers maximum economic impact for the remainder of its time.**

This phase corresponded to a formative evaluation that both demonstrated progress and offered guidance on potential enhancements to delivery in the second phase. In doing this it retained a focus on the core objectives, but also considered the need to start building evidence for sustainability and compared IIPSI with other comparable programmes or organisations.

The Final Evaluation set out a further 3 key objectives:

- 1. To determine the value for money of IIPSI programme interventions, and whether the programme has contributed to the region's Gross Value Added (GVA) as expected.**
- 2. To determine whether the IIPSI programme has improved the region's technology base as expected.**
- 3. To determine lessons learned which can be applied to future regional development programmes.**

This phase provides a summative evaluation that contains commentary and recommendations for sustainability of the initiative.

Underpinning these two phases of evaluation is the conventional ERDF requirement to examine and report on the continued Relevance of the action, the Efficiency, Effectiveness and Consistency of delivery; ultimately showing a positive Impact on the regional economy.

### 2.2 Methodology

The contract involved the sustained provision of evaluation services over three years with clear milestone deliverables. This timeframe has conditioned thinking in terms of devising a methodology that responds to the need to offer a formative mid-term assessment in 2013 that can be progressed in an efficient way towards a final summative evaluation report in 2015.

Successful evaluations are based upon establishing a full understanding of the working brief at the outset, to ensure timely delivery within deadlines. Each evaluation period was, therefore, structured in three stages:

- **Scoping** - Initial consultation with the IIPSI Project Board and Contract Manager to confirm our understanding of the brief.
- **Review** - With sub tasks that cover data gathering, analysis and impact assessments.
- **Reporting** - Maintaining communication on progress and preparing evaluation deliverables.

Understanding of the project has been greatly improved by open dialogue at inception and access to all project documentation. Those discussions confirmed the proposed methodology.

The methodology and approach was based upon use of best practice guidelines and varied tools and techniques to fully understand IIPSI and its context. These include:

- Desk research of available literature related to IIPSI to support statistical analysis and project development.
- Observation assessments of IIPSI delivery, which feed into the appraisal of the impact and likely achievement of IIPSI objectives.
- Fieldwork incorporating surveys, discussions with key partners, stakeholders and beneficiaries to ascertain a perception of the project to validate objectives, value and expectations of the initiative.
- Close co-ordination and frequent communication with the Contract Manager to ensure the evaluation responded to emerging issues and produces timely deliverables.

These components map onto the conventional philosophy for evaluations of funding programmes.

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## Methods of Data Collection and Analysis

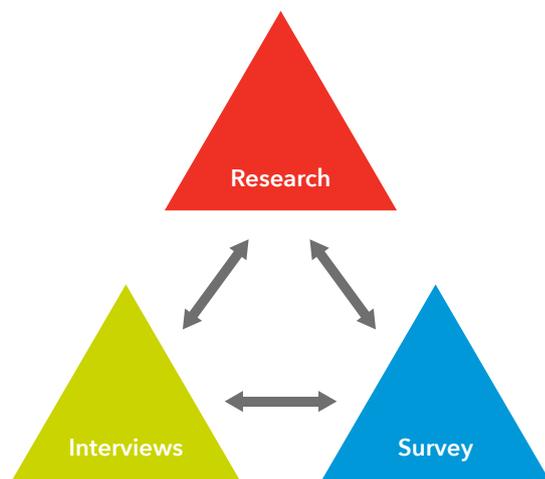
Our approach called for the collection and assessment of varied sources of evidence from key participants, stakeholders and beneficiaries, utilising a triangulation methodology whereby multiple sources of evidence were collected to support conclusions.

Wherever possible the available monitoring data has been used to avoid duplication of effort.

To supplement available documentation (used in the desk research) an online survey has been conducted, addressed to beneficiaries and stakeholders to provide qualitative and quantitative evidence. To encourage free and honest comments, and to reduce the possibility of potential bias being introduced, all responses were anonymous.

The survey confirmed the validity of the respondent and their interaction with IIPSI before exploring:

- The respondent's views regarding the project's outcomes for the individual, their organisation and the West Midlands area as a whole.
- The respondent's views of the impacts of the project.
- Suggestions for 'Lessons learned'.



An invitation to take part in the online survey was issued to ALL beneficiary organisations identified by the IIPSI team as having been engaged with the project at some point in its 5-year period. In total 224 invitations to participate were issued, 16 were undeliverable. Statistics presented here are, therefore, based on the 208 valid issued questionnaires.

In total 56 responses were received, representing an overall 26.9% response rate of those delivered providing substantial coverage of the project beneficiaries; well above average response rates for similar surveys.

In parallel with the online survey, a series of in-depth interviews were conducted (either face-to-face, or via telephone) with Project Board members, key personnel at IIPSI leading the innovation demonstrators and selected SME beneficiaries. Each interview was structured using a set of questions as set out in an interview guide.

The main questions address the views of the interviewee regarding technical and managerial issues of the project as a whole. The issues addressed included:

- An overview of the objectives and perceived success of the project.
- A discussion of the intended outputs or benefits derived.
- The interviewee's views regarding project management issues at all levels.

Additional data gathering associated with project management and administration has drawn information from discussions with key administrative staff at WMG. These discussions have addressed project governance, finance, communication, dissemination and ERDF compliance.

Desk based research utilised a wide range of deliverables, project management reports and spread sheets provided by the University of Warwick's project management team.

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## 3. Context, Delivery and Implementation

### 3.1 Context of the IIPSI Project

IIPSI was established in 2010 at the University of Warwick with funding from the West Midlands ERDF Programme to support SMEs across the West Midlands by offering access to world-leading technology to develop innovative products and services.

The project addressed Priority 1 - Promoting Innovation and Research and Development and in particular Theme 1.1 - Stimulating Business Demand for Innovation and Theme 1.4 - Building Demonstrators.

At that time the West Midlands scored low on the national innovation index, with turnover from innovation companies within the region amongst the lowest of the English regions. It was, therefore, felt that the West Midlands needed an initiative to boost:

- Its R&D capacity and capabilities.
- The competitiveness of its SMEs in key sectors.

In a period of economic downturn regional SMEs were in great need of support to identify and adopt the technologies that would increase their market share and achieve competitive advantage through innovation. With appropriate help the potential of the R&D sector in the West Midlands was seen as a driver of growth.

### 3.2 IIPSI Objectives

From the outset IIPSI developed 5 Objectives; summarised here as:

- Providing basic demonstration followed by an in-depth demonstration to regional SMEs of the opportunities from Digital Innovation, Experience Led Innovation and Polymer Innovation.
- Working with SMEs in an ideas realisation programme (intensive projects) enabling companies to develop new products and services.
- Assisting SMEs to assess the feasibility of collaborative R&D.
- Creating new businesses based on the R&D in the facility, or attracting new businesses drawn by the R&D capability.
- Enable 10% of the SMEs engaged to develop full competence by progressing from no awareness through to completion of R&D feasibility.

The IIPSI project achieved these aims through a “hands-on” approach to demonstrating technology and by providing access to expert support and training. It focussed on 3 key innovation themes for technology demonstrators:

- Polymer Innovation.
- Digital Innovation.
- Experience Led Innovation.

In line with the ERDF programme objectives IIPSI set the following outputs and results targets that feed into the overall West Midlands ERDF Programme delivery.

Outputs	Lifetime Target
ERDF - Employment - Jobs Created [FTE]	64
ERDF - Employment - Jobs Safeguarded [FTE]	140
ERDF - Business - Businesses assisted to improve performance [2 days]	202
ERDF - Business - Business engaged in new collaborations with the knowledge base [2 days]	62
ERDF - Business - Businesses created/attracted to region and surviving 12 months	4
ERDF - Physical - Premises new/refurbished to BREEAM accreditation v good/excellent	2,330 m <sup>2</sup>

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### 3.3 Delivery of IIPSI

The IIPSI project was carried out in two key stages:

1. The construction of a purpose-designed building as the home of the International Institute for Product and Service Innovation.
2. An operational period with an SME engagement programme delivered from March 2011 to June 2015 by the dedicated WMG SME Group

**Construction of the IIPSI building started on site in August 2011 and was completed in September 2012.**

Figure 1 - IIPSI Building Under Construction



Figure 2 - Completed IPSI Building



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The University of Warwick Estates team used its established 'Major Projects' process to manage the design and construction phase. This involved formation of a Project Progressing Group (PPG) to strategically manage the design and construction process for the IIPSI facility. The PPG ensured that the project met the specification, on cost and on time.

The building provides a 2,330sqm dedicated facility with a state-of-the-art technology hall hosting demonstrators and open-plan meeting and office space where SMEs can co-locate to work alongside the IIPSI experts providing knowledge transfer. The building has been awarded the BREEAM (Building Research Establishment Environmental Assessment Methodology) 'Excellent' standard, which rates the sustainability of building design and construction.



Figure 3 - Technology Hall

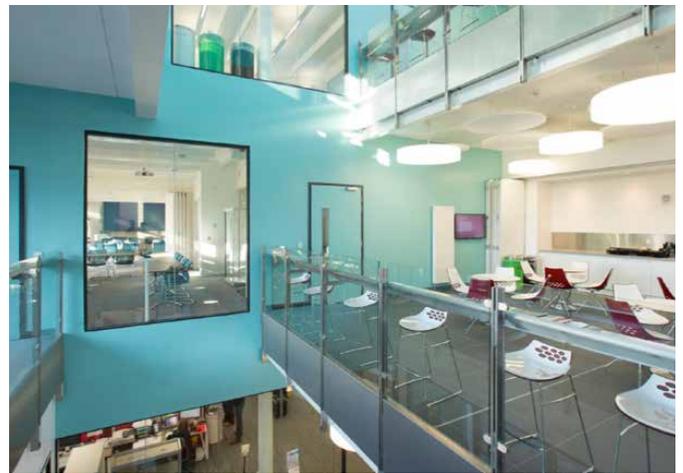


Figure 4 - Internal View of IIPSI Building

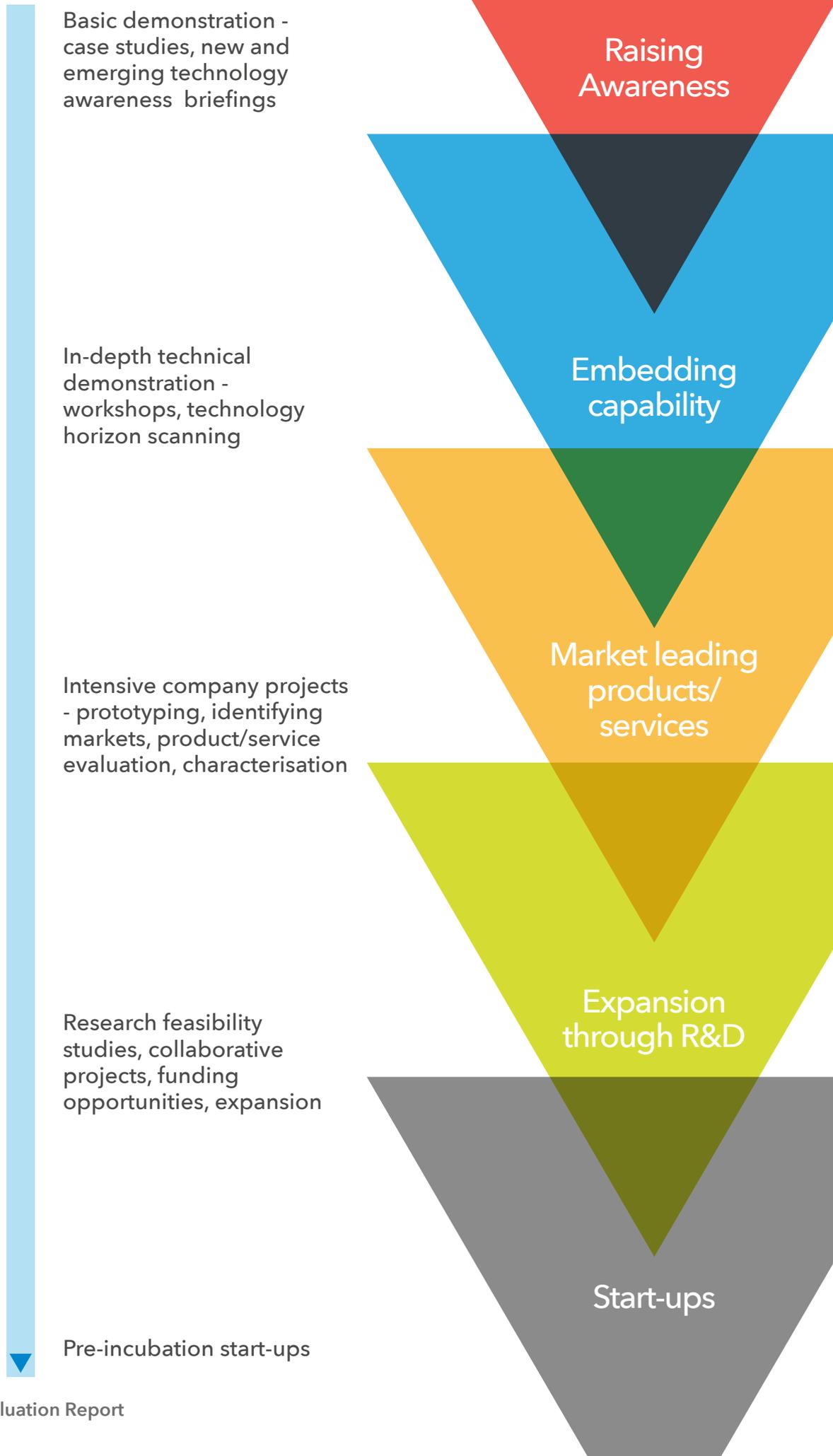
Operational delivery by the WMG SME Group of IIPSI objectives was focussed on:

1. Basic demonstrations and case studies to raise awareness of new and emerging technology (part of the innovation programme).
2. In-depth technical demonstrations, workshops and technical briefings to embed new technology capability (part of the innovation programme).
3. Intensive innovation projects to develop market leading products and services including specialist internships.
4. Research feasibility to drive long term growth and expansion.
5. Pre-incubation start-ups.

The evaluation observed that these actions offer support from early stage ideas through to product realisation and are well matched to the needs of SMEs and innovative entrepreneurs.

Delivery of the IIPSI project followed a logical sequence to meet its objectives as illustrated on page 12, whereby early engagement with enterprises raises awareness of opportunities and shows how additional capability can be embedded. With maturity came more focussed activity on intensive projects for new products/services, offering rapid prototyping, and ultimately collaboration and assistance to identify funding for business expansion.

Figure 5 - IIPSI Delivery Model



The evaluation considers the integrated nature of the IIPSI project is the key to its success.

### IIPSI Technology Themes

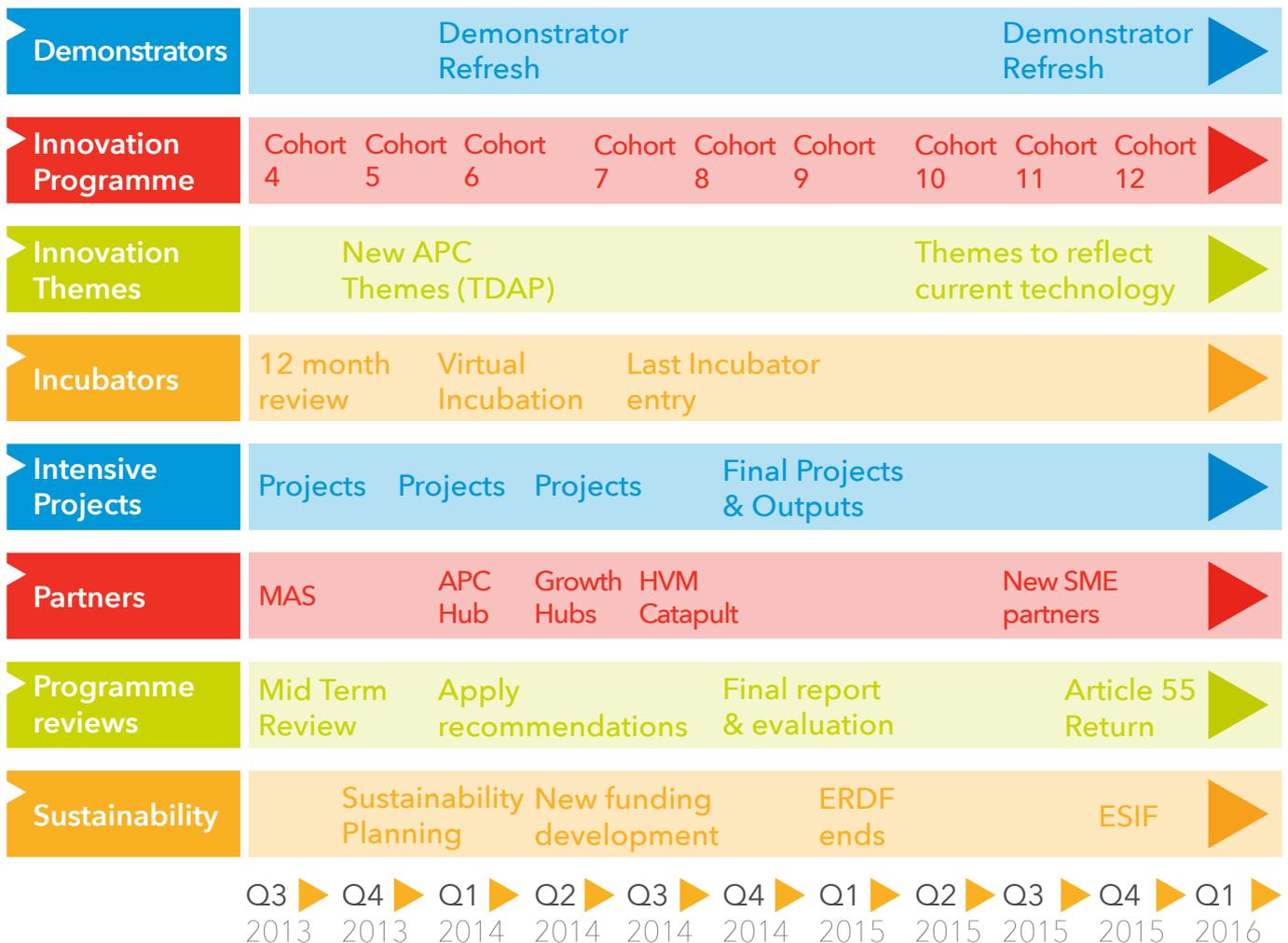
**Polymer Innovation** - Helped businesses look at evolving their products or services by adding ground breaking functionality to plastic parts. The team also supported businesses with prototyping through additive layer manufacturing, advanced materials testing, low volume manufacturing and polymer recycling solutions.

**Experience Led Innovation** - Helped businesses better understand how customer behaviour, experiences and responses can be used to advance new or existing products and services. Practical tools were available to help organisations unlock powerful insights in user behaviour such as ‘customer personas’ and ‘design with intent’. SMEs were supported with guidance and materials to ensure that the ‘user’ or ‘customer’ was factored into the early stages of product development.

**Digital Innovation** - Helped businesses explore how internet based digital technologies could be used to enhance or better deliver products and services. Support was available in data intelligence, cloud solutions, smarter social media and mobile technology. This evolved to using Internet of Industrial Things technology to help businesses improve their equipment’s reliability and developing systems that make industrial and business processes more efficient.

The innovation themes and operational areas have continued throughout the life of the IIPSI project. There has, however, been an evolution in how they were delivered in the Inception Phase I (2011 - 2012) and Delivery Phase II (2013-2015). The first phase clarified business requirements, understood the gaps, developed intervention strategies, conducted pilots and commissioned demonstrators. In the second phase a road map of actions was established to manage each strand leading to a period of intensive business support and intervention.

Figure 6 - IIPSI Phase II Roadmap 2013 - 2015



As the project progressed delivery reached a level of maturity whereby the combined offer can now be visualised as a complementary set of activities built around core competencies.

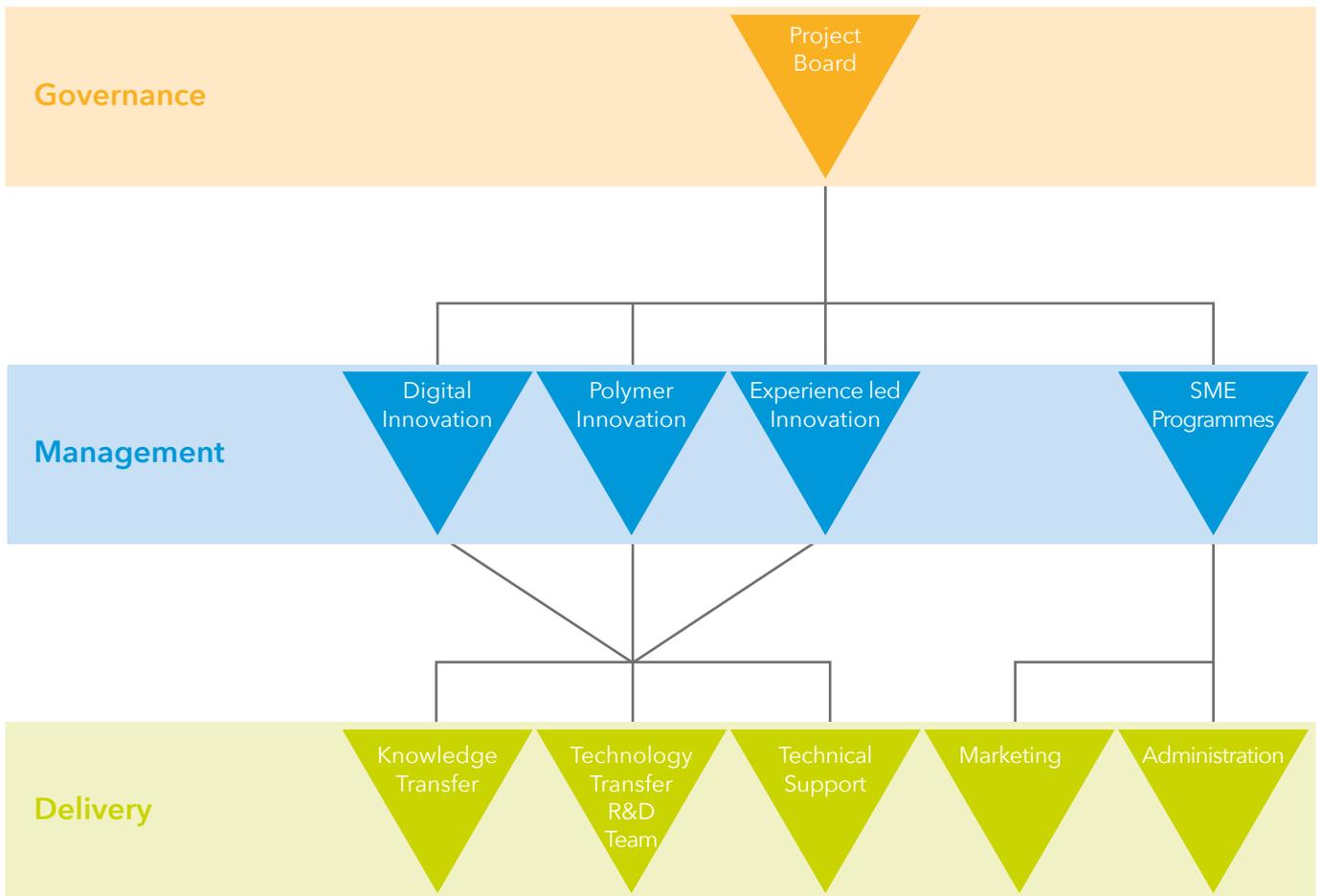
Figure 7 - IIPSI Delivery Phase Core Competencies



### 3.4 Governance and Management

The following diagram illustrates how governance, management, administration and technical delivery fit together.

Figure 8 - Governance, Management and Delivery Structure



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As described in the Project Management Plan (PMP) Governance of the project was provided by the IIPSI Project Board, which comprised a cross section of stakeholders (e.g. WMG, SMEs, West Midlands Manufacturing Consortium / Manufacturing Advisory Service, Coventry & Warwickshire LEP, and DCLG representatives). The Project Board monitored progress of the project against its funding and ERDF output targets to ensure contractual conditions were met. It met on a quarterly basis, received regular reports from the Head of SME Programmes on the status of the programme, and provided a platform for members to discuss industry issues and make contributions in relation to how the IIPSI project could be disseminated out to SMEs in the region.

Day to day management and administration was provided by the WMG SME Group working closely with the innovation theme leader (academic) heads for each innovation theme.

The interaction of the management with the Project Board and delivery teams is well documented in the Project Management Plan. A revision of the PMP took account of the abolition of AWM, updates to operational terminology and revised outputs following contract variation.

Although the IIPSI project did not have a complex consortium that needed to interact it did have specific technical innovation themes that needed coordination, with overall governance, administrative and financial control. An effective management structure was, therefore, essential.

A classic project management structure that fulfils the needs of effective coordination of effort on this ERDF project was implemented. WMG used experience from other EU projects and instigated appropriate systems.

During the initial phase of the project an additional (intermediate) layer of managerial oversight was provided by an Operations Committee to co-ordinate building works and ramp-up of the project. This committee reported to the Project Board and was disbanded following the successful completion of its objectives.

Whilst IIPSI was managed and delivered entirely by WMG it has extended its outreach into the business community by partnering with a range of organisations across the West Midlands and nationally to ensure that the support programme offered at IIPSI was relevant to SMEs, and SMEs benefited from a "joined up" approach to business support services. Included in this collaboration were:

- The Manufacturing Advisory Service who provide manufacturing business support for companies based in England.
- The High Value Manufacturing Catapult a strategic Innovate UK initiative that aims to "bridge the valley of death" within the Technology Readiness Levels (TRLs) and revitalise the manufacturing industry and was implemented, along with six other similar programmes in different sectors, following extensive independent research - notably the Hauser and Dyson reports.

- The MAN Group who are a network of manufacturing companies that share technical excellence in mechanical, electrical and electronic engineering processes, and supply chain best practice.
- Made in the Midlands a business network representing around 250 manufacturing SMEs to further the interests of businesses - specific to manufacturing in the West Midlands.
- Santander Corporate and Commercial Bank who are seeking ways to support SME clients to develop their business.
- Innovate UK that accelerates business innovation by enabling people to share knowledge, ideas and opportunities within and between specific sectors.
- Coventry and Warwickshire Chamber of Commerce who support local business through a wide range of services, including support with export, starting up and training.
- Coventry and Warwickshire Local Enterprise Partnership (LEP), including the Growth Hub, is the guiding force that ensures all private and public sector parties in the region are working together with a common, shared purpose - to make a difference to the economy and increase prosperity.
- Black Country LEP and consortium as the guiding force within the Black Country area, including initiatives such as the Very Light Rail National Innovation Centre, working with SMEs across the sub region.

The evaluation observes that the combination of sound governance, professional project management and collaboration with stakeholders from across the West Midlands business community is a strength of the IIPSI project.

### 3.5 Marketing, Publicity and Business Engagement

#### 3.5.1 Marketing Plan

The IIPSI marketing and publicity plan developed in 2011 set out appropriate objectives to shape communication, engagement, brand recognition and customer service. It identified diverse channels of engagement to reach beneficiaries, which the evaluation has assessed as having been effective.



Figure 9 - IIPSI Channels of Engagement

By Word of Mouth	SME Staff	SME Customers
	SME Investors	SME Suppliers
Via Partner Organisations	MAS	KTN's
	Medilink	Business Links
	Other Projects	Universities
	Grant Funding	Winning Tech
Via Existing University Relationships	WMG	WMCCM, NB2B Other Faculties
Via Existing Groups and Clusters	Bayton Road	Science Parks
	AWM Clusters	Science City
Through eMarketing	Web Presence	Newsletters
	Email Shots	LinkedIn, Twitter
Using Traditional Marketing methods	Advertisements	Birmingham Post
	Direct Mail	Exhibitions

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The marketing plan also set clear messages targeted towards SMEs, external stakeholders and internal stakeholders.

The evaluation considers that the modest budget allocated to these tasks has been used to good effect supporting an extensive cross section of demonstration activities, including workshop events and network briefings that support the projects objectives.

### 3.5.2 Publicity

A strong publicity effort has been undertaken throughout the project's lifetime. Visibility of the project has been achieved through comprehensive media coverage, including:

- **4** Television Interviews, including features of WMG's Additive Layer Manufacturing capabilities on BBC Click and the BBC's One Show. BBC Click on 3D Printing - <http://www.bbc.co.uk/iplayer/episode/b05wdq7y/click-23052015> BBC iPlayer [WMG ALM feature at 21 mins]
- **3** Radio Interviews, including two features on BBC Radio 4's In Business program and a feature on BBC Coventry and Warwickshire named "Made in Coventry and Warwickshire". Interview with Prof Alan Chalmers, Dr Jamie Mackrill and Dr Mark Swift <https://audioboom.com/boos/1956005-made-in-coventry-and-warwickshire> [audio] (BBC Coventry and Warwickshire)
- **110** Articles in Offline and Online Media Publications. Highlights include:
- **Local entrepreneur develops new product with WMG SME Team**

The 'helmet' umbrella you'll never have to wrestle with on a windy day <http://www.dailymail.co.uk/sciencetech/article-2337284/The-helmet-umbrella-youll-wrestle-windy-day-blow-inside-poke-eye.html> (Daily Mail)

- **Dr Mark Swift on challenges facing UK SMEs**

UK firms are coming back from China, but they need more help

<http://www.telegraph.co.uk/finance/businessclub/management-advice/10079388/UK-firms-are-coming-back-from-China-but-they-need-more-help.html> (The Telegraph)

- **IIPSI SME team in jobs creation success**

Jobs joy thanks to team at WMG

<http://www.coventrytelegraph.net/news/business/smes/jobs-created-across-region-thanks-5065972> (Coventry Telegraph)

- **Collaboration between WMG and Midlands Assembly Network**

WMG and MAN Group to create over £1 million in sales and new jobs

<http://www.themanufacturer.com/articles/wmg-and-man-group-to-create-over-1-million-in-sales-and-new-jobs/> (The Manufacturer)

- **Innovation programme for local SMEs launched**

WMG to help SME manufacturers create hundreds of new jobs

[http://www.thebusinessdesk.com/westmidlands/news/382683-wmg-to-help-sme-manufacturers-create-hundreds-of-new-jobs.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=\\_11th\\_Oct\\_2012\\_-\\_Daily\\_E-mail](http://www.thebusinessdesk.com/westmidlands/news/382683-wmg-to-help-sme-manufacturers-create-hundreds-of-new-jobs.html?utm_source=newsletter&utm_medium=email&utm_campaign=_11th_Oct_2012_-_Daily_E-mail) (Business Desk)

- **Karen Drinkwater, Director of JSC Rotational Ltd talks about her experience of working with IIPSI team**

Pick those Brains in Ivory Towers

<http://www.thesundaytimes.co.uk/sto/business/article1320163.ece>

- **25** Press Releases Issued by University of Warwick Communications team over duration of IIPSI project.
- **35** Monthly Newsletter Emails.
- **7** Bi Monthly Newsletter Emails.
- **92** Events including workshops, partner events and conferences.
- IIPSI has been visited by a number of senior ministers and industry figures from across the UK including:
- **Dr Vince Cable**, Secretary of State for Business, Innovation and Skills.
- **Ratan Tata**, Chairman of Tata Motors.
- **Ralf Speth**, Chief Executive Officer, Jaguar Land Rover.
- **Anthea McIntyre**, MEP.
- **Chris White**, MP.
- **Marcus Jones**, MP.
- **David Wright**, Head of Manufacturing at Innovate UK.
- **Kevin Baughan**, Director of Innovation, Innovate UK.
- **Dick Elsy**, Chief Executive Office, High Value Manufacturing Catapult.



Figure 10 - Ministerial Visit June 2013



The importance of IIPSI has attracted attention at a political level; giving rise to a Ministerial visit in June 2013 by Vince Cable, Secretary of State for Business, Innovation and Skills.

The project has continually utilised conferences and exhibitions to disseminate its message and raise awareness of project outputs. Well attended events have included:

Figure 11 - IIPSI Innovation Programme Event October 2012



Figure 12 - Innovation Feast Conference December 2014



Figure 13 - Final Showcase Event June 2015



IPSI has also utilised Awards as a means of recognising outstanding effort and a way to publicise the project. The team awarded six companies for their commitment to innovation and impact in projects they had worked on with IPSI.

## WMG SME Awards



The WMG SME Awards ceremony was a celebration of Small and Medium Sized Enterprises (SMEs) and Interns across the West Midlands that have succeeded in demonstrating Impact and Innovation through projects they completed with the SME Team at WMG, University of Warwick. During a short ceremony on the 10th December a Winner and Highly Commended Award were given in three categories. The winners are outlined below.

[For full details of all of the nominees click here](#)



**Innovation Award - Winner**  
**Hobsons Brewery & Company Ltd**



**Impact Award - Winner**  
**Barkley Plastics Ltd**



**Intern Award - Winners**  
**Dan Beddow & Sarah McDougall, AI Ltd**



**Innovation Award - Highly Commended**  
**Benx Group**



**Impact Award - Highly Commended**  
**Hills Numberplates Ltd**



**Intern Award - Highly Commended**  
**Licinio Ferreira, Wickens Engineering**

In February 2015, IIPSI sponsored the Midlands Business Awards to celebrate the achievements of a range of talented organisations and business people from across the region.

### 3.5.3 Marketing Materials

A wide range of marketing materials has been created to raise awareness of the initiative and showcase the results.

14 videos were produced as part of the IIPSI project, including a final impact film and a number of case studies and animations showcasing particular project outcomes.

These can be accessed by a WMG SME Team YouTube channel:

<https://www.youtube.com/user/wmgsme/videos>

A series of Infographics were produced in 2014 to showcase progress to date on the IIPSI project and then created at the end to highlight impact. They are featured as an Appendix.

The evaluation has observed that all marketing and publicity materials have complied with ERDF programme publicity requirements and branding guidelines.

### 3.5.4 Events Programme

The IIPSI team initiated a comprehensive programme of technology demonstration events, which have attracted over 1,400 visitors to 70 events since October 2012. Events in the last year have included:

- Polymer Innovation Network meeting 'Polymers on the Move' - 30 April 2015.
- Internet of Things meeting focussed on applications in the transport sector - 10 March 2015.
- Innovation Feast - 10-11 December 2014, including a networking dinner, awards presentations and practical hands on workshops.
- Service Innovation workshop - 26 November 2014.
- Coventry Jelly - 21 November 2014 (These meetings for start ups were held every month over a 2 year period).
- Made in the Midlands networking breakfast - 23 October 2014.
- Internet of Things meeting focussed on Health - 14 October 2014.
- Polymer Innovation Network focussed on Polymer Regeneration - 18 September 2014.
- Internet of Things meeting - 29 July 2014.

Events have been used to feed the WMG SME Group's plans to tap into new funded programmes as part of its exit strategy to sustain the IIPSI activity (e.g. the meeting with Coventry and Warwickshire businesses in April 2015).

Figure 14 - IIPSI Events April 2015

## Events

C&W Networking Breakfast



**International Institute for Product and Service Innovation, 21 April, 2015**  
We are currently planning new SME support activity and would like to invite businesses in Coventry and Warwickshire with particular innovation challenges to attend a networking breakfast event. The event is targeted primarily at manufacturing and engineering businesses that are making physical products however we welcome input from other organisations too. It will offer businesses a platform to tell us what support they would like us to deliver.

Polymer Innovation Network



**International Institute for Product and Service Innovation, 30 April, 2015**  
"Polymers on the Move" is the title of our next Polymer Innovation Network event which will be focused on the use of polymer materials in the transport sector. There will be a presentation from WMG's Professor David Greenwood who will talk about future developments in the automotive industry as well as presentations from local businesses.

### 3.5.5 Website and Social Media

A dedicated project website ([www.warwick.ac.uk/iipsi](http://www.warwick.ac.uk/iipsi)) was created to co-ordinate communication and awareness activity. It has developed into a rich resource of information that is easily navigated.

The project website remains the main communication tool containing detailed information on the services provided and case study examples.

The site complements the project's other marketing activities (e.g. bi-monthly Newsletters and social media).

The project has made good use of social media platforms (Twitter, LinkedIn, YouTube, etc) and its web presence to market the initiative.

The IIPSI project communicated to its SME network and stakeholder groups via the @wmgsmes twitter account, which currently has over 1900 followers.

### 3.6 Mid-Term Evaluation

Loxley Consultancy undertook a Mid-term Evaluation of the project covering the period from grant award in 2010 to November 2013. In summary:

**The mid-term evaluation found the IIPSI Project to be performing well with continued relevance and to be on track to successfully achieve, or exceed, its key performance indicators.**

Positive impacts were already emerging for both the beneficiaries and regional economy despite the general economic downturn. Evidence showed the project was safeguarding jobs and giving SMEs the confidence to recruit staff. Knowledge transfer and demonstration of new technology was clearly improving the efficiency of product development and opening new markets for enterprises in the West Midlands.

Lessons learned in the initial phase of the project led to seven recommendations for improving delivery of the initiative and planning for the future.

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International Institute for Product and Service Innovation

**WIMG**  
Innovative Solutions





Recommendation	Response
<p><b>1</b> - Marketing and explaining the IIPSI offer to businesses has been very effective in raising expectations that the project must follow up quickly to retain that engagement and maximise the potential impact the project can have on the regional economy. The project needs to refine and centralise its processes for collating business needs and prioritise requests for support to manage the high demand.</p>	<p>The introduction of the “Bite size” innovation programme has largely addressed this recommendation and a central project assessment process was put in place. IIPSI has been clearer about its “offer” and has introduced an SME charter, which is shown on the project website.</p>
<p><b>2</b> - Attention should be paid to the timing of each IIPSI intervention, as this has important implications for overall success. For example, rigorous guidelines should be implemented to confirm the readiness of an SME to engage in a customised ‘ideas realisation’ project (optimising IIPSI impact); to set appropriate expectations (for both IIPSI and the SMEs) and to avoid premature actions that result in perceived delivery falling short of expectations.</p>	<p>IIPSI has put in place procedures to ensure each project considers timely impact, with timescales agreed ahead of project start. This includes updated “contract” documentation indicating commitments and timing. The SME charter also supports resolution of this recommendation.</p>
<p><b>3</b> - IIPSI needs to decide to what extent the project should be technology driven (i.e. pushing WMG specialist research out to businesses) or be market led (i.e. responsive to business needs). In its present configuration the IIPSI strategy is largely technology driven; matching the objective of raising awareness and giving industry a “Hands-on” experience of cutting edge innovation. This should not only be a component for a sustainability strategy, but also a tactical approach to updating the projects offer in the period 2014-2015.</p>	<p>IIPSI has determined that the core offer is research-led innovation, technology demonstrators &amp; solutions. Initial Diagnostic - now consider a wide range of factors such as understanding customers and markets. A post 2015 review was implemented as part of future sustainability.</p>
<p><b>4</b> - In its plans to continually refresh its range of demonstrators the project should not only add to those in the 3 current technology fields (i.e. Polymer, Digital and Experience Led Innovation), but also keep in mind the possibility to look for complementary areas for future demonstrators, drawing on links with the wider research community in WMG/University of Warwick.</p>	<p>IIPSI has been careful to respect the scope of its contract and has recognised the importance of sticking to its core mission. A review of demonstrator themes for post 2015 sustainability was initiated.</p>
<p><b>5</b> - In developing a sustainability strategy IIPSI should consider expanding its range of support to SMEs by seeking to find synergy with other funding programmes, such as Horizon 2020, Eurostars, COSME, Innovate UK , etc. IIPSI could utilise its links with businesses to raise awareness of EU and National funding opportunities and help SMEs with development of ideas to access these funds and support enabling research within those projects.</p>	<p>The project established a Sustainability Working Group from 27/1/2014 to address this recommendation. The project investigated various funding mechanisms (e.g. European Structural and Investment Fund, Catapult, H2020, etc.) with the aim of submitting bids. Some bids have since been submitted.</p>
<p><b>6</b> - Amendments to the IIPSI contract forecast outputs have been negotiated and agreed with DCLG (January 2013). These are not yet formally signed off, creating a project risk in terms of ongoing monitoring, approval of expenditure and potential audit issues. The Project Board should continue to monitor the contractual status of the project and press the UoW contracts department and DCLG to finalise the procedure.</p>	<p>The project monitored this issue with Warwick Research Support Services successfully coordinating the process of obtaining the sign off.</p>
<p><b>7</b> - The Associate programme should consider a more flexible time frame, extending outside the summer period, to better match emerging SME needs.</p>	<p>The project has put an option in place to offer flexibility, but is constrained by difficulties in sourcing candidates outside vacation times due to education commitments.</p>



The evaluation finds the Project Board and management team have examined these recommendations and, where possible, acted upon them in the final phase of project.

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## 4. Evaluation Findings

This summative evaluation of the IIPSI project was tasked to perform a range of assessments. In brief, these encompassed: ensuring the innovation programme was delivering value to its user community; that the assumptions made at the outset remained valid in the current market conditions and that the activities had delivered maximum economic impact; to determine its value for money and whether the actions had contributed to the region's GVA as expected; to determine whether the innovation programme has improved the region's technology base, and finally to identify lessons that can be applied to future regional development programmes. These components are considered in the following sections.

### 4.1 Relevance and Consistency

The IIPSI project was funded through the 2007-2013 Regional Competitiveness and Employment ERDF Programme for the West Midlands which has stated aims to:

- Raise levels of business investment in research, development and innovation.
- Increase levels of knowledge transfer between these institutions and businesses.
- Improve opportunities for skilled people, students and graduates to contribute to increased economic activity via innovation.
- Improve levels of commercialisation of ideas for new business ventures with the establishment of demonstrator projects.

The investment strategy of the West Midlands ERDF Programme was constructed around priority axes to which the Programme resources are allocated. It was the first of these, **Priority 1 - Promoting Innovation and Research and Development** that was of importance for the IIPSI initiative, which sits within **Theme 1.4 - Building Demonstrators**.

The strategy set by the West Midlands Operational Programme (WMOP) emphasises enterprise, innovation and business competitiveness. The vision identified in the WMOP is:

**For the West Midlands ERDF Programme to achieve a significant increase in the productivity of the business base in the West Midlands; to reduce unemployment and inequalities; and ensure that the region's economic growth is achieved in a sustainable manner.**

Activities undertaken by the IIPSI project are a precise fit with the West Midlands ERDF Programme; delivering knowledge transfer and demonstrator projects that promote productivity, inform businesses about technology, creating an environment in which SMEs can grow (safeguarding and creating jobs) to maximise the benefits of ERDF investment in the region.

The relevance of the programme and project objectives have remained true as the region moved from a period of recession to recovery and growth. SMEs across the region continued to need support, especially in understanding the opportunities technological innovations offer.

Each of the strands of activity within the IIPSI Innovation Programme contribute towards the internal consistency of the project; offering synergy between innovation themes and provide a means to grow engagement with SMEs as they begin to appreciate the variety of additional support on offer.

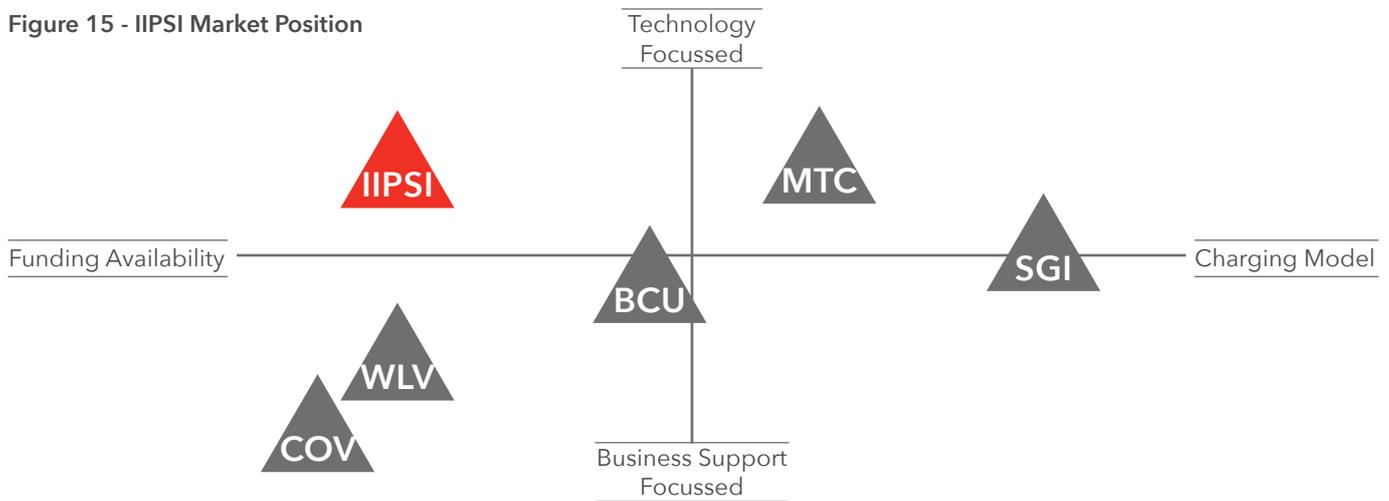
The individual innovation themes within the project avoid overlap or duplication and all are directly relevant to the overall objective.

The project is also complementary to Innovate UK with its support and funding to help business develop new products and services, which is summarised at: <https://www.innovateuk.org/>

Other regions within the UK are also promoting similar technology initiatives through ERDF funding to support local economic development, for example, the High Performance Computing initiative in Wales: <http://www.hpcwales.co.uk/>

Figure 15 indicates IIPSI's market position in relation to funding for SME engagement as well as the nature of the service, technology focussed or business support focussed against similar offerings mainly from other universities in the West Midlands region.

Figure 15 - IIPSI Market Position



Several ERDF funded projects are operational in the West Midlands, for example:

- Wolverhampton University (WLV) with its Innovative Product Support Service (IPSS) project.
- Coventry University (COV) Touch Digital project, Innovation Networks project and Technology and Innovation Futures West Midlands project.
- Birmingham City University (BCU) Chart Project.

Other support initiatives include Manufacturing Technology Centre (MTC) and Serious Games Institute (SGI).

The IIPSI Innovation Programme remains in a strong position within the West Midlands region as other projects are not as comprehensive as IIPSI and in some cases have to charge for the services. Given the emphasis of similar programmes and the specificity of their technology focus, there is little evidence to suggest that the IIPSI project is duplicating activity within the West Midlands. In fact a case could be made for IIPSI activity to be broadened in the future to a UK wide community outside of the West Midlands ERDF programme by tapping into national or more general EU funding streams (e.g. Horizon 2020 Key Enabling Technologies, and European Structural and Investment Funds). The evaluation considers that IIPSI can provide a platform for more intensive work with SMEs through the ERDF mechanism.

A study by the Centre for Cities in 2013 noted that support for innovation was a key priority for the Coventry and Warwickshire Local Enterprise Partnership and crucial to effective policy design to increase the region's economy and rates of sustainable growth. The evaluation concurs with the view that initiatives such as IIPSI are critical to reduce

the barriers facing innovative SMEs and encourage policy makers to continue to strengthen business support. Another study by Regeneris Consulting (2015) for Warwickshire County Council and Coventry City Council has a similar message, warning that business support "is going to change significantly as the current ERDF Programme comes to an end" and sees a need to continue critical services to support SME growth in the key areas of Business Start-up support; Product and Process Innovation; and Access to new markets.

All of which are aspects of the IIPSI project.

IIPSI is recognised as providing an exemplar model for similar interventions that could be implemented across the EU. As such the project team was invited to contribute towards a 5 party Study Group for the European Commission to look at Key Enabling Technologies.

The collaborative structure of the IIPSI project also addresses the desire of innovative small high-technology enterprises in the West Midlands to gain access to high cost facilities to quickly prototype and test ideas to establish markets. It is a springboard for them to find partners for larger projects.

In the evaluation beneficiary survey 78.6% of respondents felt the IIPSI project had increased business collaboration in the region, 71.4% said it was safeguarding/creating new jobs in the West Midlands and 57.1% thought it had improved the regional technology base.

#### 4.2 Overall Effectiveness and Efficiency

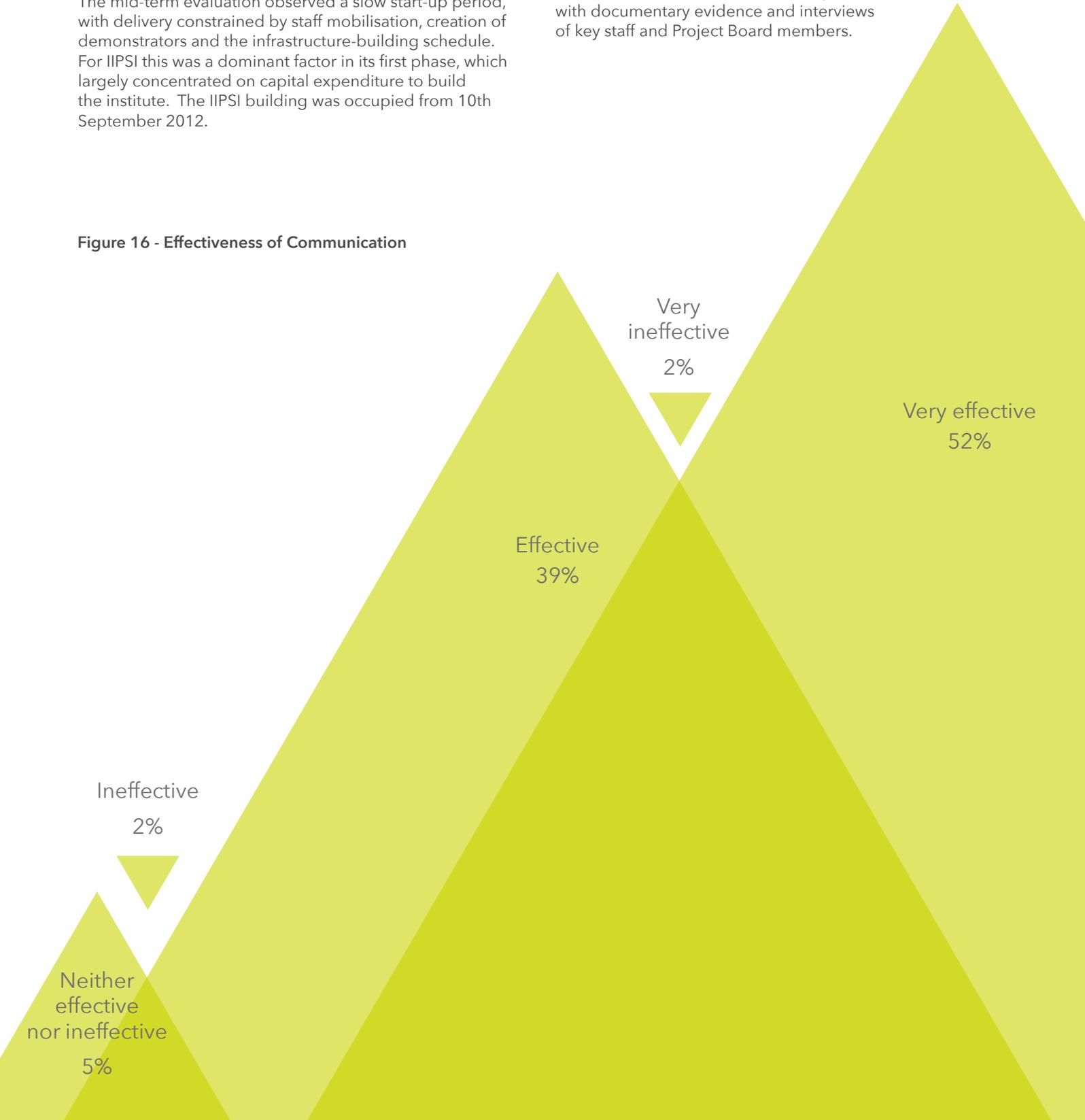
Our assessment of the effectiveness and efficiency of delivery of the project has built on the mid-term evaluation evidence base, repeating the beneficiary survey and gathering evidence from observation of events and discussions with stakeholders.

The mid-term evaluation observed a slow start-up period, with delivery constrained by staff mobilisation, creation of demonstrators and the infrastructure-building schedule. For IIPSI this was a dominant factor in its first phase, which largely concentrated on capital expenditure to build the institute. The IIPSI building was occupied from 10th September 2012.

Once the infrastructure was in place IIPSI demonstrated rapid progress; recovering lost time and delivering outputs that generally exceeded targets.

The evaluation assessment of delivery and immediate impact on SMEs and the regional economy was based on a combination of surveys and interviews with beneficiaries carried out in 2013 and 2014-15, together with documentary evidence and interviews of key staff and Project Board members.

Figure 16 - Effectiveness of Communication



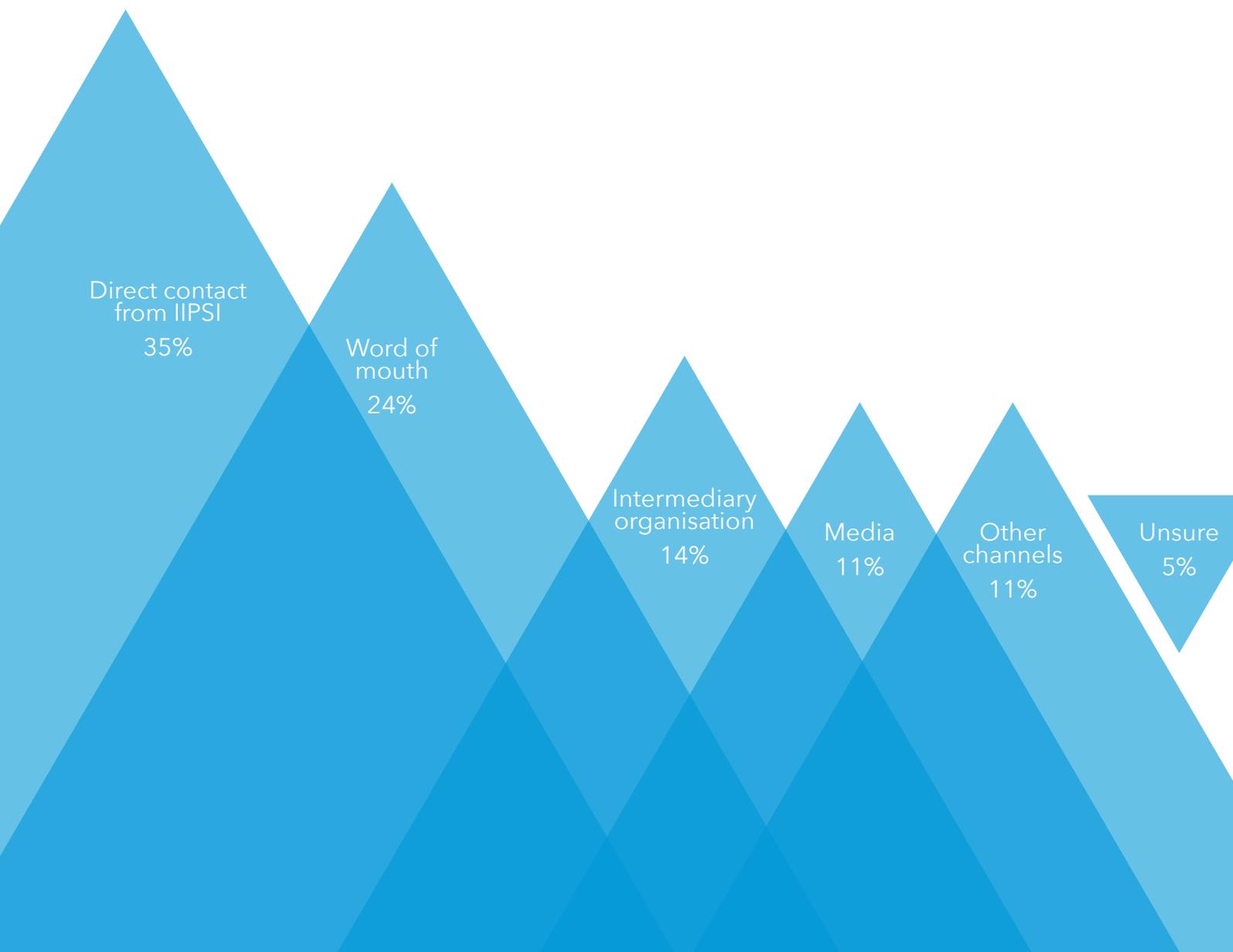
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The evaluation found communication via a range of media was rated highly by SME beneficiaries, with 91% of those responding to the survey agreeing it was effective, or very effective. A few negative responses observed in the early stages were triggered by SMEs who had expectations raised to a level that was not matched by delivery, or where both sides failed to define precise communication processes. This formed the basis for a mid-term evaluation recommendation on procedures to manage SME expectations that has seen improved performance in the last years of the project.

The project made good use of social media platforms (Twitter, LinkedIn, YouTube, etc.) and its web presence to market the initiative. This was supported by good communication and publicity through TV, radio, national and local newspapers, and trade magazines.

The project website was the main communication tool containing detailed information on the services provided and case study examples.

Figure 17 - Awareness of IIPSI Project



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How beneficiaries became aware of IIPSI demonstrates the effectiveness and diversity of communication used. External bodies provided a strong source for initial contact between SMEs and IIPSI with over a third of those responding identifying intermediate organisations (14%) and word of mouth (24%) for their awareness of the project. IIPSI has made good use of complementary strategic enabling partners to generate referrals (e.g. MAS). Such routes are perceived as the most productive in terms of converting initial contacts into practical engagement; which suggests continuation of IIPSI, or future projects of this type should place more emphasis on nurturing such links.

The survey also demonstrated the breakdown of the types of companies that engaged with IIPSI. Figure 18 shows most organisations being small (27%), or micro enterprises (64%) employing less than 50 staff. 7% of beneficiary organisations had a turnover in excess of £10 million.

However, when examining the breakdown of SMEs that worked with IIPSI on intensive company projects (127 out of 206 assists claimed), 51 or 40% of these were companies with over 10 employees.

**Figure 18 - Organisation Size**



1 - 9  
64%

10 - 49  
27%

50 - 249  
9%

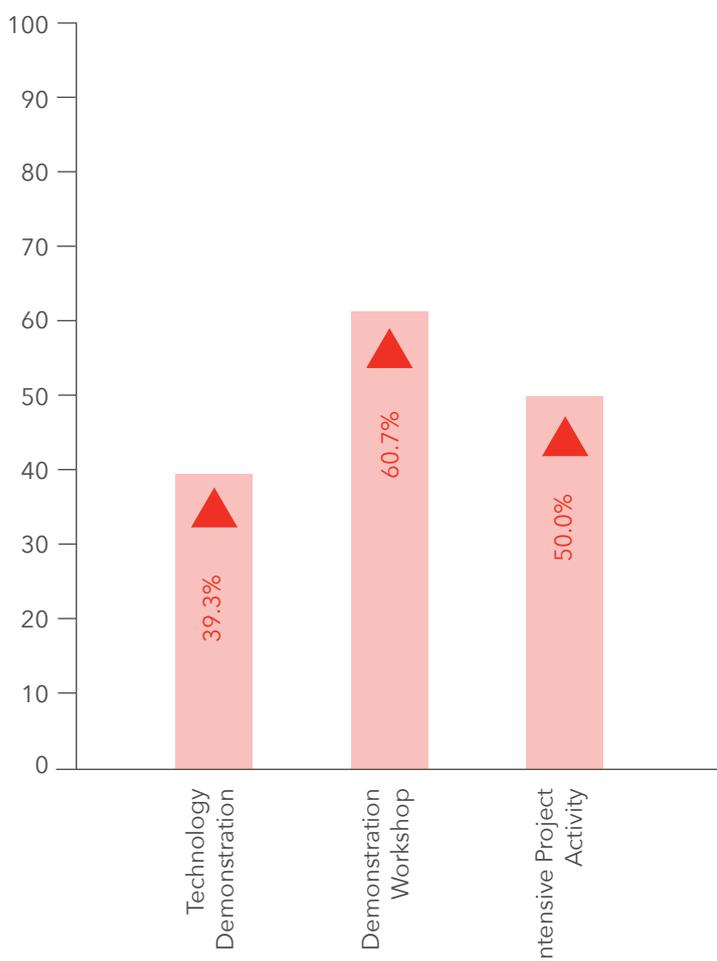
The high proportion of small and micro enterprises involved mirrors their number in the region and experiences in other programmes. The IIPSI project team, however, has commented that engagement with the larger SMEs generates the greatest impact and that the bulk of the intensive projects were with this group.

**The broad appeal of IIPSI should be seen as a positive indicator of success.** The communication and events programmes generated a sufficient volume of referrals for follow up projects. In taking the initiative forward in any follow-up project, consideration should be given to devising procedures that filter applications for support to ensure impact maximisation whilst optimising the efficiency and effectiveness of effort expended on delivery.

All strands of IIPSI activity have received a high level of response from enterprises in the region, which has generated successful outcomes and a constant pool of opportunities for future collaborations. Responses to the evaluation survey (Figure 19) indicate the importance of workshops as a starting point for engagement by enterprises. This is less true in relation to Polymer Innovation where networking meetings generated contacts. In many cases workshop attendees went on to utilise the technology demonstrators, or develop intensive customised projects that can involve graduate internships (Project Associates) to embed the necessary skills. The IIPSI delivery model, therefore, offers a broad level of support to SMEs.

**IIPSI organised events and workshops were highly regarded. Internal monitoring data from each event shows that only 2% of attendees were not satisfied. Almost all attendees (93%) at workshops rated the relevance of the event as very good, or excellent. "An excellent briefing on new technology recent developments" is a typical quote from our interviews.**

Figure 19 - Involvement in IIPSI Activity



The different IIPSI activities have distinct timescales. Some are short interventions (e.g. a Workshop), whilst others (e.g. intensive projects) demand more time and effort. The project team managed to balance these differing demands very effectively. A key lesson learned has been the need to pay close attention to resource allocation between the actions to maximise impacts for the SMEs and region.

Our surveys and interviews show near universal approval by SMEs of the work undertaken in all three innovation themes. It is at a detailed level that differences emerge between themes:

- Polymer Innovation - established effective ways to interact with its SME user base through the Polymer Innovation Network from its successful inaugural event in October 2013. In the second phase of the IIPSI project greater resources were allocated to customised company projects and internships rather than workshops. This approach maximised use of the Technology Hall facilities, which SMEs see as a very valuable resource.
- Digital Innovation - provided basic knowledge enhancement actions. An increase in the volume of customised company projects and internships in Phase II of the project has delivered impact amongst SMEs. As with PI SMEs greatly value the benefits obtained from these actions, which they clearly feel would never be realisable from their internal capabilities alone.

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- Experience Led Innovation – SMEs see this innovation theme as the project shop window. Practical tools were available to help organisations unlock powerful insights in user behaviour such as ‘customer personas’ and ‘design with intent’. These training actions and the demonstrators around the Institute should be maintained in any future project.

#### 4.2.1 Project Management

Consideration of the effectiveness of the procedures used to manage the project by WMG has examined the relationships between the various tiers of project management; communication with SMEs and internal communication between the project delivery teams.

Administrative procedures have worked well, with timely delivery of information and financial reporting to DCLG. The project successfully processed its Statements of Expenditure claims in an efficient way (e.g. within a week of period end) with a rigorously implemented schedule for claim preparation and checking.

The project has successfully undergone two Article 13 visits (18-19/08/11 and 20/03/13) and an Article 16 audit (09/10/12).

Detailed co-ordination and risk management of the IIPSI building phase was provided by an Operational Committee, which is an exemplar model for other projects.

Perceptions of project management and project communication (internal and external) were considered during evaluation interviews. These confirmed management structures have worked well and that beneficiaries perceive this aspect of the project to be good, with approachable and helpful staff. None of the beneficiaries suggesting that IIPSI project management was ‘ineffective’.

Regular project team meetings have provided an appropriate level of cohesion across the project.

The project has greatly benefited from the extensive experience of WMG in creating outputs and technical deliverables from large scale SME-facing Programmes (e.g. Digital Lab projects) to evidence outputs.

**Our evaluation finds that IIPSI has put in place appropriate procedures and processes to administer the project in accordance with ERDF criteria.**

#### 4.2.2 Procurement Procedures

Procurement decisions have been thought through, well managed and documented. Procurement activities followed a transparent process, utilising eTender portals to gain maximum coverage. For example, the project management contractor for the construction of the IIPSI building was selected according to an EU/OJEU compliant process.

IIPSI management demonstrated a pragmatic approach to procurement. This included commissioning an independent evaluation service, using an open procedure to contract an ongoing service for the life of the project. The procurement took into account the need to delay by 8 months the midterm evaluation to better align the action with project activity and outputs to guide the second phase of the project.

A slight negative, for staff and beneficiaries alike, is the inevitable restriction some procurement procedures place on rapid response times. Examples include: the need to obtain at least 3 tenders for procurements, and the time to contract interns. Procurement of materials and equipment caused delays when creating demonstrators, but this complexity is an ERDF requirement that cannot be circumvented.

#### 4.2.3 Opinions on the Themes

The following pages contain one page overall assessment of activity in each innovation theme, highlighting progress against targets, key successes and issues that merit attention. In each case we have observed substantial activity that addresses the project objectives with significant successes.

In any future project of this type WMG is encouraged to maintain a thematic structure with innovation themes closely aligned with SME needs and WMG/University research activity in the technologies and industries relevant to the West Midlands Region. It is clear that WMG and University of Warwick departments are undertaking major pieces of research, the outcome of which could be communicated to SMEs in the region. For example, the region has a strong automotive sector and work done on low carbon technology might form the basis for future work as an important step in establishing a programme of sustainable growth for the Institute.

<b>Assessment of: Polymer Innovation Theme (PI)</b>	
<p><b>Key objectives</b></p> <p>To develop a range of hands-on demonstrators that can be adopted and used by SMEs across the product development lifecycle. In particular:</p> <ul style="list-style-type: none"> <li>• Demonstrate technologies, materials and processes that allow SMEs to develop new products.</li> <li>• To offer an innovative range of demonstrators which are different to other commercially available services.</li> <li>• Provide access to cutting edge equipment, facilities and expertise that would otherwise be out of reach to SMEs.</li> </ul>	<p><b>Achievement</b></p> <p>All key objectives have been achieved.</p> 
<p><b>Key outputs</b></p> <p>A suite of technology demonstrators cover:</p> <ul style="list-style-type: none"> <li>• Adding functionality to plastic parts - For example, using a Hybrid Nano Additive Layer Manufacturing Inkjet Machine.</li> <li>• Gaming seat - using electroluminescent materials applied to an existing product to add value and diversify its application.</li> <li>• Re-use and recovery of polymers - Twin Screw Extruder Machine.</li> <li>• Polymer innovation display case - showing materials, prototypes and products highlighting the vast array of capabilities available to SMEs in polymer technology.</li> <li>• Low volume manufacturing - highlighting opportunities for SMEs to create their own tooling inserts for low volume, niche manufacturing.</li> </ul>	<p><b>Delivery</b></p> <p>Major outputs have been realised as expected by SMEs.</p> 
<p><b>Key Success</b></p> <p>Technology adopted and used successfully by West Midlands SMEs to develop new products. For example:</p> <ul style="list-style-type: none"> <li>• Creation of in mould decoration manufacturing process for vehicle number plates - Goodfish.</li> <li>• Development of low volume manufacturing solution to bridge the gap between prototype and mass production - Barkley Plastics/Stridez Ltd.</li> <li>• Additives to allow use of recycled, contaminated polymer waste - Exilica, Boomerang Plastics, JSC Rotational.</li> <li>• Assistance with initial product design and low volume manufacturing for a range of products manufactured by Barkley Plastics which are now on sale in high street stores. Working with IIPSI has allowed this SME to win a large contract that has added value to their business.</li> </ul>	
<p><b>Key Issues</b></p> <p>No major issues exist. However, constraints on optimal IIPSI service delivery occurred due to:</p> <ul style="list-style-type: none"> <li>• Access limitations to University/department facilities outside of the IIPSI technology hall.</li> <li>• Project timescales that are difficult to guarantee to clients accurately.</li> <li>• Project initiation procedures, such as procurement of specialist materials that do not always allow a quick response from the PI team.</li> </ul>	
<p><b>Legacy and value added</b></p> <p>Creation of a unique Technology Hall facility for use by regional SMEs, with technologies ranging from commercially-ready additive manufacturing, compounding and injection moulding machines, through to research-led capability in printed electronics.</p>	



<b>Assessment of: Digital Innovation Theme (DI)</b>	
<p><b>Key objectives</b></p> <p>To develop a range of hands-on demonstrators that can be adopted and used by SMEs. In particular promoting DI research to support:</p> <ul style="list-style-type: none"> <li>• New business models and value-creating service systems of people, product, service and technology.</li> <li>• Advanced Metrology, Human Machine Interface (HMI), and Design Validation.</li> <li>• e-business models, cloud applications for SMEs, and creating ontologies' for smarter organisational systems.</li> <li>• New digital media services from vision, to strategy, to roll out.</li> </ul>	<p><b>Achievement</b></p> <p>All key objectives have been achieved.</p> <div style="text-align: right;"></div>
<p><b>Key outputs</b></p> <p>A suite of technology demonstrators cover:</p> <ul style="list-style-type: none"> <li>• Data to Intelligence - to support business decisions, identify market opportunities and help businesses grow.</li> <li>• Smarter Social Media - to identify new business opportunities.</li> <li>• Cloud for Business - using cloud applications to support more efficient business operations.</li> <li>• Mobile for Business - case study of mobile applications.</li> <li>• Decision Support Room - space for SMEs to experiment with complex decision making and to experiment with visualising their own data.</li> <li>• Internet of Things - connecting physical objects to the Internet providing new functionality to existing products and services.</li> </ul>	<p><b>Delivery</b></p> <p>Major outputs have been realised as expected by SMEs.</p> <div style="text-align: right;"></div>
<p><b>Key Success</b></p> <p>The Digital Innovation team has several success stories documented in case studies. For example:</p> <ul style="list-style-type: none"> <li>• A partnership with Google to support SMEs with the latest business management tools.</li> <li>• Enabling Hobsons Brewery to develop robust smartphone-ready waterproof NFC tag to track beer casks that has resulted in a business opportunity to commercialise the new system.</li> <li>• Using cloud solutions and smartphone technologies to streamline operations at Yellow Jersey Delivery, securing survival of the business and safeguarding eight jobs in the region.</li> <li>• For Strand Hardware Ltd the team upgraded the company's customer relationship management system using a web-based application so that the new system allows the sales team to plan and optimise journeys effectively, saving time and increasing efficiency.</li> <li>• The team succeeded in helping Lightwave RF Plc win a £495,000 SBRI collaborative research competition. The project tested the company's smartphone-controllable heating system in a University commercial building.</li> <li>• The team also hosted a popular quarterly Internet of Things evening event, which brought SMEs and academics together to share knowledge and experience on this emerging theme.</li> </ul>	
<p><b>Key Issues</b></p> <p>The theme has worked well. A lesson for future engagement in this area is the importance of integration with University wider teams to broaden its scope and provide leadership for projects.</p>	
<p><b>Legacy and value added</b></p> <p>Creation of a delivery space in the IIPSI building where hands-on demonstration of digital technology can be provided to regional SMEs, with other examples scattered around the facility.</p>	

Assessment of: Experience Led Innovation Theme (ELI)	
<p><b>Key objectives</b></p> <p>To develop a range of hands-on demonstrators that can be adopted and used by SMEs and support:</p> <ul style="list-style-type: none"> <li>• People centred innovation to demonstrate how users’ experiences and emotions can be captured and factored into the design of products and service environments.</li> </ul> <p>ELI aims to develop practical tools, such as customer ‘persona’ workshops, to help SMEs better meet customer needs when developing new products and services and demonstrate the benefits of putting customers at the centre of innovation in their businesses.</p>	<p><b>Achievement</b></p> <p>All key objectives have been achieved</p> 
<p><b>Key outputs</b></p> <p>A suite of technology demonstrators cover:</p> <ul style="list-style-type: none"> <li>• Visitor Experience Mobile Technology - interface for visitors to use when visiting the building.</li> <li>• Exhibition Stand - illustration of interactive exhibition space developed with Mayridge Ltd.</li> <li>• ELI Toolkit - methodologies and best practice to support product and service design from a user centred perspective.</li> <li>• Bayard’s Colts - brings together IIPSI demonstrator themes to create an exhibition for Digital Native Academy Ltd to engage younger audiences.</li> </ul>	<p><b>Delivery</b></p> <p>Major outputs have been realised as expected by SMEs.</p> 
<p><b>Key Success</b></p> <p>The theme has successfully demonstrated the importance of considering the customer in the early stages of product development and how engaging with your customers more effectively can bring about new opportunities and growth. The ELI team has several success stories documented in case studies. For example:</p> <ul style="list-style-type: none"> <li>• Mayridge Ltd provides a fully integrated approach to live events and exhibiting worldwide. Using the ELI tool ‘Design with Intent’ they developed a better understanding of how groups attending exhibitions behave and interact. The collaboration has fundamentally changed the way the company works, creating five new jobs and safeguarding 12.</li> <li>• Pashley Cycles worked with IIPSI on an ELI project to discover better ways to work with their distribution and retail network, leading to new opportunities to build brand awareness and communications direct with end users,</li> <li>• For Cornpoppers Ltd the team identified ways that a new popcorn product could be developed to better meet customer needs leading to a number of jobs being safeguarded in the business.</li> </ul>	
<p><b>Key Issues</b></p> <p>No major issues exist. Future projects, however, should be aware of a need to constantly seek ways to refresh the demonstrators and expand coverage.</p>	
<p><b>Legacy and value added</b></p> <p>Creation of a designated delivery space in the IIPSI building where hands-on demonstration of technology can be provided to regional SMEs, with other examples scattered around the facility.</p>	

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#### 4.2.4 Operational Areas

The extent to which the key operational areas have addressed the 5 delivery project objectives is quantified in the table below. In total IIPSI assisted 206 businesses, the breakdown of how companies were assisted can be seen below.

	Number
Basic demonstration	1,400
In depth demonstration projects	75
Intensive company projects	127
New businesses	5
SMEs completing R&D feasibility	20

The figures reflect completed actions claimed up to the end of June 2015.

It is worth highlighting that in addition to the 75 assists claimed from in depth workshop attendance, over 1,400 companies attended events, one day workshops and demonstrations at IIPSI throughout the duration of the IIPSI project. There was continual substantive demand across the West Midlands.

**Overall, the level of activity in each operational area and technology theme is impressive given the resources and timeframe in which the activities have occurred.**

In total the IIPSI project delivered 92 workshops and events that covered all three themes, 56 in the Innovation Programme, 4 summer networking event, 3 consultation events and 2 major conferences including the Innovation Feast Event and the Minerva Annual Conference as well as 21 partner conferences with groups such as Coventry and Warwickshire LEP, the Institute of Directors and Made in the Midlands hosted at IIPSI and a further 8 workshops on behalf of partner groups such as the British Computer Society, Stour Enterprise Centre and the WBS Warwick Business Growth Network.

Other regular activities have included:

- **Coventry Jelly** - IIPSI has hosted monthly informal co-working events where freelancers, home workers and small/micro business owners can work, chat and collaborate.
- **Internet of Things** - This group has over 400 members and IIPSI has hosted 8 of these DI managed meetings which also cover other IIPSI themes. More information about this group can be found here: <http://www.meetup.com/IoTMidlands/>
- **Manufacturing Marketers Meet-Up** - IIPSI has hosted meet up activities specifically for marketing professionals in the manufacturing sector.
- **Polymer Innovation Network** - IIPSI has over 60 members and hosted 5 meetings since this activity was launched in October 2013.
- **Manufacturing Advisory Service New Product Development Panel** - A monthly panel session where entrepreneurs and manufacturers pitch to the MAS NPDP panel to gain support for their product.

### 4.3 Outputs, Outcomes and Impacts

The IIPSI project management team at WMG monitored the following outputs and outcomes:

- **Jobs created** - Measured as Full Time Equivalent.
- **Jobs safeguarded** - Measured as Full Time Equivalent. When a job is forecast as at risk when the project or project intervention was approved, is still in existence at the time of counting, and is no longer at risk of being lost within a year.
- **Business assists** - When a business has received a minimum of 2 days active consultancy advice or other non-financial assistance, or a minimum £1,000 grant or equivalent. Within a project a business can only be counted once whereas within a programme a business may be counted each time it receives assistance through a different project or intervention strand.
- **Businesses engaged in new collaborations with the knowledge base** - When a business has received a minimum of 2 days support.
- **Businesses created and/or attracted to the region** - Measured when surviving 12 months.

The table below summarises the **targets for each indicator** (incorporating adjustments agreed) and the out-turn values and **percentage success rates achieved** (June 2015).

Outputs	Lifetime Target	Number Achieved	% Achieved
ERDF - Employment - Jobs Created [FTE]	64	69.75	109.0%
ERDF - Employment - Jobs Safeguarded [FTE]	140	169.5	121.1%
ERDF - Business - Businesses assisted to improve performance [2 days]	202	206	102.0%
ERDF - Business - Business engaged in new collaborations with the knowledge base [2 days]	62	126	203.2%
ERDF - Business - Businesses created/ attracted to region and surviving 12 months	4	5	125.0%
ERDF - Physical - Premises new/ refurbished to BREEAM accreditation v good/ excellent	2,330 m <sup>2</sup>	2,330 m <sup>2</sup>	100.0%

IIPSI has successfully met or exceeded all its targets.

### 4.4.1 Construction of IIPSI Building

The IIPSI building was commissioned and constructed to high environmental standards; achieving BREEAM Excellence in 2012. The building and its facilities provide a lasting legacy that the evaluation recommends should be further nourished and maintained. Beneficiaries agree, with typical comments highlighting the fact that:

**“IIPSI is a great facility, with knowledgeable staff, its remit should be expanded to help get products sold in world markets.”**

### 4.4.2 Technology Demonstrators

IIPSI provides practical demonstrations of how product and service technology can be applied to a small business. A range of demonstrators was implemented within the IIPSI building that highlight innovative tools, applications, methods and equipment based on WMG research that can be used by small businesses.

**Demonstrators have included:**

- **Profiled Company Cases Studies** that show how innovations can be used by SMEs.
- **Data to Intelligence** animated case study explaining how data can be used to make better business decisions, identify new market opportunities and help your business grow.
- **Smarter Social Media** animated case study explaining how social media activity can be planned, implemented and managed in a strategic and innovative way to identify new business opportunities.
- **Cloud for Business** animated case study demonstrating how cloud business applications can be configured and developed to support more efficient business operations.
- **Mobile for Business** animated case study explaining the process of developing a mobile application for specific business needs.
- **Decision Support Room** space for SMEs to experiment with complex decision making from complex, multiple web based data sets and to experiment with visualising their own data.
- **Internet of Things** linking the International Institute for Product and Service Innovation with the digital eco-system.
- **Visitor Experience Mobile Technology** to showcase and explore how mobile technology can be used to achieve engagement and user dialogue goals by taking an experience led design approach.
- **Exhibition Stand** physical experience illustrating how experience led innovation can be applied to increase footfall and enrich an exhibition experience. A large-scale interactive and intuitive exhibition space that was developed in collaboration with Mayridge Ltd.

- 
- **Experience Led Innovation Toolkit** a collection of methodologies and best practice design approaches to support businesses with designing products and services from a user centred perspective. A business-friendly bridge to adoption of experience led innovation design principles.
  - **Bayard's Colts** demonstration of how all three of IIPSI's themes are inter-related to achieve innovation and engagement goals.
  - **Elvin** display of electric vehicle Elvin, which was used in research projects to highlight the challenge of sensory inputs such as sound engineering specifications.
  - **AV Control Interface** demonstration to show how the everyday functions of IIPSI have been developed with a user focussed approach in mind. It addresses issues connected with poor user design interfaces.
  - **Adding Functionality** to Plastic Parts a hybrid nano additive layer manufacturing inkjet machine.
  - **Gaming Seat** demonstration of how electroluminescent materials can be applied to an existing product to add value and diversify its application.
  - **Re-use and Recovery of Polymers** twin screw extruder machine.
  - **Polymer Innovation Display Case** display of materials, prototypes and products highlighting the vast array of capabilities available to SMEs in polymer technology.
  - **Low Volume Manufacturing** demonstrator highlighting opportunities for SMEs to create their own tooling inserts for low volume, niche manufacturing. Low cost options for diversifying into new markets and experimenting with new capabilities.

These demonstrators are a valuable and effective means of transferring knowledge.

#### 4.4.3 Value for Money of IIPSI Programme Interventions

One of the aims of the final evaluation was to determine the value for money of IIPSI programme interventions, and whether the programme has contributed to the region's Gross Value Added (GVA) as expected. The evaluation has, therefore, sought to quantify the economic benefits derived from the IIPSI project and in doing so has focussed assessment on employment benefits.

Best practice guidance demands that to calculate the total net additional local effects of the IIPSI project, adjustments need to be made to reflect: **leakage, displacement and multiplier effects**. We have, therefore, used reference rates to reflect:

- Minimal leakage (5%) as the majority of benefits will go to the target area/group;
- Displacement effects, although only to a limited extent (25%); and
- Average composite multiplier (Regional level) linkages (1.6).

These parameters together with an estimated GVA of £67,802 per job filled were used in the grant application and the evaluation considers them to be appropriate in assessing whether IIPSI has contributed to the region's GVA as expected.

Applying the additionality calculation to employment benefits from the 69.75 FTE jobs created and 169.5 jobs safeguarded **represent £16,883,715 in annual income for the regional economy**, which exceeds that expected at application (£15,255,450).

Our calculation takes a conservative value for GVA per job filled. A very negative economic climate existed in the regional economy when the project started, which slowly improved in the second half of the IIPSI project period. IIPSI has, therefore, performed well in reaching its targets.

As expected the jobs created or safeguarded by IIPSI can be characterised as being in R&D sector activities that attract a higher GVA valuation than for jobs in the region as a whole. The evaluation has compared the estimated £67,802 per job filled in the grant application with more recent estimates for relevant sectors. For example, a KPMG study of "The UK Automotive Industry and the EU" published in April 2014 shows GVA per job in the sector up from an average of £40,000 in the late 1990s to an average of **over £75,000** between 2010 and 2013. Another study on the "Information Economy: Economic Estimates 2013" jointly published by e-Skills UK, Intellect and BCS estimates that a **GVA of £99,000** per worker in the Information Economy is more than double the industry average (£47,000).

**Had the evaluation applied these more recent estimates of GVA the IIPSI project would be seen to have significantly exceeded its expected impact on the regional economy.**

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Additional financial benefits for beneficiaries across the region have been identified. These include:

- Working with Birmingham based Thermotec Plastics to develop a new product offering for the automotive and aerospace markets that is worth **£1.5 million in new turnover** for the business.
- Midlands Assembly Network - a consortium of ten world class manufacturers based in the West Midlands announced that by working with IIPSI on a number of research led innovation projects, including the development of novel prototypes, materials analysis and the capture of funding for capital equipment they have **boosted sales by over £1 million** and expect to create more than ten new jobs.
- Birmingham based LightwaveRF has secured **£495,000** in support from the UK's innovation agency, Innovate UK for an innovative wireless Heating Micro-management System.

The value of IIPSI activity is also recognised through external awards for excellence. Examples include:

- Mudhugger winning the **design and innovation award for new products** sponsored by mountain biking magazine Enduro.

Figure 20 - Mudhugger



- 
- Thermotec Plastics winning a **Manufacturing Achievement award** for their work with IIPSI at the Made in the Midlands Awards in October 2014.

Figure 21 - Thermotec Plastics



#### 4.4.4 Impact on the Region's Technology Base

The impact of quantitative results on the regions technology base is supported by evidence from the online survey and interviews of beneficiaries that show organisations perceive a range of benefits.

Figure 22 - Benefits to Organisation from IIPSI Involvement

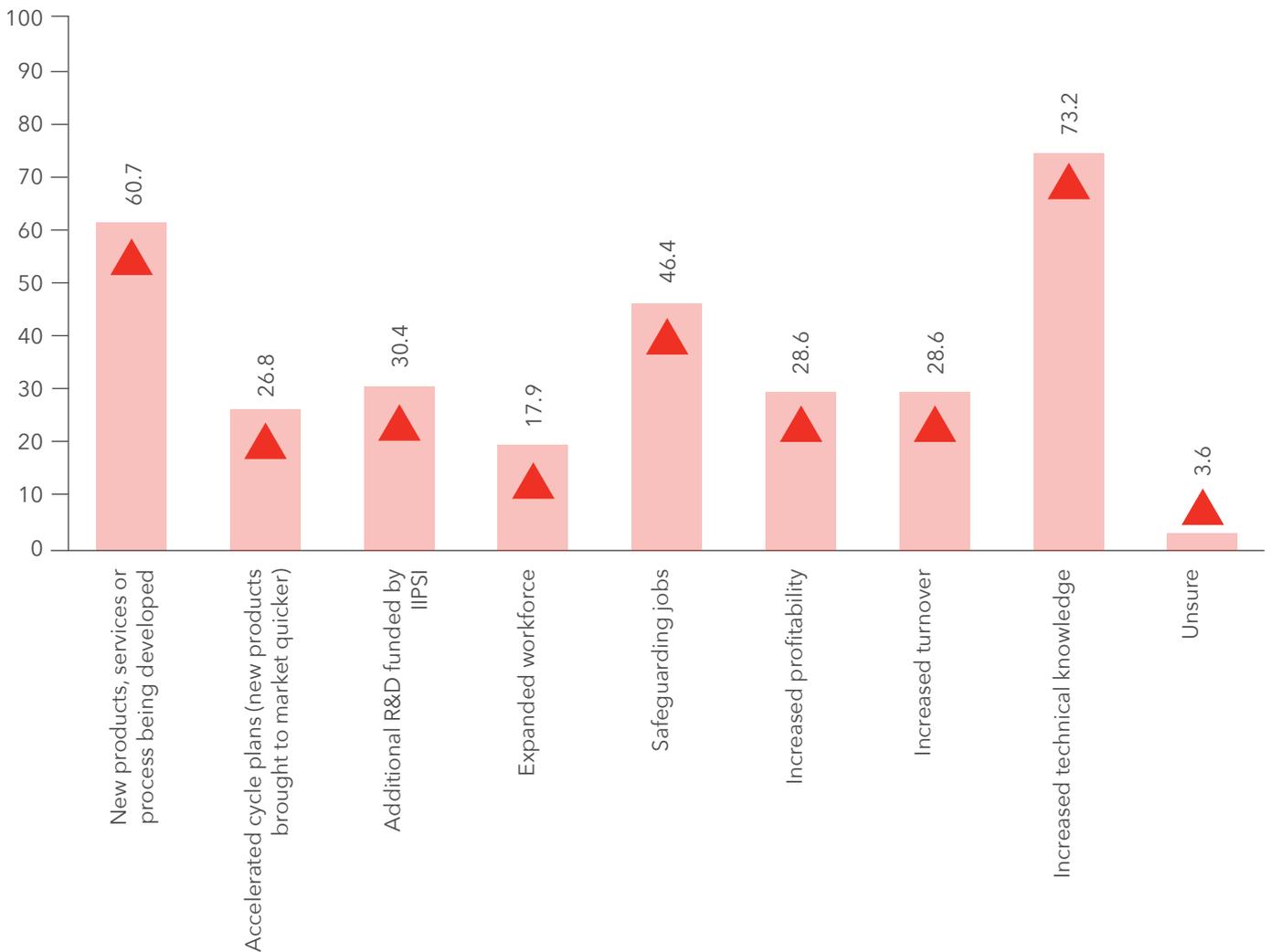


Figure 22 summarises the benefits, which the respondents believe the project has delivered to their organisation. Of particular note are the high proportions (73.2%) that identify increased technical knowledge and the 60.7% who have seen new products, services, or processes developed as a result of working with IIPSI. Value added to regional activity is also seen through reported increased profits and turnover for over a quarter of the enterprises.

Figure 23 - Personal Benefit from IIPSI Involvement

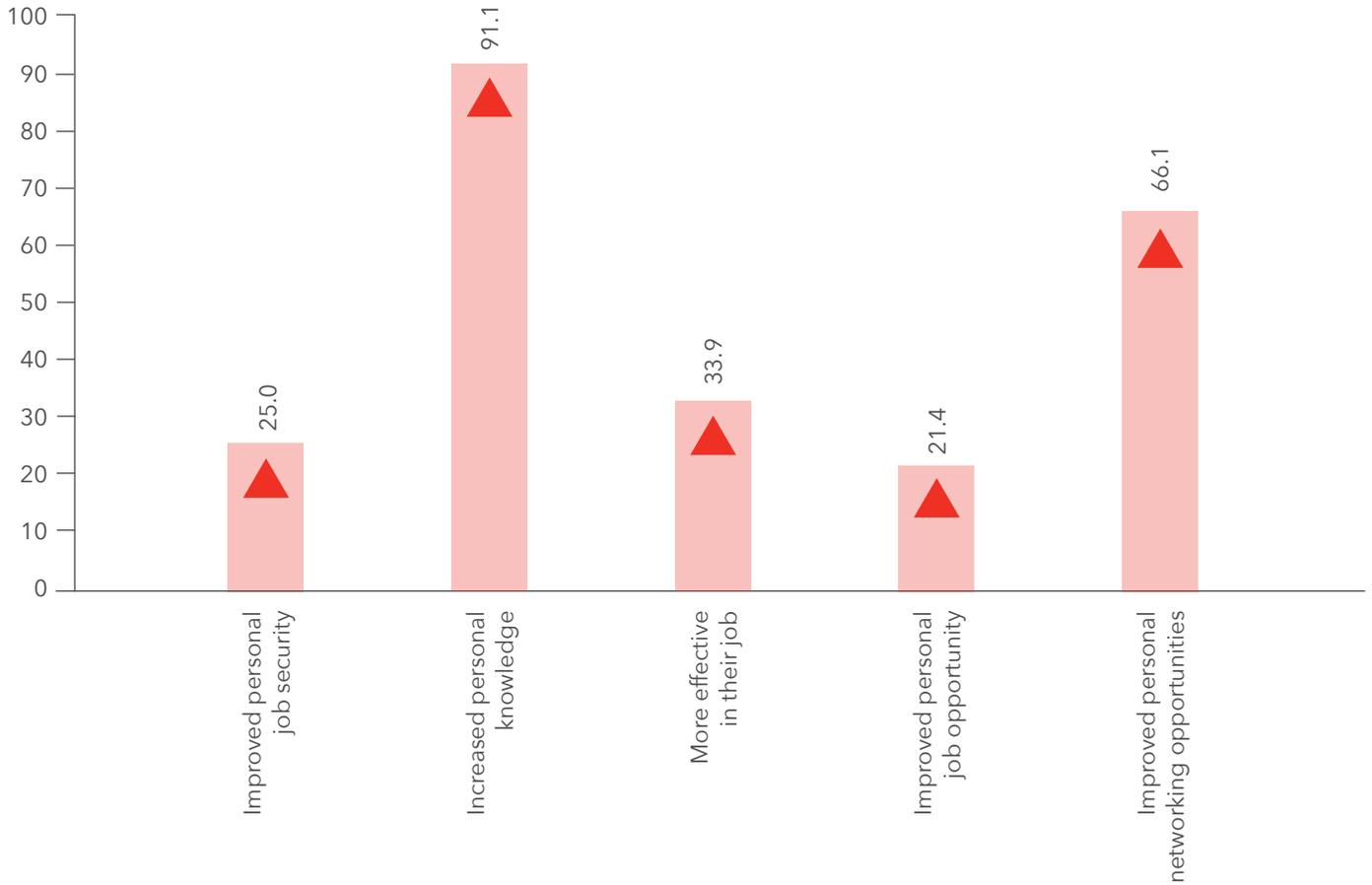
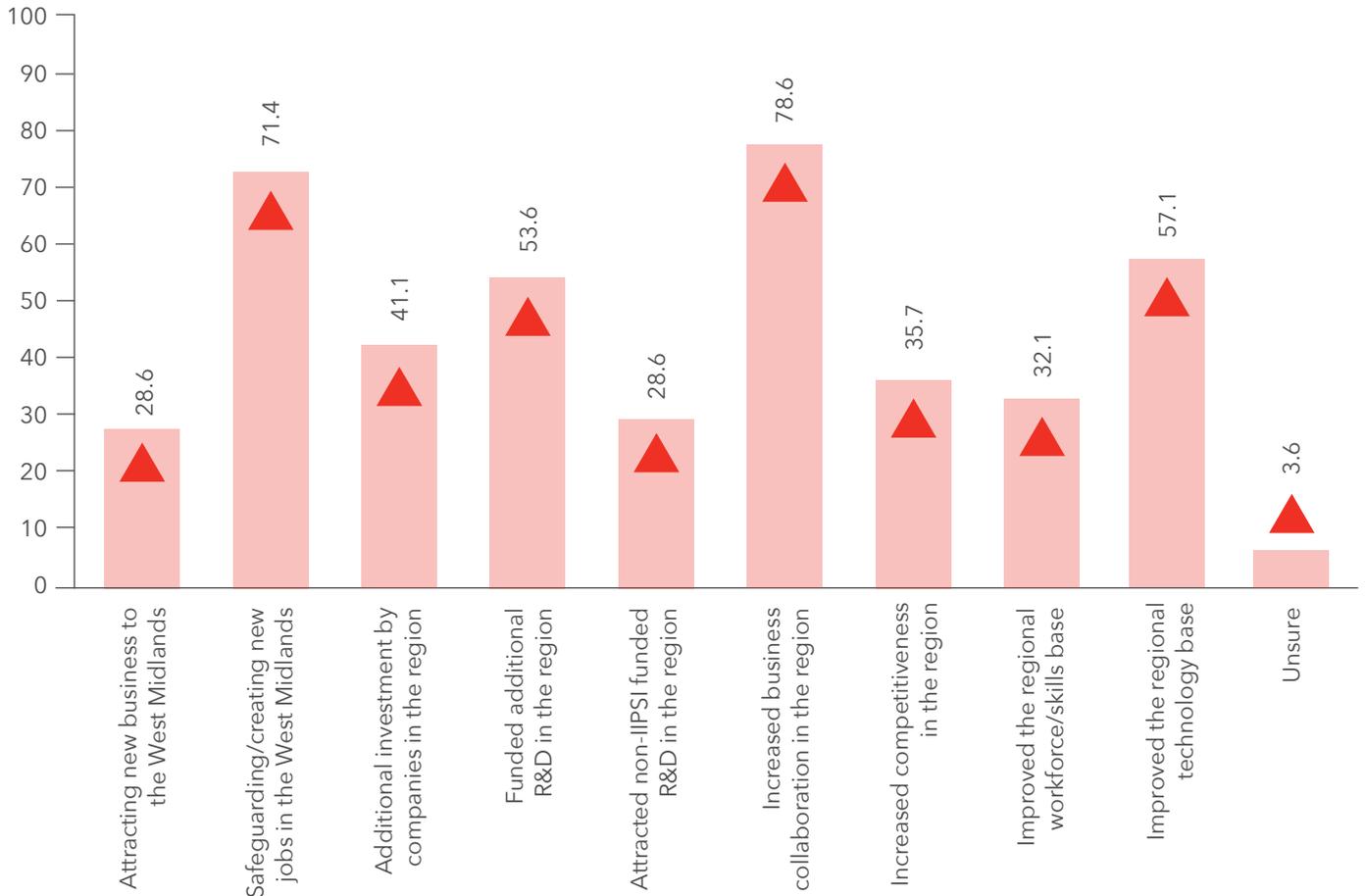


Figure 23 summarises the benefits, which the respondents believe the project has delivered to them personally. Increased knowledge again features prominently, but other aspects of the IIPSI service such as its networking actions are seen to be delivering value and improving job security.

Figure 24 - Benefit to Region from IIPSI Involvement



Respondents to the online survey were also asked to consider the wider regional impacts of IIPSI. Figure 24 summarises the benefits, which the respondents believe the project has delivered to the West Midlands. A strong correlation can be seen between the main benefits and IIPSI objectives. For example, increased business collaboration; an improved technology base in the region; and job safeguarding/creation.

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#### 4.5 Legacy and Sustainability

The evaluation has considered both the legacy of the IIPSI project and sustainability of the initiative post-2015 ERDF funding. This is an important consideration given the significant investment ERDF has made through capital expenditure and a broadly based desire that the initiative should be maintained and expanded to support the West Midlands regional economy.

The evaluation is pleased to see that IIPSI activity will continue after ERDF 2007-14 programme closure, sustained by alternative funding and with a clear commitment from the University of Warwick.

It is clear from our evaluation that:

- **The initiative has met all its targets and delivered measurable benefits for the region.**
- **SMEs value the support offered and continue to identify a need for additional assistance.**
- **Stakeholders view the need for continuation of the initiative as a key priority to increase the region's economy and rates of sustainable growth.**
- **WMG and the University have more to offer.**

**The IIPSI building with its facilities provides a lasting physical legacy.** Great attention has been placed on how the facility will be used over the coming years. The evaluation understands that DCLG has engaged in discussing these plans and agreed a way forward that involves:

- Co-locating the Advanced Propulsion Centre (APC) within the IIPSI building to deliver significant longstanding benefits to the regional economy in line with ERDF strategies.
- Utilising revenue from licence fee income from APC, net of running costs, to maintain the employment of IIPSI staff post 2015.

It is intended that a substantial part of the IIPSI building will remain for IIPSI activities. A mixed revenue income model will fund staffing to deliver IIPSI activities. The existence of the APC project within the building will provide opportunities for the IIPSI team to interact with SMEs from the automotive sector and their suppliers. It will also enable IIPSI to encourage regional SMEs to engage with the larger companies who utilise the APC and the APC itself to enhance supply chain links.

The APC and IIPSI are complementary activities with ample opportunity to derive mutual synergy. Their co-location is not expected to be a constraint on the scale of activity of IIPSI, but to offer considerable benefits for the region. **The evaluation concludes that objectives of the combined IIPSI/APC facility are fully consistent with Priority 1 of the West Midlands ERDF Operational Programme and are appropriately aligned with the recently published LEP Strategic Economic Plan.**

IIPSI was recognised as providing an exemplar model for similar interventions beyond the West Midlands. The importance of IIPSI as a model of best practice in Europe of how technology and expertise can be disseminated to SMEs has been recognised by the European Commission, leading to the project team being invited to contribute towards a Study Group to look at promoting Key Enabling Technologies (KET) to the SME community.

IIPSI is working with a number of European partners in a €13m pilot study to develop a model to increase the competitiveness of EU SMEs through the adoption of Key Enabling Technologies (KET) and collaboration with KET technology platforms across five EU countries.

The proposed programme provides a mechanism that can respond to the commercial time demands that SMEs have and address issues at a scale that is matched to a company's size and ability to adopt. This will enable these companies to bridge the technology gap (between TRL 4-7) and bring innovative products to the market place.

The work will provide a sustainable model for collaborative working allowing SMEs to take advantage of advances in key enabling technologies, build partnerships with KET technology platforms in 5 centres across the EU to help the SMEs grow, innovate and improve their worldwide competitiveness.

**The evaluation concludes that it is important that IIPSI investigate and follow up on a range of National and EU funding mechanisms to extend its service provision.** Reaching out to wider funding offers opportunity to enrich the knowledge base, enabling the WMG/IIPSI team to tap into research that covers a European geography, yet offers a direct route back to the West Midlands region for its outputs, creating local impact.



## 5. Conclusions, Lessons Learned and Sustainability

### 5.1 Overview

The evaluation has collected a great deal of evidence demonstrating that the overall objectives and technical aspirations of the IIPSI project have been successfully fulfilled. Despite a slow start whilst the IIPSI facility was built the project has met, or exceeded all its output, outcomes and impact targets.

IIPSI has demonstrated a responsive approach to managing the work, refreshing the technical content and an ability to increase its outreach through effective marketing. The project established efficient operational procedures to monitor and report progress, keeping the work on track throughout.

#### The evaluation has found:

##### Context and Rationale for IIPSI

- **Continued relevance** - IIPSI was a precise fit with the West Midlands ERDF Programme and matches an ongoing need for support by SMEs across the region for technology demonstration, intensive projects and R&D feasibility support.

The IIPSI project experienced significant interest and demand, with over 1,400 SME businesses visiting IIPSI in the 2012-2015 period, although only around 200 received in-depth support. The evaluation has observed that the standard 2-day assistance produced limited impact and that longer (5 days+) intensive company projects maximised the programme impact.

- **Stakeholder recognition** - IIPSI has achieved high visibility in the regional and national press (over 110 online and offline publications) and broadcast media (7 radio and TV interviews). On the political stage the project has attracted Ministerial visits (Dr Vince Cable), attention from MPs and come to the notice of the European Commission. IIPSI has also been recognised by regional, national and EU representatives as providing an exemplar model for future interventions in the West Midlands and Europe.

IIPSI has contributed towards a 5 party Study Group for the European Commission to look at Key Enabling Technologies.

- **Sound governance and project management** - was a strength of the IIPSI project, building strong collaborations with stakeholders across the West Midlands.

##### Value for Money of IIPSI

- **Value for money** - IIPSI has generated GVA of £16,883,715 exceeding expectations with substantial additional financial benefits for enterprises.
- **New products and services have been developed and showcased** - with 60.7% of those surveyed saying this is a positive outcome of their engagement with IIPSI. The interviews also provide evidence that new SME capabilities have accelerated the development of products and opened up new markets for SMEs in the region.
- **Partnership and networking opportunities have increased** - 78.6% of those surveyed saw increased business collaborations and 66.1% felt that personal networking had increased.

- **Benefits for the West Midlands** - Were generally perceived to have arisen, with one beneficiary commenting "This [IIPSI] was a bold move from the University of Warwick and has played a large part in keeping small business cohesion during this time of economic disintegration in the UK."
- **The ability to safeguard jobs** - IIPSI was credited by 71.4% of those surveyed with significantly safeguarding jobs in the West Midlands; in addition to those it has directly created.
- **Success in attracting and creating new businesses** - IIPSI has exceeded its target by 125% for developing new businesses in the region.

#### Improved Technology Base

- **Achievement of the IIPSI building programme** - facilities are in place to provide lasting physical legacy benefits. The technology hall with its innovation demonstration equipment is a unique facility for enterprises in the West Midlands.
- **Development of overall knowledge and skills** - The online survey shows 73.2% of respondents perceived increased technical knowledge. Beneficiaries have observed in many cases that the project/product development could not have gone ahead without support from IIPSI.
- **The technology base of the region has increased** - SMEs welcome the opportunity to conduct hands-on experiments with innovative technology and in particular have endorsed the benefits of rapid prototyping, low volume manufacturing and additional functionality in their products. 57.1% of those surveyed thought IIPSI had improved the regional technology base.
- **Improved efficiency in product development** - SMEs agree that development times have been shortened and new products created that might not have happened without IIPSI support.

A strong correlation can be seen between the main benefits and IIPSI objectives.



## 5.2 Project Sustainability beyond 2015

Considerable scope exists for continued sustainability of IIPSI activities beyond 2015 when ERDF funding ends.

The evaluation has found continued need and widespread support for the initiative from stakeholders and SMEs across the West Midlands. The IIPSI Innovation Programme remains aligned with strategic thinking from the LEPs, Councils and Chambers of Commerce in the region. Independent studies show that maintaining IIPSI activities is viewed as a key priority to support SME growth in the key areas of business start-up support; product and process innovation; and access to new markets.

The evaluation has observed that appropriate attention has been paid to investigating a range of funding opportunities to sustain IIPSI and to broaden its scope. These actions have raised the profile of the project and brought it to the attention of the European Commission where the team are advising on the dissemination of KETs. The value of IIPSI as a model for other SME support measures is recognised and efforts to formulate follow-up projects are to be encouraged.

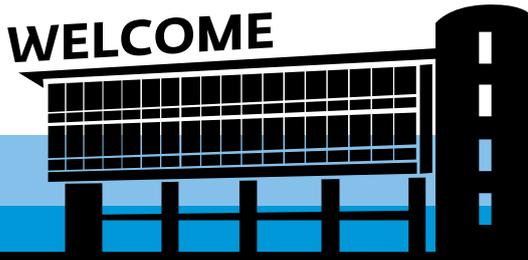
The evaluation is also pleased to see that practical use of the IIPSI building in conjunction with the APC initiative has been agreed with DCLG that will provide resources to maintain staffing and continuity of IIPSI until additional funding is in place to expand the operation.

## 5.3 Lessons Learned - Project Development and Project Delivery

Whilst the IIPSI project has generally run very smoothly and been managed with a high degree of professional skill it has generated lessons for future projects. Key lessons identified include:

- **Mobilisation** - Future projects should build into their planning a clear period of at least 6 months at the outset to fully mobilise staff and establish facilities when the profile of output expectations is limited and aligned to initial resources, before ramping up in later periods.
- **Staff recruitment and retention** - Stability and expansion of the team is desirable to sustain and extend the range of support services provided.
- **Diversified Funding** - opportunities need to be sought to complement the main funding stream and enrich the types of service that might be offered, so that IIPSI is not overly dependent on one source of funding (e.g. ERDF) to sustain the work.
- **Flexibility** - is needed to adapt innovation themes and delivery methods to suit changing needs, especially on a long duration project.

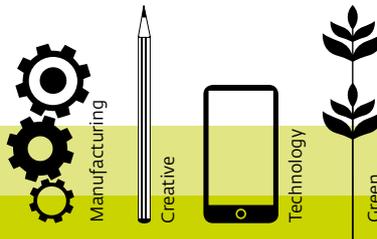
**WELCOME**



**1400** Businesses Attended Workshops and Events



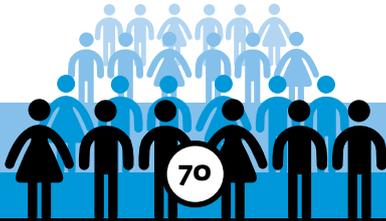
**206** Businesses Assisted



SME Sectors Supported



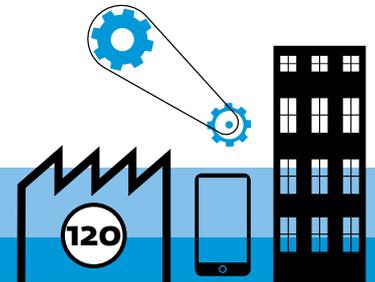
Supporting SMEs in the West Midlands



**70** New Jobs Created



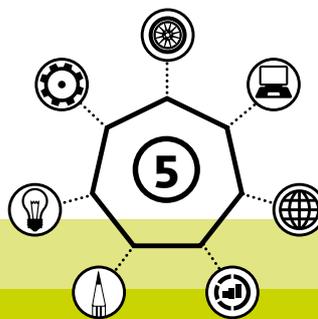
**170** Jobs Safeguarded



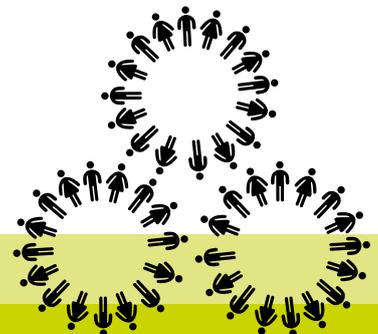
**120** Industry Projects Completed



**24** Specialist Interns Delivered Company Projects



**5** New Businesses Created



**400** Members in SME Collaboration Networks

Final Report  
International Institute  
for Product and  
Service Innovation