

Evaluation of Interface – The knowledge connection for business

Executive summary of a report to



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This report presents the results of an economic impact study of Interface – The knowledge connection for business. The study covers the businesses supported between August 2005 when Interface was established to the end of February 2013.

1.1 Background and Approach

Interface was established in 2005 as a central hub to connect businesses from a wide variety of national and international industries to Scotland's 24 higher education and research institutes. A core part of the rationale for establishing the organisation was to create a mechanism to enable SMEs, particularly micro and small enterprises, to engage with the academic base in Scotland. To date Interface has assisted 1,474 businesses. Enquiries from approximately 1,100 businesses have progressed through to discussions with academia. (Due to repeated business, some businesses have made more than one enquiry).

The main source of information for this study was a combined on-line and telephone survey of businesses that have progressed to a discussion with academia following engagement with Interface. In total 214 full and complete responses were received to the survey, including 142 from businesses that have taken part in a collaborative project with academia and 32 from businesses that are in discussions about doing so. This represents an overall response rate of 19%. The main objective of the survey was to gather data from the businesses with respect to the impacts realised or likely to occur in the future. Based on the company responses received however it was also possible to gather other qualitative data with respect to wider attitudes and opinions.

1.2 Survey Responses

Nearly three quarters of the businesses that responded to the survey were micro businesses that employ fewer than 10 employees. The profile of survey respondents mirrors that of the Scottish economy as a whole where 94% of all enterprises are micro businesses that employ fewer than 10 people. The profile of respondents was also broadly representative of the geographic and sectoral profile of all businesses assisted by Interface.

Responses to the survey indicate that businesses that have engaged with academia through Interface have experienced a wide range of business performance benefits. Reported benefits included increases in turnover, employment (new and safeguarded jobs), profitability, productivity and exports. Importantly, only 13% of these respondents said that the project would have gone ahead without Interface. The survey showed that businesses, including those that have not yet embarked on a project with academia, expect that the future benefits from their engagement with Interface to be even larger.

The survey also demonstrates that Interface is having a positive influence on the attitudes of businesses toward collaborating with academia. Overall 75% of all the businesses that responded to the survey reported that they were either much more or a little bit more likely to consider working with academia in the future as a result of their interaction with Interface. Within this, positive responses were most common from businesses that had collaborated with academia but even businesses that had decided not to progress their enquiry reported that they were now more likely to consider collaborating with academia in the future as a result.

In general businesses were extremely positive about their experience of working with Interface. When given the opportunity to do so only four businesses made negative comments about Interface (less than 2% of total responses received). In contrast, 54 respondents made very positive comments, most of which related either directly or indirectly to Interface staff. Although the survey did not focus on the experience of businesses with academia, a number of comments were made relating to academic time-scales and/or unfinished projects, which suggests that there may yet be room for improvement in this area.

1.3 Quantitative Impacts

The economic impact of the support provided by Interface was assessed based on the quantitative impacts reported by the businesses that responded to the survey. In total 45 survey respondents reported that the turnover of their business had increased and/or that employment had increased or jobs had been safeguarded as a result of the projects that Interface had helped to initiate and 109 survey respondents expected this to happen in the future. These responses were used to estimate the current and future impact of the assistance that Interface has provided to survey respondents.

As the survey only represents a proportion of all the businesses assisted by Interface, it was then necessary to scale up the responses provided to the population as a whole in order to estimate the total impact of Interface's activity. In this way it was estimated that Interface currently generates £17 million GVA per year for the Scottish economy and supports more than 350 jobs. Over the next three years it is estimated that this impact could increase to just under £80 million GVA per year and 2,400 jobs. Given uncertainty over future impacts, this figure should be interpreted with some caution.

Analysis of the survey responses shows that most of the businesses that have realised benefits as a result of projects facilitated by Interface have been either small or micro enterprises. As a result, most of the individual impacts realised have been relatively small, typically fewer than 5 jobs. When taken together however, the collective impact of all these small individual impacts is substantial.

1.4 Qualitative Impacts

This study has also found evidence of a wide range of qualitative benefits associated with Interface's activity, including benefits to academia, benefits to sectors of the Scottish economy and benefits to society. Benefits to society include:

- **health benefits** – Interface has helped to facilitate many projects that directly or indirectly help to improve the health or wellbeing of particular groups in society such as the elderly or disabled;
- **environmental benefits** – some of the projects that Interface has facilitated have involved companies directly involved in the low carbon economy (e.g. renewable energy or recycling) while others have helped businesses in other sectors to reduce the negative environmental impact of their activities. Both types of project have helped to generate environmental benefits for society as a whole; and
- **sustainability benefits** – many of the projects Interface has helped to initiate have generated positive impacts across the realms of society, the economy

and the environment (e.g. by supporting jobs in rural areas). These types of projects contribute to the overall sustainability of the Scottish economy.

1.5 Conclusions and Lessons Learned

The key conclusion from this study is that Interface is making a significant contribution to helping to realise the Scottish Government's outcome of becoming a better educated, more skilled and more successful country that is renowned for its research and innovation.

Through its focus on small and micro enterprises, Interface is fulfilling an important gap in Scotland's current knowledge exchange landscape by helping to make engagement between SMEs and academia more cost effective and efficient. The study has found evidence that Interface is effectively reaching harder to reach small and micro enterprises with little experience of engaging with academia. Importantly however it has also found that the value of services it provides does not necessarily diminish as businesses gain experience of engagement.

The main lessons learned from this study are:

- although many businesses have had very positive experiences of working with HEIs this is not universal and there is still yet more that HEIs could do to ensure that the outputs and impacts of all projects are maximised; and
- maintaining an on-going relationship with clients after a project has been initiated is an important part of Interface service offering that is likely to become increasingly important as the number of clients assisted increases.