

Scottish Enterprise

Account management services to high-growth businesses

Prepared for the Auditor General for Scotland

June 2004



Auditor General for Scotland

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Summary



Account management services provide tailored advice and direct financial assistance to help companies selected for their high-growth potential to achieve that potential.

The study

1. Growing businesses is a key priority in the Scottish Executive's economic development policy as set out in their statement *A Smart, Successful Scotland*. Business growth can be achieved through new business start-ups or by developing existing businesses, and Scottish Enterprise (SEn) and its network of Local Enterprise Companies (LEC's) provides support to both new and existing businesses.

The growing businesses theme defined by *A Smart, Successful Scotland*

Scotland – a fast-learning, high-earning nation

Other countries have shown that significantly increased productivity is attainable, with higher skills sustaining both higher wages and employment growth. Our strongest businesses are on a par with the best in the world. However, we have many more under-performing enterprises and we need to help others with potential to match the best, to improve our performance, create jobs, raise incomes and put Scotland on a new, higher-growth path.

To ensure that Scotland is a better place to work and a more productive place to do business will require us all to be agile and fast to learn. Closing the productivity gap with other leading nations will mean raising the long-term growth rate of the Scottish economy above its trend rate of 2% in ways consistent with the principles of sustainable development.

Source: *A Smart, Successful Scotland*

2. Much work has been done to evaluate the achievements of support to new business, but less information is available on the impact of assistance designed to help existing business to grow. Assessing the outcome of economic development assistance is complex. The impact of assistance can be difficult to isolate from the current business environment and may only become apparent in the longer term when other factors may also have influenced the performance of a business. Furthermore, assessment of SEn network results must take into account how performance reflects the different circumstances in each LEC, as well as the achievement of Ministerial objectives.

3. This report focuses on SEn's expenditure to assist 948 businesses in Scotland showing the most potential for growth. SEn selected these businesses for an account management service that provides tailored advice and direct financial assistance to help them achieve their potential. LECs select businesses within their area which they judge will benefit most from the service and allocate an account manager to each to help develop its potential. An account manager generally has business experience, and works with the business by providing advice on business planning, directing the business to sources of help to deliver its plans and, where appropriate, developing tailored packages of direct financial support from the LEC. In the three years to March 2003, SEn spent some £40 million on account-managed businesses.

4. The review period covered by this report coincided with a period of significant change to three areas within SEn:

- the change in governance arrangements for LECs (para 1.5)
- the introduction of a Customer relations strategy, establishing a process for segmenting customers and identifying potential high-impact businesses (para 1.11)
- and the introduction of Business transformation and the move towards greater consistency in customer management (para 1.14).

5. We focus on the outcome of support to the businesses in terms of:

- the impact of support
- the cost of support
- businesses' views of the quality of service provided.

Findings

Impact

6. SEn is yet to implement a consistent approach to selecting businesses for account management

- In February 2002, SEn asked LECs to use a standard approach for selecting businesses that might benefit from account management.
- We found that LECs adopted the approach for selecting businesses at a different pace and with varying criteria. As a consequence, the proportion of businesses qualifying for account management varied from 1.2 to 12.5 businesses per 1,000 enterprises operating in the LEC area (Exhibit 1 page 6).

- LECs vary in the extent to which they have implemented SEn guidance for reviewing account-managed businesses. By summer 2003, 43% of the businesses examined had not been reviewed, 58% did not have action plans and 87% had not been subject to follow-up evaluation and update.

7. There is no consistent documentary evidence that LECs have addressed key criteria in appraising applications for public sector assistance

- Appraisal of applications for assistance from the SEn network should provide assurance that the assistance meets criteria set for public sector intervention and identifies the benefits expected. SEn has issued guidance to LECs setting out clear standards for appraisal.
- In assessing applications for financial assistance to account-managed businesses, LECs do not routinely document the added value expected from the assistance.
- Account management assistance should be provided to businesses that are viable and to projects that have a good prospect of being self-sustaining within a few years. However, we found that nearly two-thirds (64%) of businesses had been supported by their LEC for at least five years. Of the 948 businesses selected for account management in February 2002, 640 were still account-managed in May 2003.
- Account management of businesses is expected to deliver a wide range of benefits. Twenty five percent of the project appraisals we reviewed identified benefits in terms of employment and a further 36% identified other

quantifiable benefits in terms of business performance. There was significant variation between LECs.

- LECs need to track the benefits achieved from financial and other assistance provided. We found that LECs monitor assistance to businesses to ensure that payments are in line with approvals, but they record less information on achievements.
- Following our examination, SEn and the LECs have developed an action plan to improve information held in support of project approvals.

8. Employment and turnover increased in account-managed businesses, but results varied across LECs. Advice achieved more impact than financial assistance

- For 640 businesses that were continuously account-managed, the number of employees rose by 3,118 (4%) from 1 April 2000 to 31 March 2003, at a time when overall employment in Scotland was static.
- Across LECs, the change in employment varied from a decrease of 98 (11%) in Dunbartonshire to an increase of 199 (37%) in Grampian.
- Employment rose by 1% in those businesses that received both advice and direct financial assistance, against 16% for those receiving advice only.
- Turnover in account-managed businesses increased by 50% over the three years. Turnover increased by 49% in businesses that received direct financial assistance, compared to an increase of 63% in businesses

that received advice only. For those businesses that had identified increased turnover as an expected benefit, turnover increased by 102%.

9. SEn recognises the need to demonstrate its impact in line with the goals set out in *A Smart, Successful Scotland*

- *A Smart, Successful Scotland* sets out priorities for the SEn network. The Executive has identified measures for monitoring progress against these priorities, but has recognised the difficulty in relating SEn activity to changes in the Scottish economy. Evaluation of different aspects of economic development services can fill this gap and SEn is working with the Joint Performance Team (JPT) and the Executive to ensure an appropriate evaluation programme is in place.
- SEn recognises the need to better understand the impact of its work in order to demonstrate value for money and to encourage continuous improvement in performance.
- SEn works with businesses in line with the priorities set out in *A Smart, Successful Scotland*. However, appraisal guidance does not require LECs to assess the expected impact of their activities in terms of the output targets set by SEn to reflect indicators set by the Executive.

- The operating target for improved innovation does relate to businesses selected for account management. But we found that SEn's reported performance against the indicator was unreliable. The wording of the definition changed during the year, and the reported performance of the 635 businesses demonstrating improved innovation included 222 that had not received the account management service.

Cost

10. The £40 million spent on account-managed businesses has been used to pursue a variety of approaches to the service

- For the 948 businesses selected in 2002, the number of businesses per account manager ranged from 4 to 40. From February 2004, SEn expects each manager will deal with between 20 and 25 businesses.
- In the nine LECs for which we could source data ([Exhibit 2 overleaf](#)), the cost per job arising from account management costs and related direct assistance varied from £2,105 to £26,539.
- There was no link between the cost per business demonstrating improved performance and the cost per job.
- The balance between account management and direct support costs, and the average level and number of instances of direct support provided to individual businesses varied across LECs.
- The amount of direct assistance awarded to businesses for every £1,000 of account management cost also varied across LECs, from £482 to £5,581.

Quality of service

11. Businesses supported by SEn are generally positive about the experience

- SEn's customer satisfaction surveys, covering all businesses receiving network services, provide positive feedback on the outcomes achieved from SEn advice to businesses.
- Scottish Executive surveys covering the whole business community indicate significant differences in satisfaction levels between those businesses who receive services from SEn and those who do not.
- Our survey of customers of the account management service found that businesses were positive about their contacts with account managers, generally rating the service they received as 'good' or 'very good'.

Recommendations

12. We recommend that SEn should:

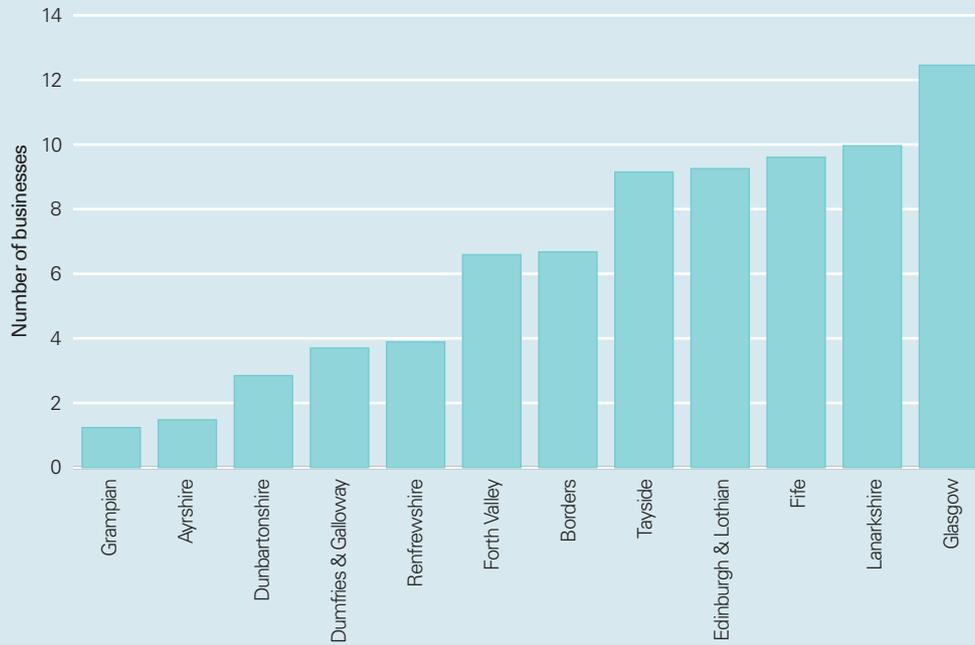
- ensure that initiatives to improve consistency in the handling of businesses across the network are implemented as soon as possible so that LECs use a standard approach to selecting businesses for account management
- monitor progress against their action plan for improving information supporting project approvals
- investigate the variation in the benefits gained from account management across LECs and ensure that effective practice is identified and adopted

- demonstrate a better understanding of its impact by developing performance measures which align its results more closely with *A Smart, Successful Scotland*
- take early action to focus appraisal of financial assistance on *A Smart, Successful Scotland* goals
- examine the variations in efficiency and cost-effectiveness in its account management services
- consider further action to ensure that businesses become aware of the services it offers and their potential impact.

Exhibit 1

Number of account-managed businesses per 1,000 enterprises

The number of account-managed businesses per 1,000 enterprises varied by a factor of 12:1.

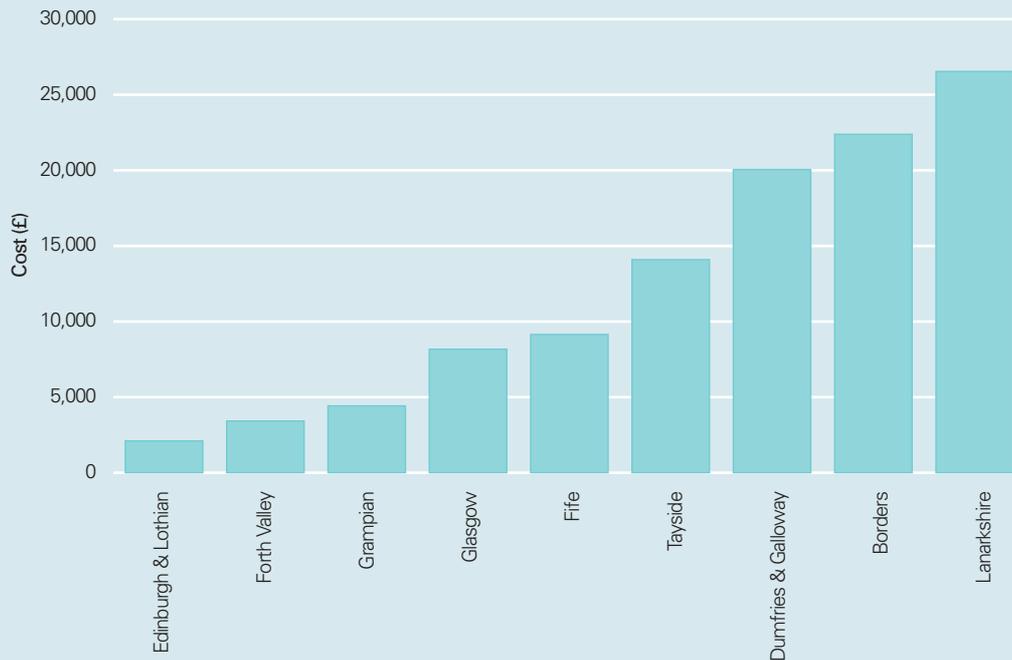


Source: Audit Scotland fieldwork

Exhibit 2

Cost per job

The cost per job varied by a factor of 13:1.



Note: Excludes Ayrshire, Dunbartonshire and Renfrewshire where no significant increase in employment was recorded.

Source: Audit Scotland fieldwork

Part 1. Introduction



1.1 Growing businesses is a key priority in the Scottish Executive's economic development policy as set out in *A Smart, Successful Scotland* (Exhibit 3 overleaf). SEn spends some £150 million each year on the growing businesses theme by providing advice and financial assistance to both encourage new business start-ups and develop existing businesses to achieve their potential.

1.2 Business growth can be achieved through new business start-ups or by the development and growth of existing businesses. SEn provides support to encourage the establishment and growth of new and existing businesses. Much work has been undertaken to evaluate the achievements of support provided to new businesses and also to evaluate the benefits of individual projects and programmes used by SEn. However, less information is available on the impact of assistance provided to the collective grouping of account managed growth businesses.

1.3 Assessing the outcome of economic development assistance is

complex. The impact of assistance can be difficult to isolate from the current business environment and may only become apparent in the longer term, when other factors may also have influenced the performance of a business. Furthermore, assessment of SEn network results must take into account how performance reflects the different circumstances existing in each LEC, as well as the achievement of Ministerial objectives.

1.4 This report focuses on SEn expenditure to assist 948 businesses in Scotland, identified by SEn in February 2002 as showing significant potential for growth. SEn selected these businesses for an account management service that provides tailored advice and, where appropriate, direct financial assistance to help them achieve their potential. In the three years to March 2003, SEn spent some £40 million on these account-managed businesses, some 10% of SEn's spend on growing businesses.

Scottish Enterprise

1.5 SEn, and its sister organisation Highlands & Islands Enterprise (HIE), was established under the Enterprise and New Towns (Scotland) Act 1990. The Act defines SEn's functions as to:

- further the development of Scotland's economy and in that connection provide, maintain and safeguard employment
- enhance skills and capacities relevant to employment in Scotland and assist persons to establish themselves as self-employed persons there
- promote Scotland's industrial efficiency and international competitiveness
- further improve the environment of Scotland.

As well as working within the boundaries of the Act, SEn and HIE also have to follow strategic guidance issued by the Scottish Executive.

Exhibit 3

The growing businesses theme as defined by *A Smart, Successful Scotland*

Scotland – a fast-learning, high-earning nation

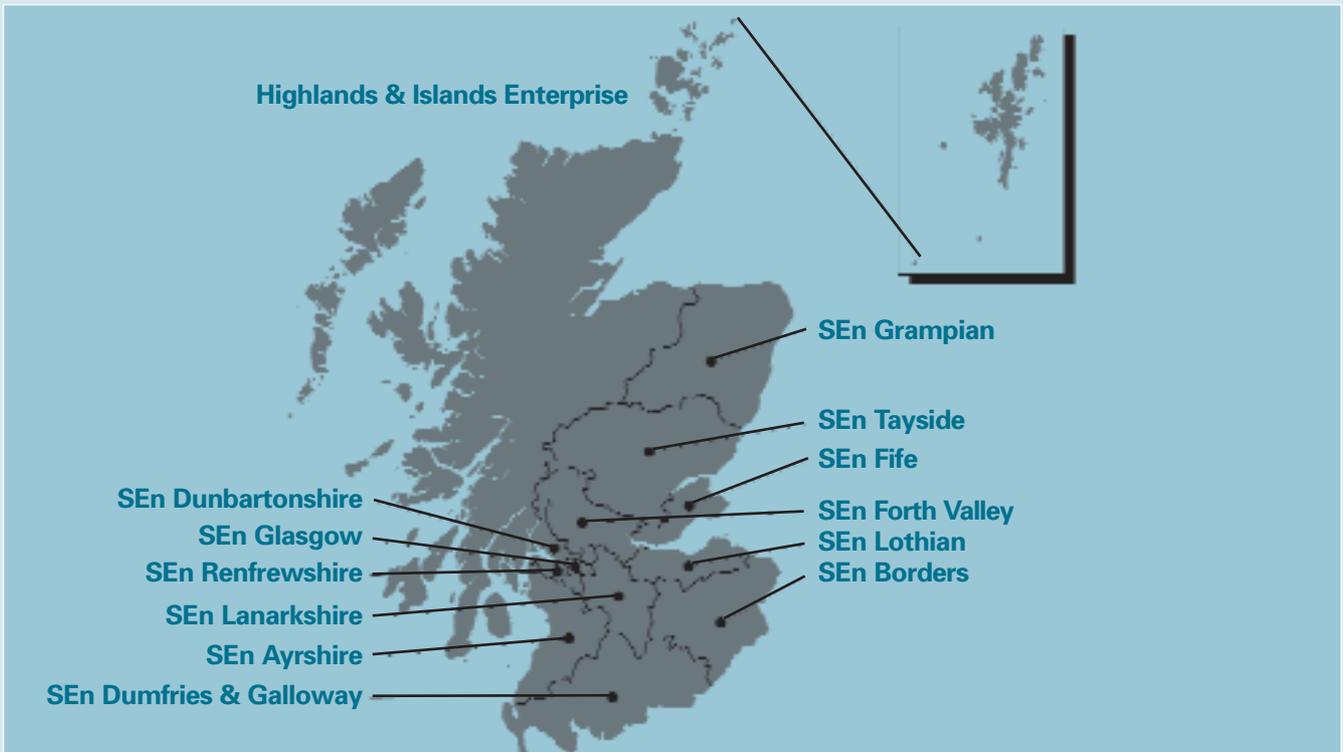
Other countries have shown that significantly increased productivity is attainable, with higher skills sustaining both higher wages and employment growth. Our strongest businesses are on a par with the best in the world. However, we have many more under-performing enterprises and we need to help others with potential to match the best, to improve our performance, create jobs, raise incomes and put Scotland on a new, higher growth path. To ensure that Scotland is a better place to work and a more productive place to do business will require us all to be agile and fast to learn. Closing the productivity gap with other leading nations will mean raising the long-term growth rate of the Scottish economy above its trend rate of 2%, in ways consistent with the principles of sustainable development.

Source: *A Smart, Successful Scotland*

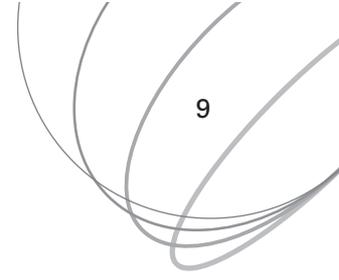
Exhibit 4

Map of Local Enterprise Companies

There are 12 LECs in the SEn area covering the southern part of Scotland, from Grampian to the Borders.



Source: Scottish Enterprise



1.6 SEn and HIE deliver their functions through networks of Local Enterprise Companies (LECs). LECs were established in 1991 as companies limited by guarantee with local business-led boards. Many of SEn and HIE powers were delegated to the LECs under operating contracts to enable LECs to better assess and deliver services to meet local needs. LECs became wholly owned subsidiaries of SEn and HIE in 2000, while retaining local boards responsible for their governance. There are 12 LECs in the SEn area ([Exhibit 4 opposite](#)).

1.7 The roles, responsibilities and accountabilities associated with SEn are set out in [Exhibit 5 overleaf](#). SEn is a non-departmental public body funded primarily from grant-in-aid provided by the Scottish Executive Enterprise, Transport and Lifelong Learning Department (SEETLLD). The framework under which SEn operates is set out in a management statement drawn up by SEETLLD in consultation with SEn. The framework covers:

- rules and guidelines relevant to the exercise of SEn's functions, duties and powers
- the conditions under which any public funds are paid to SEn
- how SEn is to be held to account for its performance.

A Smart, Successful Scotland

1.8 In January 2001, the Executive published a Smart, Successful Scotland, a comprehensive policy statement of its expectations for the enterprise networks, ie SEn and HIE – including the LECs. It sets out a strategy for improving the competitiveness and productivity of the Scottish economy by addressing three key themes – Growing

Businesses, Global Connections and Skills and Learning ([Exhibit 6 overleaf](#)) – and 12 specific priority areas associated with these themes ([Exhibit 7 page 12](#)).

1.9 The Executive established a working group, the Joint Performance Team (JPT), to identify a framework for measuring the success of the strategy set out in A Smart, Successful Scotland. The JPT recognised that the priorities included in the strategy would have an integrated impact on the Scottish economy and identified a limited number of high-level lead indicators for monitoring progress such as changes in productivity and in its Gross Domestic Product. For each priority there is a lead and two supporting indicators, which have been used by the Executive and the SEn Board to establish operating targets for SEn in areas such as new business starts and improving innovation within existing companies ([Appendix 1 page 41](#)). Membership of the JPT comprises representatives from SE, HIE and the Executive.

1.10 SEn takes account of the overall strategy and the medium-term aims linked to the lead indicators, in determining what it does and its annual targets. The JPT recognised that it is difficult to monitor accurately the impact that SEn's work (as measured by annual targets) has on the higher-level indicators. This needs to be explored through evaluation. One of the JPT's roles is therefore to ensure that a suitable programme of evaluating different aspects of economic development services can fill this gap. SEn is working with the JPT and the Executive to ensure an appropriate evaluation programme is in place.

Account-managed businesses

1.11 A Smart, Successful Scotland identifies greater entrepreneurial

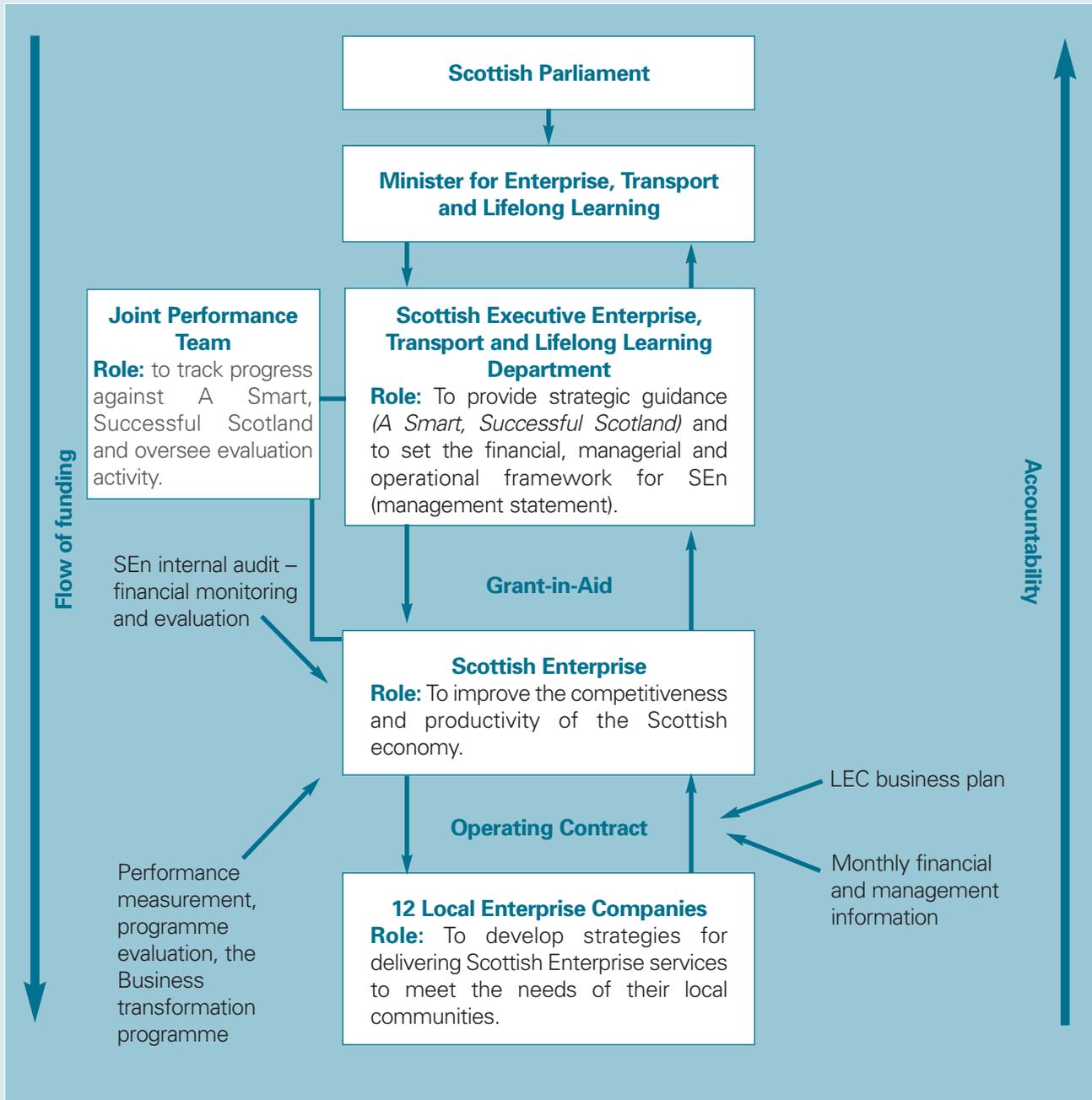
dynamism and creativity as a key priority for growing businesses. SEn's work to encourage the start-up of new businesses and to assist existing businesses to achieve their full potential is particularly important in addressing that priority. SEn supports businesses by:

- working to develop the infrastructure necessary to allow businesses to expand their markets and improve their productivity
- providing direct support to projects being undertaken by businesses
- providing advice to businesses on how they might achieve their potential.

Exhibit 5

Scottish Enterprise – roles, responsibilities and accountability for expenditure

The Executive provides the bulk of funding for SEn’s operations. SEn is accountable to the Executive for spending the money effectively.



Source: Audit Scotland

Exhibit 6

A Smart, Successful Scotland – key themes

Growing businesses is one of the three key themes.

Growing businesses

Other countries have shown that significantly increased productivity is attainable, with higher skills sustaining both higher wages and employment growth. Our strongest businesses are on a par with the best in the world. However, we have many more under-performing enterprises and we need to help others with potential to: match the best, improve our performance, create jobs, raise incomes and put Scotland on a new, higher-growth path. To ensure that Scotland is a better place in which to work and a more productive place to do business will require us all to be agile and fast to learn. Closing the productivity gap with other leading nations will mean raising the long-term growth rate of the Scottish economy above its trend rate of 2%, in ways consistent with the principles of sustainable development.

Global connections

Our approach to globalisation must not be to resist change, but to embrace it. We need to be globally connected, integrating the Scottish economy into the world economy. We need to tell the world about Scotland and tell Scotland about the world. This will enable us to learn from abroad and earn abroad. To enable the improved flow of products, technologies and ideas in and out of Scotland, the measure of achievement will be making Scotland a globally connected nation.

Learning and skills

Our vision is of a high-skill, high-wage economy with a higher employment rate across many parts of Scotland. In an age where knowledge is a key competitive weapon, skills and learning need to be at the heart of SEN's activities. We must enhance Scots' employability and equip them for the challenges of tomorrow's labour market – with every Scot ready for the new challenges. Education, while not narrowly focused on employability alone, must actively enable young people to take their part in a prosperous and competitive economy. We must seek to provide employment opportunities for all. In consequence, we need to achieve significantly higher employment rates for those groups and areas which are lagging behind.

Source: *A Smart, Successful Scotland*

Exhibit 7

Priority areas associated with the three key themes set out in *A Smart, Successful Scotland*

Our study focused on the growing businesses theme.

Twelve priority areas associated with the three key themes

Growing businesses

1. Entrepreneurial dynamism and creativity
2. More e-business
3. Commercialisation of research and innovation
4. Global success in key sectors

Global connections

5. Digital connectivity
6. Involvement in global markets
7. Globally attractive location
8. Choosing to live and work in Scotland

Learning and skills

9. Improving the operation of the Scottish labour market
10. The best start for all our young people
11. Narrowing the gap in unemployment
12. Improved demand for high quality in-work training

Source: *A Smart, Successful Scotland*

Exhibit 8

Key features of account management

Account managers work with businesses to deliver support that helps them to achieve their potential to grow.

An account manager:

- leads the SEn account teams for the delivery of all services to this portfolio of customers
- establishes individual credibility with customer to: meet customer needs, add value to their organisations and achieve SEn priority targets
- manages a small but highly intensive portfolio of key relationships
- engages the management team in a fundamental assessment of the strategic and operational circumstances of the business
- develops, with the customer, a shared strategy for future development and growth
- constructs bespoke business development plans
- facilitates the implementation of these plans
- controls the reuse and creation of knowledge and products
- ensures effective teamwork and co-operation with internal and external personnel.

Source: *Consistent Customer Management Materials*, April 2003, Scottish Enterprise

1.12 Existing businesses identified by SEn as having significant potential for growth are provided with an account management service defined as an *“intense, proactive and bespoke service provided to those businesses with the greatest growth potential”*. LECs select businesses within their area which they judge will benefit most from the service and allocate to each an account manager to help the business’s development. An account manager generally has business experience and works with the business by: providing advice on business planning; directing the business to sources of help to deliver its plans; and, where appropriate, developing tailored packages of direct financial support from the LEC ([Exhibit 8 opposite](#)).

1.13 SEn's work with businesses produces outputs which, in turn, contribute to wider economic outcomes. For account-managed businesses, these outputs reflect progress against a set of pre-defined criteria supporting structured change within the business. Progress is determined by the requirements of the business in addressing specific strategic challenges ([Case Study 1 overleaf](#)).

1.14 Decisions on businesses selected to benefit from the account management service and the level of service provided were taken at a local level. However, since 1999, SEn has sought to introduce greater consistency in the way in which LECs determine appropriate service levels for their delivery of account management. This is done by standardised targeting of businesses with high-growth potential ([Appendix 2 page 42](#)). LECs then decide how best to allocate resources to support the needs of the selected businesses, including identifying those within this grouping, which the LEC determines would benefit from an account

management service. In February 2002, LECs reported that they were offering account management services to 948 potentially high-impact businesses.

The Business transformation programme

1.15 In 2001, SEn embarked on the Business transformation programme designed, in part, to improve the way it delivers its services. The programme was developed through a series of initiatives which address specific aspects of SEn delivery. Three of these initiatives have a direct bearing on SEn’s account management service by further improving consistency:

- in the selection of high-growth businesses (market segmentation) – the approach was fully operational by April 2003
- in the level of service offered (consistent customer management) – guidance to LECs was complete by February 2004
- and, in the range of assistance offered by the LEC (consistent network products) ([Exhibit 9 page 16](#)).

The study

1.16 The study examined the results of SEn’s work with account-managed businesses over the three years between 2000/01 and 2002/03. It focused on the outcome of support to the businesses in terms of:

- the impact of support to date (Part 2)
- the cost of support (Part 3)
- the quality of service provided (Part 4).

1.17 In undertaking the study, we recognised two important factors:

- the impact of assistance can be difficult to isolate from the current business environment and may only become apparent in the longer term
- SEn’s Business transformation programme, which comprises initiatives designed to be beneficial to assisted businesses, was being implemented during the study.

1.18 The data used in the study were drawn primarily from:

- interviews and review of documentation held by SEn and the LECs
- details held by LECs on individual businesses, including type and size, and the support provided by the LEC over the period under examination
- detailed examination, by Audit Scotland, of case files held by LECs for a sample of 195 of the 948 businesses
- a survey of 96 businesses through face-to-face interviews by specialist consultants.

1.19 Further details of our methodology are set out in [Appendix 3 page 43](#).

Case Study 1

Benefits of a holistic account management approach

Example 1 – Sematek: The Sematek group of businesses provides design, installation, fabrication and project management services to a range of blue chip companies. This involves supplying a wide range of engineering and project management skills to their customer base. Historically, Sematek's clients have been manufacturers of semiconductor devices but with LEC and network support, the company has been successful in providing similar services to other key industry sectors such as: pharmaceutical, medical devices, biomedical and waste management. In 2003 Sematek moved to a new facility in Cumbernauld, fully owned by the company.

As a result of this **market development activity and performance growth:**

- employment increased from six to 25 full-time jobs. The business also employs 50 contract engineers globally
- business performance grew from £2 million sales in 2000 to £7 million sales in 2004.

The business indicated that the account management support received had directly impacted on the following key aspects of business performance:

- **improved management thinking** – *the Growing Business Review* highlighted that the Managing Director had too many roles and that he should appoint/employ additional managers, and set a leadership structure in place. This recommendation was implemented and the business now has an Operations Director, a Human Resources Manager and a Sales & Marketing Manager. These appointments have resulted in quantifiable resource and time efficiencies. The business is also aiming to achieve Investors in People accreditation and is implementing ISO14001 (Environmental Management System)
- **increased levels of innovation** – the company now offers a wider range of innovative services to more than just the semiconductor industry. For example, it has acquired both a specialist plastics business and a design business to offer full services in pharmaceutical, medical devices, laboratories in academic establishments and waste management services
- **development of new opportunities** – Sematek recently secured business from St Andrews University to provide both clean room design and build, and also management of hazardous materials. This is an example of new opportunities in diversified markets secured by the new Sales and Marketing manager
- **enhanced sales and marketing performance** – with LEC support the company appointed a Sales Manager (until then the Managing Director had carried out all sales) and this has resulted in a further increase in business of about £1.5 million.

Example 2 – Sibbald Ltd: Sibbald Limited is a construction and general industrial skills training business based in West Lothian. They initially approached SE Edinburgh and Lothian in 2001 for support to help them further develop and expand their business. At that point turnover was £1.4 million and they employed 35 staff from their complex in West Lothian. Following an initial diagnostic review conducted by their SE Edinburgh and Lothian account manager, they developed and subsequently implemented an action plan. This commenced with the development of a corporate strategy for the first time: a process facilitated by their account manager. The implementation of the strategy has seen the business securing control of the Construction Industry Training Board's training ground for Northern Ireland and the opening of an office in Dublin. In addition, they have established themselves as the major provider of this kind of training in the Isle of Man, as well as retaining the significant contract that they hold to provide training in the Falkland Islands. The following quantifiable outputs have been recorded:

- **increase in turnover** from £1,405,000 to £2,200,00 since January 2001
- **increase in jobs** from 35 to 53 over the same period
- **Investors in People (IiP) recognition** which has, in turn, led to significantly improved management communications and staff training and development across the business. This includes senior managers commencing degree level courses
- five managers achieving **recognised qualifications**.

In addition, a range of unquantifiable outputs have been achieved, including:

- **new overseas office** in Dublin and a major training facility operating near Belfast
- **enhanced management confidence** as a result of the belief that their account manager showed in them and from the development of a clear and realistic plan to develop the business.

This confidence has also been translated into a **succession plan** being formulated for the hand-over of the business to the next generation – something of vital importance given that so many family-owned businesses like this one fail at that point due to lack of planning.

Exhibit 9

The Business transformation programme

The Business transformation programme is designed to change the customer experience in working with the SEn network.

Market segmentation

To introduce a strategic approach to grouping – or segmenting – customers. This will enable SEn to match resources with the needs and potential impact businesses are likely to have on the Scottish economy.

Consistent customer management

To provide businesses with access to the same management services, no matter where they are based, and to ensure that they receive the same quality of service.

Consistent network products

To introduce a more consistent approach to developing and managing products across the SEn network. This should reduce the number of products, programmes and initiatives, and ensure that they are delivered in a consistent manner.

Source: Scottish Enterprise documentation

Part 2. Impact

2.1 In this section, we look at the impact of the support provided by SEn to account-managed businesses, in terms of:

- selecting businesses for account management
- expected benefits
- benefits achieved
- meeting the priorities in *A Smart, Successful Scotland*.

Selecting businesses for account management

2.2 The account management process should be applied consistently across LECs. In April 2003, as part of the Business transformation programme, SEn launched a new initiative to provide consistent customer management ([para 1.14](#)). The initiative focused on the delivery of account management services and, in particular, both the need for consistency in the way LECs select businesses to benefit from the service and the process

account managers should follow. Guidance issued to support the initiative set clear expectations for account managers as to how they should approach their work and document the results.

2.3 In February 2002, after consultation with the LECs, SEn asked LECs to use a standard approach for determining the appropriate service level for all customers. Application of this process identified those businesses with greatest growth potential that might benefit from account management. The approach is based on a system of segmentation whereby a customer is scored against a set of criteria against which the most innovative business can accumulate a maximum score of 17 points ([Appendix 4 page 424](#)).

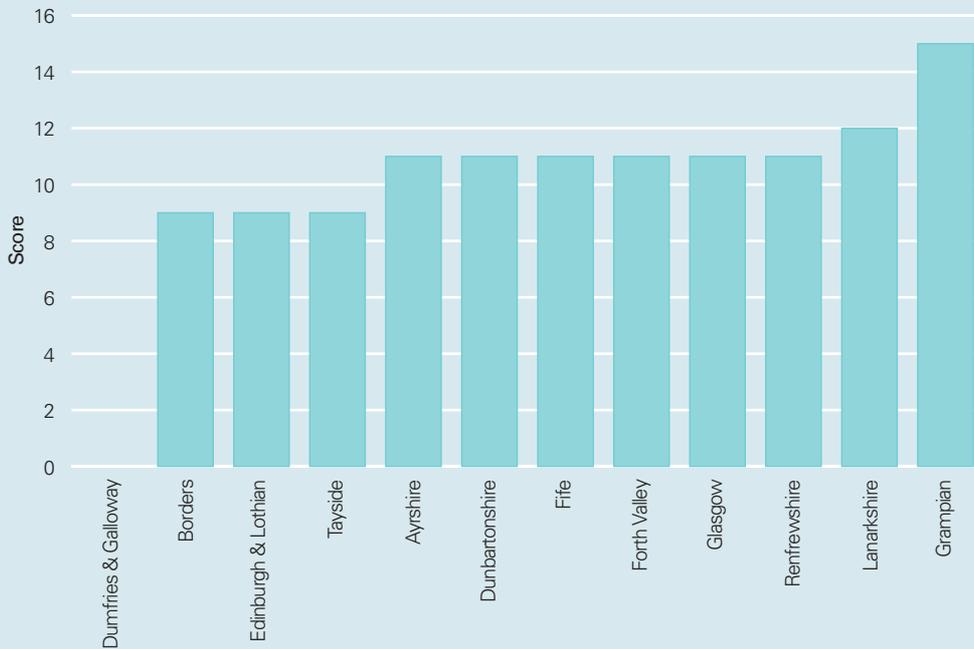
2.4 We found LECs adopted the segmentation approach at a different pace and with varying criteria to select businesses for account management. Each LEC set its own cut-off score for selecting potentially innovative businesses, with the pass

score varying from 9 to 15 out of the 17 points available ([Exhibit 10 overleaf](#)). Consequently, the proportion of active businesses identified as potentially of high impact and therefore qualifying for account management varied across the LECs from 1.2 to 12.5 businesses per 1,000 enterprises operating in the LEC area ([Exhibit 11 overleaf](#)).

Exhibit 10

Cut-off scores used to identify businesses eligible for account management

A wide range of scores was used to identify the 948 high-impact businesses selected in 2002.



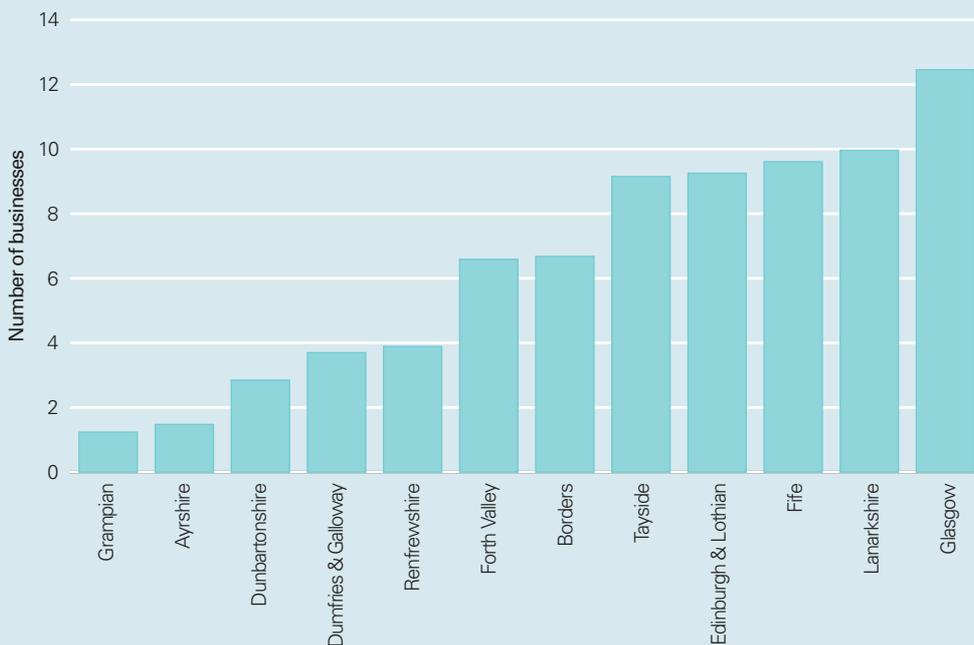
Note: Dumfries & Galloway did not use the toolkit because of special circumstances arising from the effects of Foot and Mouth Disease on its local economy.

Source: Audit Scotland fieldwork

Exhibit 11

Number of account-managed businesses per 1,000 enterprises

The number of account-managed businesses per 1,000 enterprises varied by a factor of 12:1.



Source: Audit Scotland fieldwork

2.5 SEn consistent customer management guidance sets out procedures by which LECs should assess and review account-managed businesses. Once a business has been selected, an account manager is appointed. The manager is expected to review the business to gain a better understanding of its needs and to identify how the LEC can assist it to achieve any potential for growth. The review is expected to result in an action plan for the business and to form a link between business needs and any assistance provided by the LEC. Account managers are expected to track and review businesses progress on a regular basis.

2.6 LECs were required to adopt the guidance from February 2004. We found, however, most of the LECs were aware of the requirements during the summer of 2003 and were implementing them at different rates. We found that 57% of the businesses whose case files we examined had had a business review, 42% had action plans and 13% had been subject to follow-up evaluation and update. The proportion of businesses within each LEC demonstrating each aspect of the process varied significantly ([Exhibit 12 overleaf](#)).

2.7 The variations in practice occurred for several reasons. A number of LECs have formally yet to adopt a practice of reviewing all account-managed businesses. This will affect the number of action plans completed. The stage of development of the relationship with the business also has an impact, since LECs prefer to build a relationship with the business before completing formal reviews and action plans.

2.8 Businesses interviewed were generally unaware of the process of business review and follow-up.

When asked, 71% of the businesses stated that they were not aware of a structured development or action plan for their business that might be used in determining the nature and timing of the support they receive from the LEC.

Conclusion and recommendation

SEn has yet to implement a consistent approach to selecting businesses for account management. It should:

- ensure that initiatives to improve consistency in the handling of businesses across the network are implemented as soon as possible so that LECs adopt a standard approach to select businesses for account management.

Expected benefits

2.9 Appraisal of applications for assistance from the SEn network should provide assurance that the assistance meets criteria set for public sector intervention and identifies the benefits expected. SEn has issued guidance to LECs setting out clear standards for appraisal. We looked at assistance provided to a sample of account-managed businesses and examined the evidence used by LECs for assessing the case for intervention and identifying expected benefits.

Meeting criteria for assistance

2.10 Public sector support should be provided to businesses only where it adds value, and offered only where the case for support and the expected benefits are clear. For each project, the LEC is required to produce an appraisal setting out the scale and nature of the assistance and the expected benefits.

Additionality and displacement

2.11 Support to businesses adds greatest value where public sector resources encourage projects to go ahead which would otherwise not have occurred (additionality) and where the assisted projects do not replace goods or services produced elsewhere in the economy (displacement). In practice, however, the Executive and SEn recognise additionality in other projects which enables them to:

- proceed more quickly
- improve in quality
- proceed to a greater scale

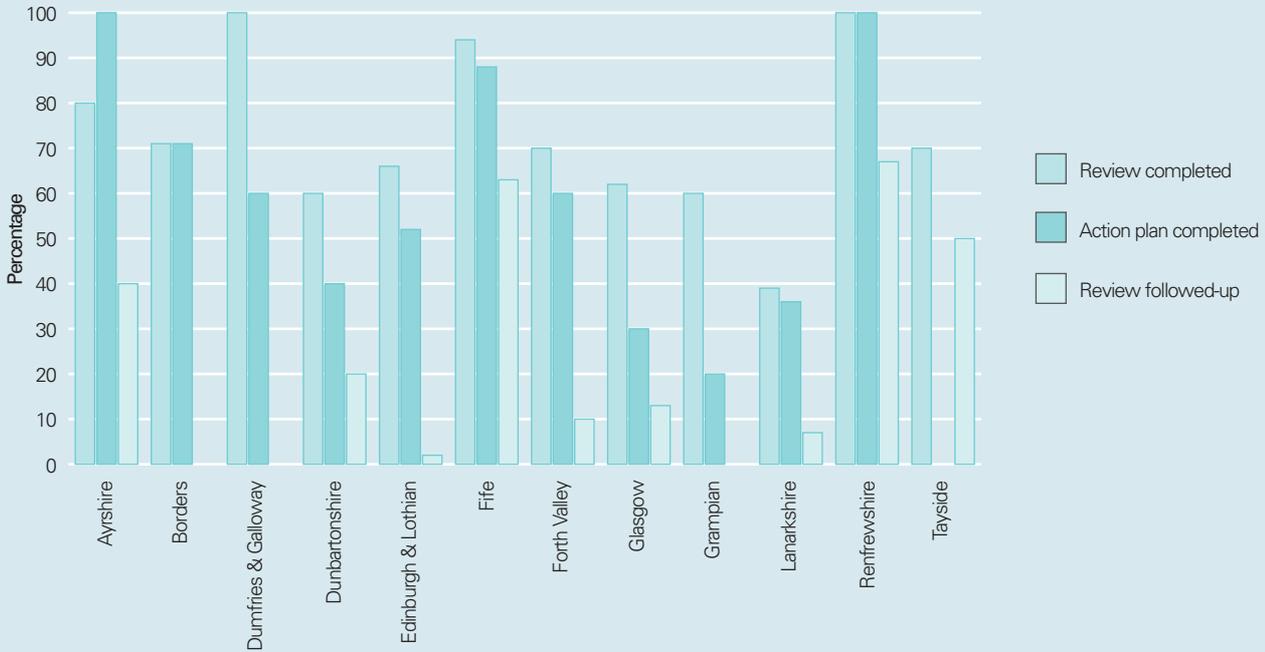
and where the assisted projects do not create displacement ie, they do not replace goods or services produced elsewhere in the economy.

2.12 Consideration of additionality and displacement are matters of judgement. LECs are expected to obtain information, such as business plans, to inform judgements on the case for assistance and the extent to which it is justified, and to limit support to the minimum necessary to encourage the project to proceed. The final decision is, however, subjective, and documentary evidence is needed when projects are reviewed prior to approval. This also allows consideration of the consistency of decisions between LECs and over time.

Exhibit 12

Variation in business reviews, action plans and follow-up of reviews by LEC

The proportion of businesses that had had business reviews completed varied from 40% to 100%. The proportion of businesses which had been subject to a follow-up review ranged from zero to 64%. The proportion of action plans completed ranged from zero to 100%.



Note: SE Tayside did not introduce the need for formal reviews and action plans until 2003.

Source: Audit Scotland fieldwork

Case Study 2

Authority covering the additionality of an expenditure programme

Small Company Innovation Support scheme (SCIS)

Definition of the Scheme – support is available to those businesses that can demonstrate that the proposed development:

- involves a product or process that is new to the business and which is innovative
- involves technical risk which is addressed by the applicant business, the resolution of which will influence the outcome
- is compatible with the strategic direction of the applicant's business.

Blanket authority – the management of the Scheme was transferred from the Scottish Executive to SEN in 1996. In 2002, SEN undertook an exercise to turn the Scheme into a network-consistent product. As part of this exercise, the issue of additionality was discussed. The Scottish Executive noted that all evaluations of this programme had clearly demonstrated additionality.

As a result, LECs were advised that the requirement to prove additionality on an individual case level had reduced, but there was no written authority from SEN to support the LECs' action.

Source: Scottish Enterprise

Exhibit 13

Additionality as disclosed by businesses

In 69% of projects, the businesses would have proceeded in some form without LEC support.

Project Additionality		
The Business:	% of Projects	Additionality Assessment
Would not have undertaken the project	31	High
Would have undertaken it, but at later date	29	Medium
Would have undertaken it, but quality would have suffered	14	Medium
Would have undertaken it, but on smaller scale	18	Medium
Would have undertaken it anyway	8	Low

Source: Company interviews

2.13 Our review of 439 projects involving account-managed businesses found that LECs do not routinely document the case for additionality and displacement. Account management teams normally discuss the case for individual projects prior to approval, but details of the judgements are not always recorded. In some cases, such as smaller grants for improvements in business management, additionality and displacement benefits are taken as read. Such approval can reduce unnecessary bureaucracy but should only be applied where it is viewed to be beneficial. We found that the authority covering the judgement taken by the LECs was not always clear ([Case Study 2 opposite](#)).

2.14 Most businesses interviewed considered that SEn assistance achieved some of the definitions of additionality. Interviews with businesses involved in a total of 171 approved projects found that additionality was high for 31% of the projects, and that the projects would not have gone ahead without SEn assistance. A further 69% of projects

would probably have gone ahead without SEn assistance, although most (61%) would have gone ahead on a different scale or at a later date (medium additionality). For 8% of the projects, additionality was low and the project would have gone ahead on the same scale and timescale without SEn assistance ([Exhibit 13 above](#)).

Continuing support

2.15 Assistance should be provided only to businesses that are viable and to projects that have a good prospect of being self-sustaining within a few years. Businesses should neither rely on assistance to maintain business operations nor expect continued support unless additional benefits can clearly demonstrate value for money.

2.16 We found that account-managed businesses often benefited from the service for a number of years and received different types of advice and support. Our review of projects and interviews with account-managed businesses found that LECs often supported the

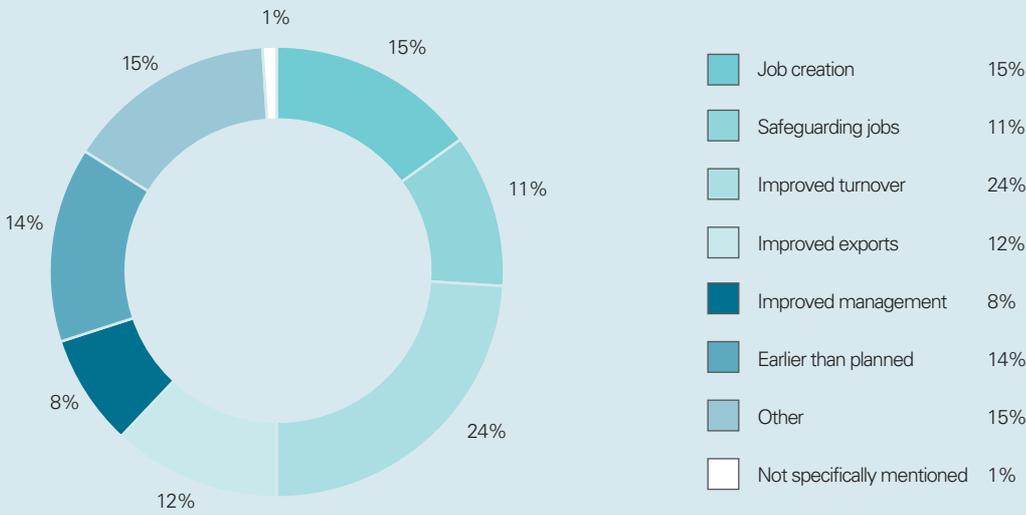
same businesses on a continuing basis:

- LECs' appraisals of projects prior to approval did not take into account the level of previous assistance provided to the business by the LEC or other public sector agencies
- although account managers were in regular contact with account-managed businesses, LECs did not require managers to include an assessment of the continued case for support in reporting on the outcome of meetings with businesses
- in the cases we examined, most businesses had worked with the LEC for a number of years and received multiple assistance. Nearly two-thirds (64%) of businesses had been supported by their LEC for at least five years
- on average, businesses had received assistance on at least two occasions during their period of involvement with the LEC.

Exhibit 14

Types of expected benefits of projects accounted

Job creation and safeguarding jobs account for 26% of expected benefits for projects.



Source: Audit Scotland case file reviews

2.17 Of the 948 businesses selected for account management in February 2002, 640 were still account-managed in May 2003. The status and the associated services of most (204) of the businesses that no longer benefited from the service were redefined as a result of the development of SEn’s evolving market segmentation initiative. A further 85 had ceased trading. None of the businesses had lost account management services because of a reassessment by the account manager of the potential continued benefit of SEn support although, in 21 cases, the LEC had taken the view the businesses had failed to engage with the account manager.

Assessing the expected benefits

2.18 SEn’s project development guidance requires LECs to identify the economic and employment benefits expected from providing assistance. The expected benefits should be directly related to the objectives of the assistance but should also demonstrate how the assistance will contribute to the development of the economy. The

guidance recognises that different means of assistance employed to encourage economic development will provide different benefits. Where job creation is an expected outcome, LECs are specifically required to address benefit in terms of net additional employment, as a general measure of the extent to which SEn intervention contributes to economic development. The guidance pre-dates A Smart, Successful Scotland and does not therefore require LECs to assess expected impact in the terms of the performance indicators for measuring its progress or outputs related to these. SEn has been reviewing and updating the guidance, with new material to be rolled-out alongside other corporate guidelines from summer 2004.

2.19 We found that assistance to account-managed businesses is expected to deliver a wide range of benefits. A quarter of the SEn project appraisals we reviewed identified benefits in terms of the impact on employment as set out in the guidance, with 15% recognising additional employment as a benefit and a further 11% of projects

referring to safeguarding existing jobs as a benefit. A further 36% of projects identified other quantifiable benefits in terms of the performance of the individual businesses (24% expecting additional turnover and 12% increased exports). LECs also identified benefits which were either associated with additionality (projects happening earlier than planned (14%)), or not easily quantifiable (improved management (8%)), and other benefits (15%) (Exhibit 14 above).

2.20 The benefits expected from assistance varied significantly among LECs. Our analysis found that, for employment, the proportion of projects expecting to create or safeguard jobs varied from 10% in Dumfries & Galloway (3% job creation and 7% safeguarding jobs) to 34% in Lanarkshire (17% creation and 17% safeguarding). For projects expecting other quantifiable benefits, projects expecting increases in turnover ranged from 16% (Lanarkshire) to 38% (Dumfries & Galloway), and those expecting increases in exports ranged from 3% (Dumfries & Galloway) to 24%

Exhibit 15

Expected benefits by type of benefit

The profile of expected benefits varied widely across LECs.

	Job Creation	Safeguarding Jobs	Improved Turnover	Improved Exports	Improved Management	Earlier than Planned	Other	Not Specifically Mentioned
Ayrshire	21	10	24	7	2	19	10	7
Borders	10	10	19	24	5	24	10	0
Dumfries & Galloway	3	7	38	3	10	14	21	3
Dunbartonshire	7	13	20	13	13	20	13	0
Edinburgh & Lothian	23	8	24	12	15	10	5	3
Fife	14	6	30	10	10	13	17	0
Forth Valley	24	8	23	13	13	18	2	0
Glasgow	13	6	36	7	5	24	7	1
Grampian	13	5	29	18	11	3	21	0
Lanarkshire	17	17	16	10	8	16	16	0
Renfrewshire	8	21	17	13	4	25	4	8
Tayside	8	12	26	21	3	4	26	0

Source: Audit Scotland case file reviews

(Borders). The proportion of other expected benefits ranged from 4% in Renfrewshire to 21% in Grampian (Exhibit 15 above).

2.21 SEn accepts the need to improve information held by the LECs to support project approvals. In conjunction with LECs, it has developed an action plan to take this priority forward (Appendix 5 page 45).

Conclusion and recommendation

There is no consistent documentary evidence that LECs have addressed key criteria in appraising applications for public sector assistance. SEn should:

- monitor progress against its action plan for improving information supporting project approvals.

Benefits achieved

2.22 It is important that the benefits achieved from financial and other assistance are tracked. Monitoring the outcome of assistance provides assurance that resources provided to businesses lead to the benefits expected for the local economy. It also provides LECs and SEn with valuable information for assessing which approaches to assistance and which expenditure programmes result in greatest benefit from the investment of public funds.

2.23 We found that LECs monitor assistance to businesses to ensure that payments are in line with approvals, but they record less information on outcomes achieved. Case file records provide clear evidence that account managers monitor the progress of support to businesses to ensure that grants are paid only when the approved grant conditions are met. Account managers also visit the businesses allocated to them to further develop relationships but, where records of meetings are held, they do not routinely comment on the extent to

which the benefits expected from individual projects are achieved.

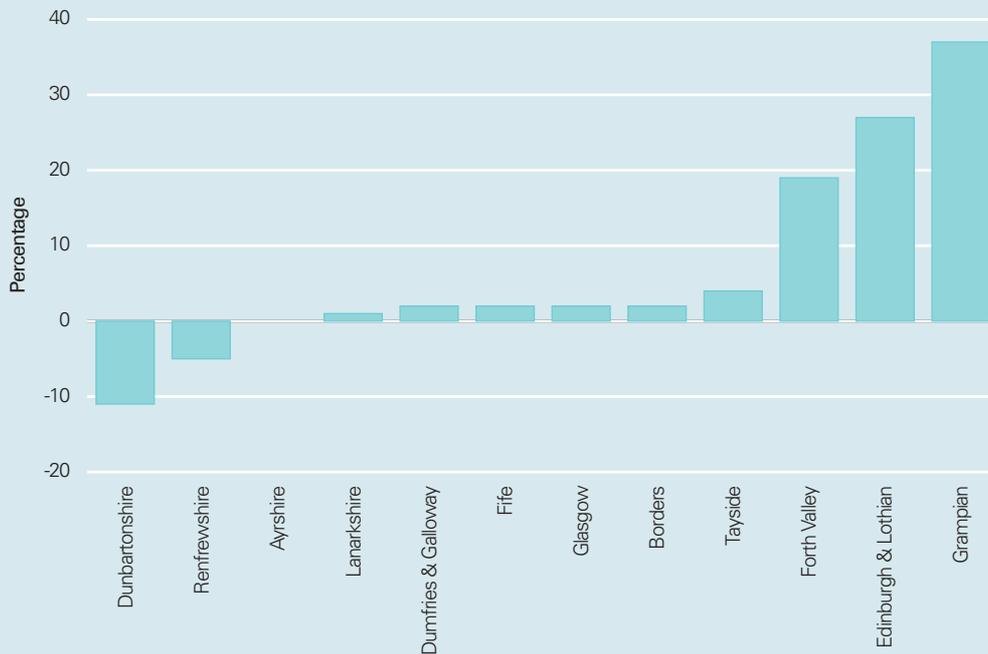
2.24 SEn and LECs undertake selective evaluations of projects and expenditure programmes. These generally consider the longer-term impact of assistance in economic development terms and assess the additionality achieved. Some LECs undertook evaluations of the account management services they delivered. However, these generally predated the development of SEn's market segmentation and consistent customer management initiatives.

2.25 Businesses interviewed generally identified positive benefits from the account management service, although they were not always able to quantify the impact of the financial assistance they received from SEn. Overall, businesses considered that some 85% of assisted projects met or exceeded their expectations. Regarding employment and turnover, the survey found that more than half the LEC-financed assistance to businesses had delivered no impact.

Exhibit 16

Percentage change in employment by LEC

There was a wide variation in the percentage of jobs gained by LEC area in the period under review.



Source: Audit Scotland fieldwork

2.26 For the primary measure set out in LEC guidance (increased employment), 42% of project interventions had led to increased employment while 56% had generated no change and 2% had resulted in a decrease. Further analysis found that for 42 businesses where increased employment was an expected benefit from assistance, 25 identified more jobs as an impact. For the 54 businesses where increased employment was not an expected benefit, 27 associated increases in employment as an impact of working with SEn.

2.27 For the other quantifiable benefit (change in turnover), 48% of project interventions had led to increased turnover, while 52% had generated no change in turnover. We found that for 61 businesses where increased turnover was an expected benefit from assistance, 41 identified increased turnover as an impact. For the 35 businesses where increased turnover was not an expected benefit, 20 businesses associated increases in turnover to be an impact of working with SEn.

Quantifiable benefits

2.28 SEn's interventions in the market do not have full effect immediately. Depending on the nature of the intervention, benefits may be realised at varying times: SEn identifies 'outputs' as deliverables over the duration of the intervention activities and 'outcomes' as effects that occur later. Outputs are measured largely through SEn's Knowledge Management Information System (KMIS), which provides detailed in-year data on inputs and outputs for projects and programmes. Outcomes, however, lend themselves to longer-term evaluations. These may be conducted at a later date with the specific aim of capturing the 'downstream' effect of an earlier intervention and drawing lessons for the future.

Employment

2.29 We assessed changes in gross employment for the account-managed businesses. For the 640 businesses that were continuously account-managed, the number of

employees rose by 3,118 (4%) over the three years from 1 April 2000 to 31 March 2003. Over the same period, employment in Scotland remained broadly static. Across the LECs, changes in employment varied from a decrease of 98 (11%) in Dunbartonshire to an increase of 199 (37%) in Grampian ([Exhibit 16 above](#)). We also found that for businesses that had received both advice and direct financial assistance from the LECs, employment increased by 1,201 (1%), whereas employment in businesses that benefited only from advice rose by 5,047 (16%).

2.30 Changes in employment levels will vary for a number of reasons. At LEC level, the variation can either be influenced by events specific to individual businesses or, reflect more general factors affecting the economy in the local area and the global economy. [Case Studies 3 and 4 overleaf](#) set out those factors that had most influence on the two LECs where employment in the sample of account-managed, high-impact businesses fell over the period. [Case Study 5 overleaf](#) sets out those factors influencing the LEC where employment in our sample grew most.

2.31 We examined case file information for 71 of the 195 businesses where increased employment was expected to follow from LECs' assistance. We found that employment levels had increased by 1,376, compared with expected increases of 689. For businesses expected to safeguard jobs, we found that employment had increased from 13,045 to 13,628.

Turnover

2.32 We obtained turnover details for 92 of the 195 case file businesses. This showed an overall increase in turnover of 50% over the three years from 1 April 2000 to 31 March 2003. Eighty-three of the 92 businesses had received direct financial assistance from LECs. The increase in turnover for these businesses was 49%, compared to an increase of 63% in businesses that received advice only. For those businesses that had identified increase in turnover as an expected benefit at the outset, turnover had increased by 102%.

Indirect benefits

2.33 Businesses interviewed were generally positive about the indirect impact of project support. They were asked whether LEC assistance had

diverted resources from other parts of their business activities. For three-quarters of businesses there was no diversion of resources and in the remaining cases diversion was more likely to have had a positive effect than a negative one ([Exhibit 17 page 26](#)).

2.34 The vast majority of businesses interviewed felt that support had led to improvements in unquantifiable benefits. Businesses considered that 82% of cases had led to indirect benefits, including better awareness of market and business needs, and better customer profile. Other indirect benefits included improvements in staff skills and improved management and efficiency.

Conclusions and recommendation

Employment and turnover increased in account-managed businesses, but results varied across LECs. Advice from LECs achieved more impact than direct financial assistance. SEn should:

- investigate the variation in the benefits gained from account management across LECs and ensure that effective practice is identified and adopted.

Meeting the priorities in *A Smart, Successful Scotland*

The link between priorities and activity

2.35 *A Smart, Successful Scotland* sets out priorities for the SEn network. The JPT has identified measures for monitoring progress against these priorities, but has recognised the difficulty of relating SEn activity directly to changes in the Scottish economy. The services

delivered by SEn's account managers are intended to improve the overall performance of the businesses assisted through a variety of mechanisms. Over time, these should contribute to the achievement of objectives associated with priorities in *A Smart, Successful Scotland*.

2.36 The precise impacts of the work of an economic development agency are often difficult to determine unambiguously. This is due to a number of factors, such as:

- the increasingly complex nature of the economy which it is trying to influence (eg, increase in global links)
- the wide range of activities undertaken and the nature of interrelationships between them (eg, business start-ups, innovation, inclusion etc)
- and the growing recognition of the importance of partnership working, making it difficult to isolate the individual contribution of partners.

Particular challenges for an economic development agency lie around assessing not only what would happen without their assistance, but also the unintended consequences of assistance, such as displacement, and capturing accurate and objective estimates of the impact of assistance from the recipient's point of view. SEn recognises the need to better understand the impact of its work, both to demonstrate value for public, money and to learn from experience to help improve future performance.

Case Study 3

Scottish Enterprise Dunbartonshire

During the period reviewed, the electronics/telecommunications sector in Scotland was badly affected by changing economic circumstances, resulting in a severe downturn in the global market. This global downturn affected Dunbartonshire and resulted in two of the sample businesses operating in this sector losing a total of 270 jobs. Some of these jobs have since been replaced as the businesses have diversified and won other business. On a more positive note, the other businesses included in the sample created a total of 198 jobs, which helped to offset the impact of the electronics sector job losses in both the local and Scottish economy. The Dunbartonshire economy is extremely diverse, with pockets of a low skills base coupled with high, long-term unemployment, particularly in the West. In developing the area, SE Dunbartonshire takes cognisance of these issues and works with businesses to safeguard existing jobs and to create new jobs.

Case Study 4

Scottish Enterprise Renfrewshire

The recent downturn in manufacturing has hit the Renfrewshire area hard, as the proportions of businesses involved in manufacturing, particularly electronics, are traditionally higher in this location than elsewhere in Scotland. This dependency on manufacturing is reflected in the Renfrewshire mix of account-managed businesses, where 66% of those audited were engaged in manufacturing. Account management of these firms aimed to foster long-term growth, but many were directly affected by global market conditions during the audit period. However, 50% of the manufacturing businesses worked with succeeded in demonstrating employment gains in the period. Losses from manufacturing accounted for 97% of the downturn, with 53% attributed to electronics and one large firm alone accounting for over 46% of all jobs lost in Renfrewshire during the audit period. The losses focused on five key Renfrewshire employers, that had a disproportionate impact on the final employment figure. Many of the businesses that have lost jobs have the potential to grow in the longer term and are still major contributors to the Renfrewshire economy.

Case Study 5

Scottish Enterprise Grampian

The Grampian economy is buoyant, due to a strong oil & gas industry, and growth in the value of Grampian manufactured exports. There is low unemployment and high economic activity. Despite this, there is recognition that one of the challenges SE Grampian faces is economic dependency on a few sectors and the need to diversify the economy. It must therefore to continue to work with growth businesses in all sectors and this includes food, tourism and manufacturing to name but a few. The types of assistance provided include strategic development, diversification, internationalisation, product development, marketing, human resource development, and e-business. A considerable number of businesses are engaged in the oil & gas and technology sectors, and this is where the majority of employment growth is coming from, although a number of food businesses have grown through acquisition. SE Grampian has been able to support businesses in the technology area through access to incubation units.

2.37 SEn account managers are expected to work with businesses in line with the priorities as set out in *A Smart, Successful Scotland*, but SEn guidance does not require LECs to assess and monitor the benefits of account management in achieving these priorities. The guidance recognises that different means of assistance to encourage economic development will provide different benefits. But LECs are specifically required to address benefits in terms of net additional employment, as a general measure of their contribution to economic development, rather than benefits related more closely with the priorities.

The reliability of performance results

2.38 One of the indicators established by the JPT for entrepreneurial dynamism and creativity relates to features associated with companies selected for account management, ie the proportion of innovative firms. The SEn Board set a target to support this indicator which sought to capture the number of companies demonstrating improved innovation performance in 2002/03. SEn has developed a standard set of growing business characteristics, which were validated by the Department of Trade and Industry, and others, for assessing factors of growth potential, including innovation in businesses. Assessment against these characteristics is used as a base to determine the scope for development in account-managed companies. Changes in scores derived by reassessing the characteristics over time are expected to provide evidence of businesses demonstrating improvement against the measure.

2.39 We found that SEn's reported performance against the operating target for innovation was unreliable.

SEn measures are published in an annual operating plan defining expected outputs which are agreed with SEETLLD. The operating plan for 2002/03 specifically defined the measure as the number of account-managed businesses demonstrating improvement in innovation in the year. SEn reported that 635 of the businesses it had assisted demonstrated improved innovation during 2002/03, exceeding the target for 500 businesses set by its board. But SEn changed the wording of the definition during the year ([Exhibit 17 overleaf](#)). Of the 635 reported businesses, 327 had been account-managed throughout 2002/03 and a further 94 companies had become account managed during the year ([Exhibit 18 overleaf](#)).

2.40 We also found differences in the way LECs had assessed businesses against the growing business characteristics to demonstrate improvements in innovation. In some cases, LECs had not used a review against the characteristics but, as an alternative, had relied on account managers' knowledge of individual businesses and the extent to which they had improved. These judgements were not always documented or reviewed by SEn to ensure consistency in approach. As part of its consistent network product initiative, SEn has introduced a consistent diagnostic tool for assessing improvement against the characteristics during the 2004/05 financial year.

Conclusion and recommendations

SEn recognises the need to demonstrate its impact in line with the goals set out in *A Smart, Successful Scotland*. It should:

- demonstrate a better understanding of its impact by developing performance measures which align its results more closely with *A Smart, Successful Scotland*
- take early action to focus appraisal of financial assistance on *A Smart, Successful Scotland* goals.

Exhibit 17

Changes in the wording of the definition of the operating target for improved innovation

The wording of the definition of businesses that counted against SE's target for improved innovation, for 200/03, changed four times.

Source of Definition	Definition Used
Scottish Enterprise Operating Plan 2002/03 (p5, p58)	Assist 900 businesses develop plans to improve innovation performance of which 500 will demonstrate improvement in performance.
Scottish Enterprise Operating Plan 2002/03 (p7)	Account-managed businesses showing improved innovation performance.
Scottish Enterprise Operating Plan 2002/03 (footnote on p7)	Businesses showing improved innovation performance: improvement against a detailed action plan on how a business is taking forward 14 business growth characteristics, including visionary leadership, organisational culture, international perspective, innovation, and the use of e-business.
Scottish Enterprise's guidance to LECs.	This output generally relates only to businesses that are account-managed by an LEC. To be able to forecast and/or claim output, the business must be assessed against the Growing Business Characteristics at some point prior to the activity.

Source: Scottish Enterprise publications

Exhibit 18

Breakdown of reported information on performance indicator for improved innovation

Of the 635 businesses reported as being more innovative in 2002/03, 327 were account-managed throughout 2002/03 and a further 94 became account-managed during the course of the year.

LEC	Total number of businesses showing demonstrable improvement – 2002/03	Number of account-managed, high-growth businesses identified in February 2002 showing demonstrable improvement	Number of account-managed, high-growth businesses counted versus target that became account-managed between February 2002 and May 2003
Ayrshire	40	10	2
Borders	29	15	4
Dumfries & Galloway	70	10	0
Dunbartonshire	12	7	1
Edinburgh & Lothian	165	103	33
Fife	35	21	3
Forth Valley	30	18	9
Glasgow	99	44	16
Grampian	50	9	19
Lanarkshire	50	44	6
Renfrewshire	15	15	0
Tayside	40	31	1
Total	635	327	94

Source: Audit Scotland fieldwork

Part 3. Cost



3.1 In this section, we look at the costs associated with LECs' support for account-managed businesses in terms of:

- how much money was involved
- assistance provided to businesses
- relative efficiency between business units.

How much was involved?

3.2 Account-managed businesses benefit from SEn resources in two ways. Each business is assigned an account manager who works with it to help it realise its potential. Where the business is eligible and the LEC can demonstrate added value, the business may also benefit from direct financial assistance from one of a number of expenditure programmes operated by SEn.

3.3 We estimate that the cost of account management for the 948 high-impact customers for three years (2000/01 to 2002/03) totalled £40.5 million, comprising some £12.3 million in costs associated with the

employment of account managers, and £28.2 million in direct support to the account-managed businesses from LEC expenditure programmes ([Exhibit 19 opposite](#)).

3.4 The costs associated with account-managed businesses are managed in different ways. Costs associated with employing account managers are managed through LEC administration budgets. The cost of direct support is managed through LEC budgets for expenditure programmes. Consequently, there is no budget for the overall cost of account management and no out-turn figures against which the costs and benefits of account management can be monitored.

Cost of account managers

3.5 LECs do not use time-recording systems to identify the amount of staff time devoted to different aspects of their business, such as account management. Using the number of full-time equivalent staff supporting the 948 businesses and included in LEC staff complements, average salary and other costs (such as travel, management and

administrative support, and IT) associated with the grades of employees involved, we estimate the staff cost of account management over the three years from 2000/01 to 2002/03 to be around £12.3 million.

Cost of direct financial support

3.6 Over the three years from 2000/01 to 2002/03 the total level of direct support to the account-managed businesses we looked at was £28.2 million. This support came from programmes associated with SEn's strategic aim for growing businesses and does not include any national skills or training programmes. A list of the expenditure programmes from which the businesses benefited is set out in [Appendix 6 page 47](#).

3.7 The level of financial assistance provided to individual businesses varied: 207 businesses were awarded no assistance while one business received over £2.3 million in grants. The average support to businesses by individual LECs was £26,632, ranging from £12,685 to £67,555 ([Exhibit 20 overleaf](#)). The number of instances of support per

Exhibit 19

Annual Scottish Enterprise spend on high-growth businesses by year

The total spend on high-growth businesses totalled over £40 million during the three years reviewed.

Year	Area	Spend	Total
2000/01	Cost of account managers	4,106,652	14,009,746
	Direct assistance	9,903,094	
2001/02	Cost of account managers	4,106,652	14,276,091
	Direct assistance	10,169,439	
2002/03	Cost of account managers	4,106,652	12,218,232
	Direct assistance	8,111,580	
		12,319,956	28,184,113
			40,504,069

Note: This spend does not include spend on training programmes.

Source: Audit Scotland fieldwork

business varied from those receiving no direct financial assistance, to one business that received assistance for 14 different projects. The average incidence of support per business was two projects, but this varied from one to five across the LECs (Exhibit 21 overleaf). We found no relationship between the average level of support provided by LECs and the average number of instances of support per business they provided.

Consistency of support to businesses provided by the SEn network

Direct financial assistance

3.8 Support to businesses was provided through a number of different expenditure programmes. Although all assistance should contribute to the growth of the businesses involved, we categorised these programmes into six groups (as detailed in Appendix 6) to identify the different approaches taken by individual LECs:

1. Growth (eg, support for research and development and marketing)

2. Management improvement (eg, business development support, business development)
3. Exports (eg, export mentoring, overseas marketing grant)
4. ICT (eg, e-business advice, e-business marketing support)
5. Environment (eg, waste minimisation)
6. Property (eg, the provision of factory space).

3.9 An analysis of the programmes used across LECs shows that approximately 45% of all support was given to growth programmes (Exhibit 22 overleaf). This included 6% of projects where assistance was targeted towards research and development.

3.10 The profile of programmes used by LECs varied considerably. In two LECs, more than half of the projects involved growth programmes (Forth Valley 65% and Glasgow 52%), but for another two (Borders 30% and Grampian 32%), fewer than a third

of projects involved growth programmes. Factors contributing to these variations include the local circumstances of each LEC and the specific needs of the businesses supported.

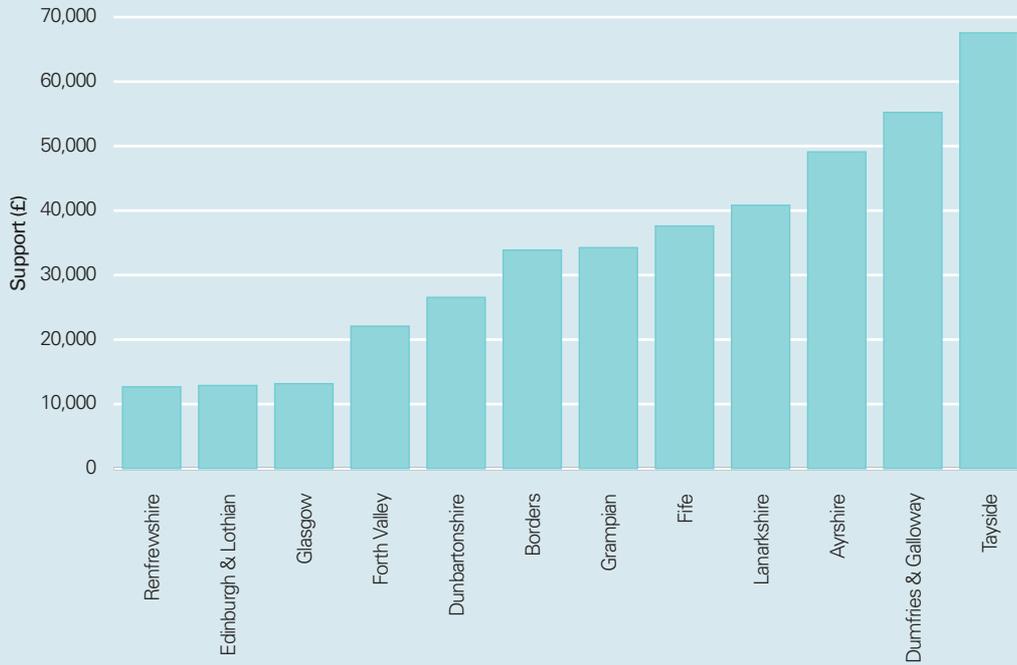
Account management support

3.11 The need for greater consistency in the way LECs approach account management is recognised in SEn's Business transformation programme (para 1.14). The new approach to market segmentation identifies the need for LECs to define, in greater detail, businesses eligible for account management. Revised guidance on consistent customer management sets out more clearly what is expected to result from regular contact between account managers and the businesses they work with.

Exhibit 20

Average support to businesses by LEC for the three years 2000/01 to 2002/03

The average support varied by a factor of 5:1.

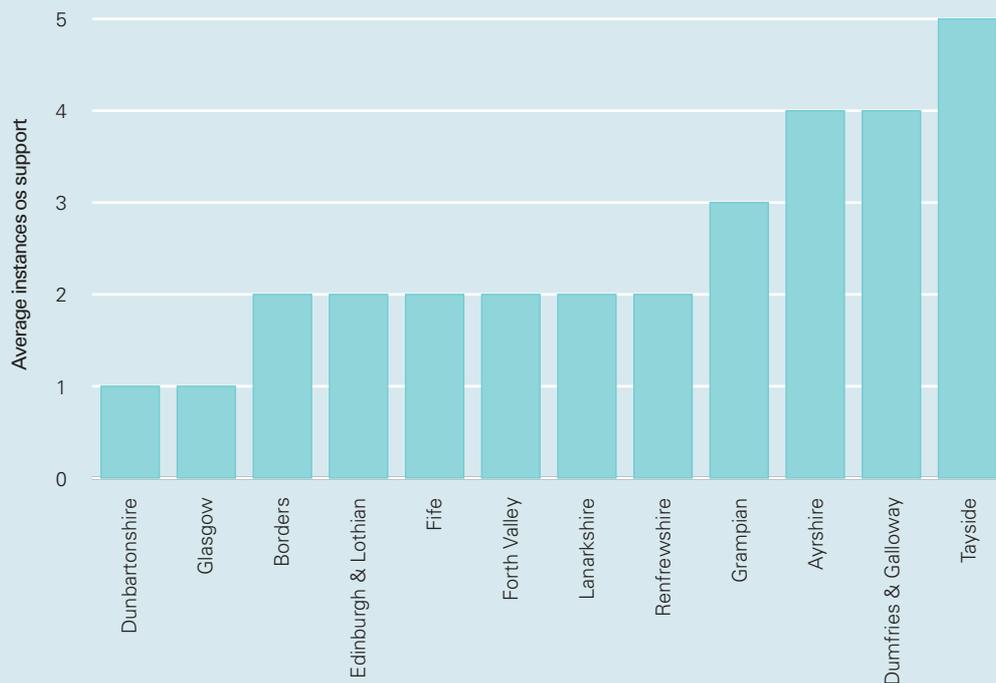


Source: Audit Scotland fieldwork

Exhibit 21

Average number of instances of support for case file businesses

The average number of times LECs supported individual businesses varied by a factor of 5:1.



Source: Audit Scotland fieldwork

Exhibit 22

Use of different programmes, by number of projects

Most LECs made extensive use of growth programmes to support businesses in their area.

	Growth	ICT	Exports	Management Improvement	Environment	Property
	(%)	(%)	(%)	(%)	(%)	(%)
Ayrshire	40	17	11	17	6	9
Borders	30	13	18	4	13	21
Dumfries & Galloway	42	19	12	0	1	21
Dunbartonshire	33	13	38	4	0	13
Edinburgh & Lothian	49	14	28	2	1	6
Fife	36	14	33	9	4	4
Forth Valley	65	6	8	0	2	20
Glasgow	52	6	19	16	1	6
Grampian	32	14	20	22	2	10
Lanarkshire	48	7	16	7	1	21
Renfrewshire	39	16	12	24	6	3
Tayside	41	12	24	3	4	16
Average	45	11	21	7	3	12

Source: Audit Scotland fieldwork

3.12 We examined the relative efficiency of account management across LECs to assess the scope for improvement that might be available from improved consistency. we considered relative efficiency using measures of:

- the level of account management support
- differences in approach
- the cost-effectiveness of reported outcomes.

The level of account management support

3.13 When consistent customer management guidance is fully implemented, SEn expects that an account manager will generally have a portfolio of between 20 and 25 businesses, and that their relationship with around 15 of them will be active at any one time. Portfolios of this size allow the account manager to build up the one-to-one relationships essential to good account management. In practice, we found that LECs had allocated businesses to account managers in different ways so the number of businesses handled by individual account managers varied between four and 40, and the average number handled varied across LECs from 2 to 23 ([Exhibit 23 opposite](#)).

Differences in approach

3.14 The level of direct support provided to businesses depends on judgements regarding individual circumstances. Account managers work with businesses to identify action necessary to realise their potential, and, where appropriate, they may recommend direct support for projects which will assist a business to grow. Consequently, the level of support offered to individual businesses benefiting from account management will vary.

3.15 We found significant variation in the relationship between the cost of direct support and the cost of account management. An analysis of the amount of direct assistance per £1,000 of account management cost shows a variation from £487 (Renfrewshire) to £6,376 (Dumfries & Galloway) ([Exhibit 24 opposite](#)).

Cost-effectiveness

3.16 We also considered the relative cost-effectiveness in terms of the cost of creating new jobs in account-managed businesses (cost per job).

3.17 SEn's guidance to LECs highlights net additional employment as a key indicator of the impact of economic development assistance ([para 2.18](#)). We found that the level of increased employment in businesses receiving account management services varied across the LECs ([para 2.29](#)) and that there were significant differences in the balance between advice and direct assistance offered by the LECs ([para 3.15](#)). The relative cost-effectiveness of the combined effects of these variations can be measured through the cost per job.

3.18 We calculated the cost per job using the increases in employment and total account management cost (cost of account managers plus direct assistance to the account-managed businesses) for nine of the 12 LECs ([Exhibit 25 overleaf](#)). The cost per job varied significantly, from £2,105 (Edinburgh & Lothian) to £26,539 (Lanarkshire). Dunbartonshire and Renfrewshire LECs were excluded because employment in their account-managed businesses fell over the period; Ayrshire LEC was excluded because employment in its account-managed businesses had increased by one job.

Conclusion and recommendations

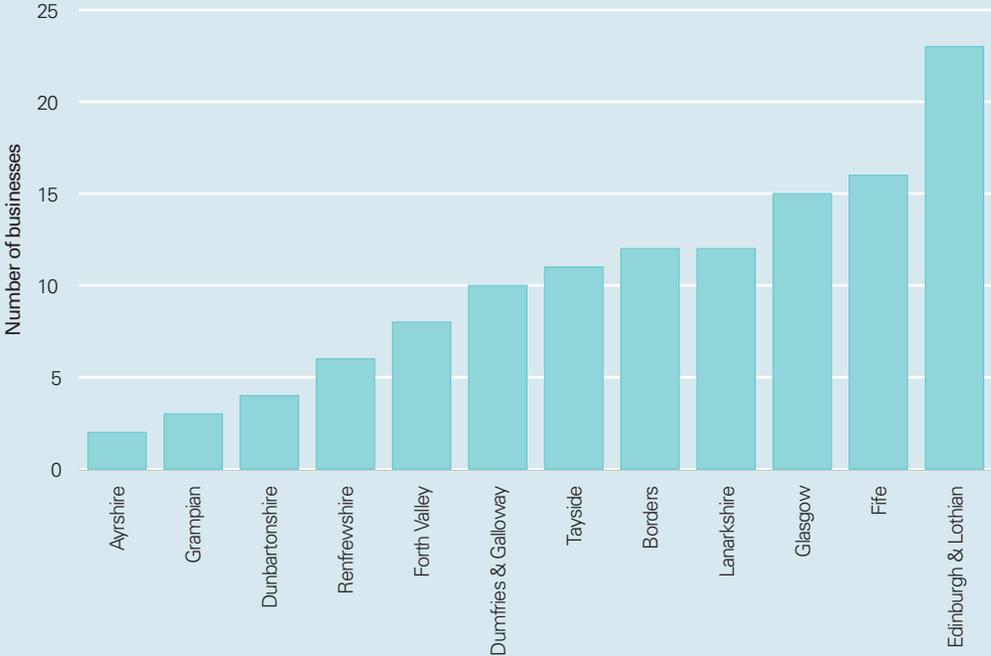
The £40 million spent on account-managed businesses was used to pursue a variety of approaches to the service. SEn should:

- examine the variations in measures of efficiency and cost-effectiveness in its account management services.

Exhibit 23

Average number of high-growth businesses per account managers across LECs

The average number of high-growth businesses identified in 2002 per account manager varied by a factor of 10:1.

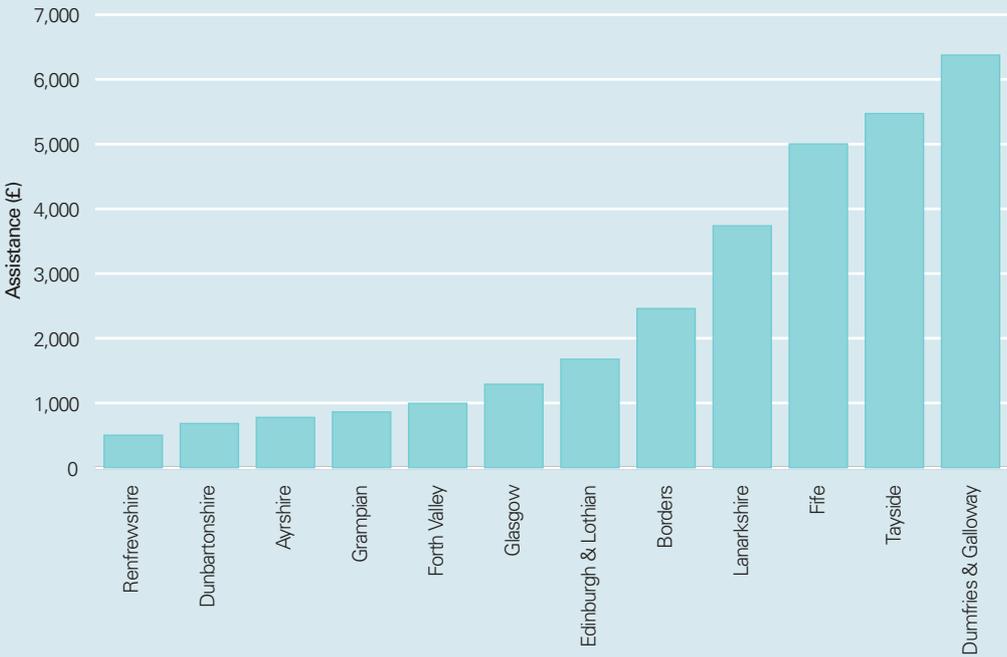


Source: Audit Scotland fieldwork

Exhibit 24

Amount of assistance per £'000 spend on account management by LEC

The amount of direct support provided to account-managed businesses for every £1,000 of account manager cost varied significantly.

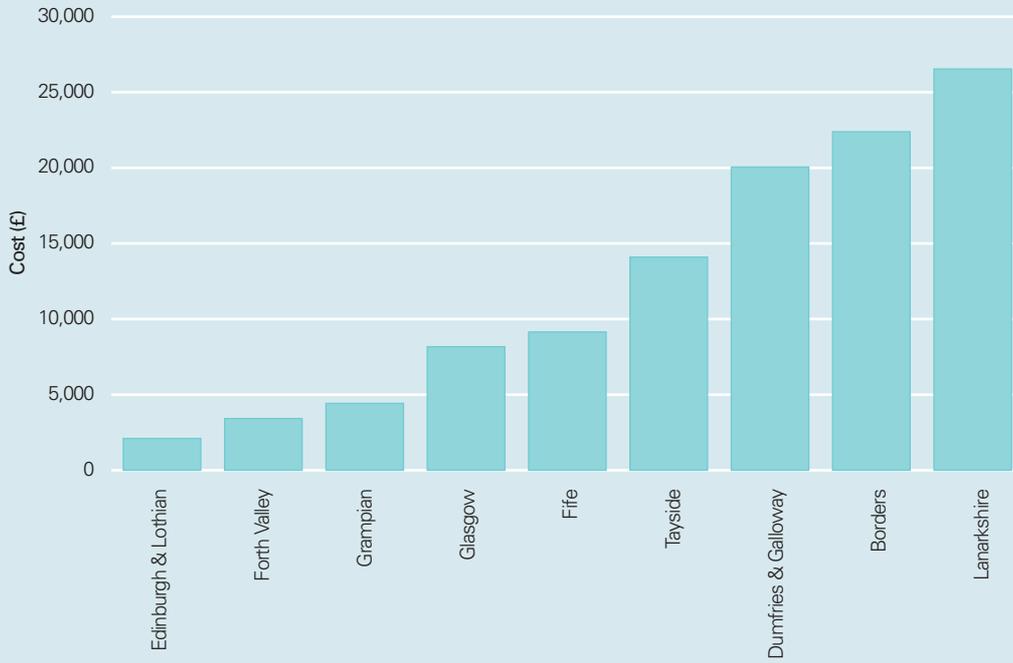


Source: Audit Scotland fieldwork

Exhibit 25

Cost per job

The cost per job varied by a factor of 13:1.



Note: Excludes Ayrshire, Dumbartonshire and Renfrewshire, where no significant increase in employment was recorded.

Source: Audit Scotland fieldwork

Part 4. Quality of service

Businesses' views on account management and LECs

4.1 It is important for service providers to understand their customers' view of the quality of service being provided. SEn undertakes an annual customer satisfaction survey covering all the services provided by the network. LECs also undertake regular surveys of their own local client base to establish how the service is viewed. Generally, these surveys provide positive feedback from the customer base on the outcomes achieved from SEn advice to businesses ([Exhibit 26 overleaf](#)).

The views of service users versus non-users

4.2 SEn's customer survey does not cover the views of non-users of its services. We therefore looked at information available from a survey undertaken by the Scottish Executive to determine their views. The Executive commissioned NFO Social Research to conduct a wide-ranging survey of the views of over 2,400 business leaders across Scotland

during August and September 2003. The large sample size makes it possible to distinguish between the views of those business leaders who had encountered public sector business support services in the previous two years, and those that had not ([Exhibit 27 overleaf](#)). Since, in the SEn area, almost all such services are provided by SEn or by its LECs, the survey effectively gives an insight into how the business sector perceives SEn.

4.3 On three issues (the number of service providers, whether the providers are in competition with each other, and whether there is too much overlap in the services they provide), there was no statistically significant difference between the views of service users and non-users.

4.4 However, there were meaningful differences in three other areas:

- service users were more aware than non-users about which public body provided business support services in their local area

- they felt more strongly that public sector agencies provided services not readily available from the private sector
- they knew enough about the services provided.

Account management process

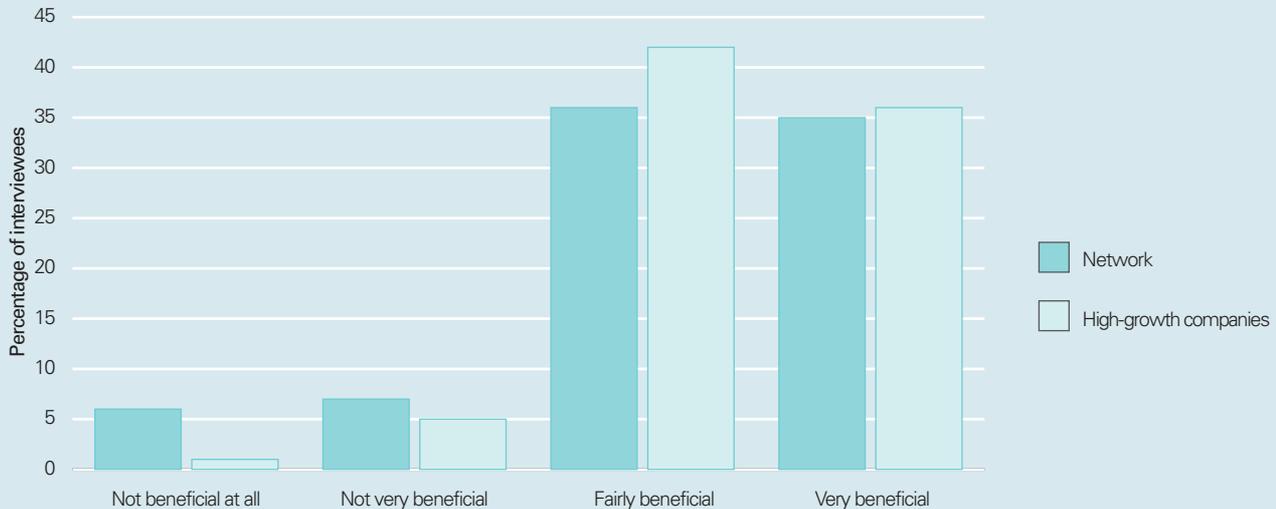
4.5 Although the customer satisfaction surveys provide general assurance about the quality of service provided across a range of LEC work, less is known about customers' specific views on account management. Our account-managed business interviews therefore included specific questions about the quality of service delivered by the account managers and, more generally, by the LEC.

4.6 The account management service depends on a robust, one-to-one relationship between the account manager and the business. To gain evidence of the customers' perception of the success of that relationship, the businesses were asked about their contact with the account manager, the nature and

Exhibit 26

Answers to: 'Overall, how beneficial has the outcome of Scottish Enterprise's advice been to your business?'

SEn customer surveys indicated that most businesses across the network and most high-growth businesses, found the services SEn provided were 'fairly beneficial' or 'very beneficial'.



Source: Scottish Enterprise Customer Survey, July 2003

frequency of contact, and their overall rating of their own account manager.

4.7 The responses to questions about contacts with account managers were generally positive:

- 88% of businesses recognised their account manager as a single point of contact with the LEC
- over half (54%) had worked with the same account manager for at least three years and a further third had worked with two account managers in three years
- key elements of successful account management support were identified as: identification of assistance available from the LEC (94%); discussion of business needs and priorities (83%); ongoing support and advice (73%); and referrals to non-LEC contacts (70%)
- 90% of businesses felt that the level of contact with account managers was about right

- most businesses (71%) reported that both the business and the account manager initiated contact.

4.8 Overall, the businesses interviewed generally assessed the performance of account managers as 'good' to 'very good'. Businesses were asked to assess performance on a scale of 1 ('very poor') to 5 ('very good') for a range of aspects of the account manager's contact with them. The average score for most aspects was above 4 ('good') with the overall calibre of LEC contact (average score 4.34) and promptness in dealing with enquiries (4.31) scoring highest. The average score for one aspect of performance (range of support offered (3.75)) fell below the 'good' rating ([Exhibit 28 overleaf](#)).

4.9 More than half (57%) of the businesses interviewed said the LEC had not given them an opportunity to comment on the performance of their account manager. When asked to provide specific comments on aspects of the account management service, businesses gave both positive and negative comments. In

particular, businesses commented on their relationship with account managers being flexible and in keeping with their business requirements.

LEC support

4.10 In general, the businesses interviewed had positive views about the support they had obtained from LECs as a result of account management. Nearly two-thirds (63%) of the businesses interviewed had identified and accessed direct project assistance from the LEC through their account manager. Most also felt that support was related to their business needs, with 46% judging the assistance to have arisen from an ongoing strategic and coordinated relationship, and 40% judging the support to have been periodic.

4.11 When asked, around half of the businesses interviewed (49%) stated that there were areas where they would like to have received support, but were unable to do so. The areas commonly identified included: capital investment, help with physical

Exhibit 27

The views of service users and non-users

There was no statistically valid distinction between the views of service users and non-users on half of six key measures. On the three measures where differences were valid, service users had a more positive view of business support services than non-users.



Source: NFO Social Research

Exhibit 28

Business assessment of the performance of account managers

Account managers were assessed as 'good' to 'very good'.

Comment on account manager	Score 1 - 5
Availability of account manager	4.25
Promptness in dealing with enquiries	4.31
Appropriateness of support offered	4.14
Range of support offered	3.75
Quality of support offered	4.10
Continuity of support	4.25
Overall calibre of LEC contact	4.34

Source: Audit Scotland fieldwork

development costs, specific training requests and assistance with the costs of travelling overseas for export development. However, as additionality and displacement must be taken into account before any offer of financial assistance, the businesses interviewed may not have been involved in projects which would qualify.

Conclusion and recommendation

Businesses supported by SEn are generally positive about the experience. SEn should:

- consider further action to ensure that businesses become aware of the services it offers, and their potential impact.

Appendix 1: Targets for the Growing businesses theme

Area	Targets
Growing businesses	
Entrepreneurial dynamism and creativity	New starts assisted <ul style="list-style-type: none"> - Social inclusion partnership (SIP) residents - Women - High growth
More e-business	Organisation assisted to market and transact online
Commercialisation of research and innovation	Assisted businesses demonstrating improved innovation performance New products/services, processes introduced by assisted firms
Global success in key sectors	Academic/Industry joint ventures assisted (including spin-outs) Businesses achieving recognised environmental standards/awards
Global connections	
Digital connectivity	City 'hubs' providing high-quality, competitive telecom services
Involvement in global markets	Organisations in key industries participating internationally (exports, Joint Ventures)
Globally attractive location	Planned new jobs through research, design and development foreign direct investment Assistance given to new international business transport links
Choosing to live and work in Scotland	Key 'knowledge workers' attracted to Scotland (pilot) Accommodation provided for clusters and key sectors (sq metres)
Learning and skills	
Improving the operation of the Scottish labour market	Number of people participating in modern apprenticeships Modern apprenticeships achieved
The best start for all our young people	Adult leavers remaining in employment/further training after three months
Narrowing the gap in unemployment	Adult programme participants from worst 10% postcode areas/Social Inclusion Partnership areas Numbers participating in adult work-based training and development activities First-time Investors in People (IiP) recognition

Appendix 2: Timeline

Move from regarded as Innovative Far-Sighted Organisations (IFSOs) towards consistent segmentation and customer management for account management

Financial Year	Status
1999-2000	<p>LECs are autonomous businesses</p> <p>IFSO strategy launched by SEn</p> <p>IFSO segmentation questions developed</p>
2000/01	<p><i>A Smart, Successful Scotland</i> launched by the Scottish Executive</p> <p>Customer relations strategy approved by SEn Board</p> <p>IFSO businesses segmented for the first time</p> <p>IFSO strategy reviewed in line with <i>A Smart, Successful Scotland</i></p>
2001/02	<p>IFSO segmentation questions reviewed and amended to reflect the direction of <i>A Smart, Successful Scotland</i> and SEn's customer relations strategy</p> <p>Newly formed IFSO segmentation questions introduced</p> <p>Segmentation database rolled-out to LECs with presentations on its use</p> <p>Segmentation work is built into the Business transformation programme process being undertaken by SEn</p> <p>IFSO segmentation applied to identify potential high-impact customers who would receive an account-managed service (977 businesses scoring 9 or more as February 2002)</p>
2002/03	<p>Segmentation toolkit rolled-out to LECs in September 2002 (potentially high-impact businesses scoring 11 or more)</p> <p>The Business transformation programme builds upon SEn's customer relations strategy, setting out proposals for consistent customer management (approach approved in February 2003 by SEn's corporate management team)</p>
2003/04	<p>Customer segmentation toolkit refined in April 2003 (1,300 potentially high-impact customers scoring 9 or more as at May 2003)</p> <p>Consistent customer management guidelines continue to be developed and refined by SEn's key decision-making groups (December 2003)</p> <p>Consistent customer management toolkit issued to LECs to commence implementation (February 2004)</p> <p>April 2004 – just over 2,000 businesses in receipt of an account-managed service</p>

Appendix 3: Study methodology

Methodology	Information Gained
<p>Examination of data and papers held by SEn. This included evaluations of programmes.</p> <p>Interviews with senior staff in SEn and LECs.</p>	<p>This information was used to gain an understanding of:</p> <ul style="list-style-type: none"> • why innovative businesses had been picked as a group to receive account management • what account management means • the expectations of the account management process • the expectations of the market segmentation process and how this was developed • information SEn uses to assess if the process is working.
<p>Data from LECs on the businesses that they had identified as high growth as at February 2002. This included the current status of these businesses as at May 2003.</p>	<p>This data was used to:</p> <ul style="list-style-type: none"> • track movement in account-managed businesses • record the types of programmes used to support these businesses • monitor the amounts received by the businesses over the period from April 2000 to March 2003 • provide information on the businesses in terms of manufacturing sector and business size.
<p>Case file examination and discussions with LEC staff. A review by Audit Scotland, of the records of 195 businesses held by LECs.</p>	<p>This process was used to:</p> <ul style="list-style-type: none"> • gain an understanding of how account management was implemented in each LEC area • provide more details on the businesses, including contact details • review outputs produced by the LEC, eg, business reviews, action plans • assess LEC papers backing the support provided to the business, including consideration of issues such as additionality and displacement.
<p>Interviews with businesses undertaken by DTZ Pbeda, with 96 businesses in the SEn area.</p>	<p>This information was used to gain businesses' views on:</p> <ul style="list-style-type: none"> • the account management process • account managers • how to deal with the LEC • impact on the business as a direct result of LEC support.

Appendix 4: Market segmentation

The development of the market segmentation toolkit.

The working group that initially developed SEn's definition of an Innovative and Far-Sighted Organisation (IFSO) identified seven questions for use by LECs to assess their customer base.

The questions (and the associated weightings) were:

Question	Weighting
1. Is the business willing to engage with the SEn?	1
2. Is the business committed to strategic development?	3
3. Is the business a high-growth business?	4
4. Does the business compete on value, not only on price?	2
5. Is the business active in new, developing or growing markets?	3
6. Does the business invest in critical resources?	1
7. Can the business be classified as an innovator?	3
Maximum possible business score	17

The use of this toolkit to segment the marketplace was not universally adopted by all the LECs.

In April 2003, SEn produced a revised customer segmentation toolkit. This toolkit was produced to ensure that a consistent process is used throughout SEn, and provides criteria to assess a customer's potential to make an impact on the Scottish economy.

The revised toolkit replaced the seven questions with three questions:

Question	Scoring
1. Does the organisation have the opportunity to significantly increase its revenue in new or growing markets?	4, 2, 0
2. Is there credible evidence that the business wants to grow?	4, 2, 0
3. Does the organisation have the capacity needed to grow or can it be built?	4, 3, 1, 0
Maximum possible business score	12

SEn suggests the following as the segment allocation criteria:

Segment	Score
High impact	9 - 12
Medium impact	3 - 8
Universal market	Less than 3

Appendix 5: Scottish Enterprise's action plan

In April 2004, Scottish Enterprise developed an action plan that was generated by issues arising from the evolution of internal practices and processes, and areas identified as part of the Audit Scotland study. The action plan contains eight actions across four areas:

- consistent customer management
- project management
- governance
- performance management.

Progress against the plan will be reported to SEn's Growing Business Policy Group and the Corporate Management Team.

Area	Action	By	Status
Consistent customer management	1. Identify a diagnostic tool for use by business advisers, client managers and account managers to facilitate the undertaking of consistent customer reviews.	Network Product Team	Research undertaken on existing tools and work under way to refine a diagnostic tool. Initial proposal to Growing Business Policy Group in May 2004.
	2. All active, account-managed customers to receive a plan detailing potential areas for development and identifying any actions agreed between SEn and the customer to take these areas forward.	Senior Directors, Operations	Guidelines approved and toolkit issued to LEC Chief Executives in February 2004. Toolkit to be adopted by LECs during 2004/05 financial year. Consistent development plan template approved for use from April 2004.
Project management	3. Establish whether formal application forms should be introduced when customers are applying for financial assistance.	Growing Business Network Group	Research underway to identify benefits and weaknesses of existing processes. Research to conclude by end of April 2004. Proposal on a consistent way forward to be submitted to the Growing Business Policy Group . Proposal to be submitted during June 2004.

Area	Action	By	Status
Project management (continued)	4. Ensure project appraisals are undertaken in a consistent manner, with key criteria recorded on file	Growing Business Network Group and Knowledge Management	<p>Research under way to establish a standard appraisal template for use with high-impact customers. Research to conclude by end of April 2004.</p> <p>Proposal on a consistent way forward to be submitted to the Growing Business Policy Group. Proposal to be submitted during June 2004.</p> <p>Project Development Guidance has been updated. New guidance to be rolled-out to SEN from summer 2004.</p>
Governance	5. Awareness and understanding of state aid and <i>de minimis</i> rules to be increased.	Company Secretary, Legal	Discussion scheduled with Growing Business Network Group in May 2004. Subsequent widening of awareness to be agreed during that discussion.
	6. Contracts to reflect conditions set as standard by SEN's legal directorate.	Legal	Discussion scheduled with Growing Business Network Group in May 2004 to provide advice and raise awareness. Subsequent widening of awareness to be agreed during that discussion.
	7. Delegated Authority arrangements to be consistently applied across LEC account managers.	Finance, Senior Directors Operations	Policy & Procedures Review will be scoped during May 2004 , with areas prioritised and individual timescales set.
Performance management	8. Targets and measures addressing the development of account management companies must be explicit in their definition and use.	Knowledge Management, Growing Business Policy Group	New target agreed for 2004/05 and communicated to the network.

Appendix 6: Expenditure programmes

This appendix lists the range of products and programmes delivered by LECs to the businesses that we examined in our audit.

Finance

1. Business Growth Fund
2. Investor-Ready Support
3. Pre-investment Appraisal
4. Regional Selective Assistance
5. Small Company Innovation Support
6. Small Firm Loan Guarantee Scheme
7. SMART – innovation support
8. SPUR – R & D support

Sales and Marketing

9. Exhibition Management
10. IIS Sales Development
11. Market Access Programme
12. Market Advance Programme
13. Market Assistance
14. Market Information
15. Market Research
16. Marketing (not specified further)
17. Marketing Edge
18. Marketing Skills
19. PR
20. Sales Development Programme
21. Sales Edge
22. Tourism Research
23. Tourism Retail Programme
24. Travel/Exhibition Assistance

R&D, New Product Development, Production, Innovation

25. Business Process Enhancement
26. Commercialisation Support
27. Innov8
28. Innovation Counsellor
29. Innovation Networks
30. Innovation Programme
31. Operational Efficiency
32. Product Development
33. Storage/Detection Technology

Other

34. Build Better Informed Programme
35. Business Growth Development
36. Competitive Businesses Development
37. Expert Help
38. Food & Drink Sector
39. Food Service
40. Fully Booked
41. Health enhancing Foods
42. Project Janet
43. Project Support
44. Retail Edge
45. Scotland's Best Service Businesses
46. STEP Programme
47. Sword Programme
48. WL Ventures

ICT

49. Bespoke – E-supply Chain Pilot
50. Capital-E
51. Digital Advantage Workshop
52. Digital Media Learning Journey
53. E-business Adviser
54. E-business Customer Support
55. E-business Marketing Support
56. Electronics Review
57. E-trading for Export Businesses
58. Internet Reservation
59. Software Academy
60. Software Learning Journeys

Exports/Global

61. Euro Business Solutions
62. Export Mentoring
63. Global Advantage
64. Global Businesses
65. Globalisation Programme
66. Overseas Market Grant
67. Scottish Development International – targeted assistance
68. Upstart Europe

Management Improvement

69. Advice
70. Bespoke – SEn Food Skills Pilot
71. Bio Skills Implementation
72. Biotech Business Adviser Service
73. Business Mentoring Scotland
74. Business Planning
75. Business Skills
76. Business Support
77. Business Development
78. Culture Development Support
79. Disney Institute
80. Department of Trade and Industry –benchmarking.
81. Food Initiative
82. Forward Thinking in Food Industry Pilot
83. Graduate into Food
84. Management Development
85. Mentoring
86. Project Management for New Facility
87. Project Support for Marketing Director
88. Rapid Results

Environment

89. Good Environmental Practice
90. Green Tourism
91. ISO14000 Support
92. Waste Minimisation

Property

94. Feasibility Study
95. Design-building and Costing advice
96. Property Search
97. Relocation
98. Repayable Grant re property
99. Site Purchase Assistance

Scottish Enterprise

Account management services to high-growth businesses



Audit Scotland
110 George Street
Edinburgh EH2 4LH

Telephone
0131 477 1234
Fax
0131 477 4567