



**Learning  
Journey  
Evaluation**

**Scottish  
Enterprise  
Lanarkshire**

**Final Report**

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**GEN Consulting  
O Herlihy and Co Ltd.  
researchresource**

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## **Executive Summary**

### **1 Project background**

This report presents the findings of an evaluation of the Learning Journey support programme delivered by Scottish Enterprise Lanarkshire (SEL) from financial year 2002/03 to 2004/05.

The Learning Journey is a tool which aims to help senior managers from key Lanarkshire Businesses meet with, learn from and interact with some of the world's leading companies. Participating companies take part in a structured week long programme which includes a series of peer meetings (at CEO or senior director level) with major global companies and organisations.

Three Learning Journeys have taken place over 2003 and 2004 with each focusing on a specific theme:

- Leadership – New York and Massachusetts, March 2003
- Best practice and International growth – San Francisco and San Jose, November 2003
- Innovation – San Francisco and Seattle, September 2004

The objectives of the Learning Journeys are to:

- help Lanarkshire companies to 'think differently'
- ensure awareness and appreciation of best practice as fundamental building blocks of success
- facilitate the development of exemplar companies whom can then act as role models for other Lanarkshire companies
- broaden Lanarkshire companies understanding of what is happening outside Scotland
- help ensure that knowledge acquired through the programme is then implemented
- facilitate and encourage networking
- encourage companies to implement positive change to their operations as a result of what they have learned
- address market failures of scale, risk aversion and information failures which prevent companies from accessing such learning opportunities.

### **2 Selection criteria for participating companies**

Companies are selected to participate in Learning Journeys on the basis of:

- whether companies are Account and Client managed
- the potential benefits that a company would derive from addressing issues of leadership to support business growth
- the extent to which the companies identified needs matched the theme of the Learning Journey
- the ability of the company to make a 'commitment' to the Learning Journey.

In total 14 companies have participated on a Learning Journey, with a total of 19 individual participants. The review of participants revealed that:

- more than a third of participating companies attended more than one Learning Journey, with two companies attending all three Learning Journeys
- two companies sent the same participant on both Learning Journeys they attended
- the companies taking part in the Learning Journeys come from a range of sectors and the spread of companies matches relatively well with Lanarkshire's key sectors
- all companies were Account or Client managed at the time of their participation
- the Learning Journeys were typically attended by senior managers and directors.

### **3. Business Survey**

Interviews were completed with seven Learning Journey participants across six different companies. The key messages from the business survey are highlighted below.

#### **Characteristics of firms interviewed**

The firms interviewed were broadly representative of the companies who participated in the Learning Journeys

#### **Planning and preparation prior to journey**

The survey identified three main areas where preparation for the Learning Journeys took place:

- all participants had an initial meeting with the delivery agent Strategem Ltd. to explore company objectives for attending the Learning Journey

- the majority of participants had a similar meeting with their Account or Client Manager to discuss the Learning Journey and to help set learning objectives
- around half of participants carried out some research into the companies they were due to visit and/or on the specific business issues they aimed to address through the journey.

### **Key issues facing participating businesses**

A number of consistent themes emerged in terms of issues facing businesses prior to taking part in the Learning Journeys:

- all but one of the companies interviewed stated explicitly that they had significant growth ambitions
- these growth plans typically raised a range of issues around managing growth and ensuring that the business had an appropriate management structure to facilitate growth
- the need to encourage and sustain innovation was also stated as an important business issue for a number of participants.
- companies identified the need to broaden the horizons of key managers and introduce fresh thinking into the organisation.

### **Specific learning objectives set**

The participants identified a range of specific learning objectives for the Journey. These included:

- introducing a service excellence culture
- identifying lessons for effective leadership
- improving staff communication, motivation and engagement
- exploring other companies use of technology in a range of areas including financial reporting, management and customer care
- exploring the potential of new markets and products
- understanding how to manage growth
- developing an innovation culture.

Participants also placed great emphasis on the personal development opportunity that the Learning Journey offered. In particular they expected to:

- develop increased confidence to deal with business growth and change issues
- be in a better position to influence change within their own organisations
- identify fresh insights into management and leadership styles
- identify new ways to address business issues.

### **Expectations of how the Learning Journey would address these issues**

Participants were asked about how they expected the Learning Journeys would help deliver on their learning objectives:

- crucially the Learning Journeys offered an opportunity to learn from the experience of other companies. Three factors were seen as being of key importance:
  - the high quality of the companies who were hosting the visits
  - the match between the host and participating companies
  - the Journeys offered access to senior staff in these organisations

### **Did the Learning Journey address business learning objectives**

Companies were questioned about the extent to which the Learning Journeys addressed the business learning objectives they had set before taking part. Of those who identified specific learning objectives there were 15 specific learning objectives set across all Learning Journeys. All of these were addressed well or very well.

In addition to the specific objectives set were a number of other key learning areas that were identified as a result of participation in the Learning Journeys. These included:

- improved confidence in the current direction that the firm was taking in terms of customer service
- a clearer understanding of how to improve service standards
- the benefit of looking to the experience of other businesses to help solve problems
- the importance of team forming and working within the business
- using technology to streamline business operations and strengthen management of the business
- potential benefits of introducing home working
- costs savings that can be achieved by out-sourcing non-essential activities
- challenging complacency and recognising the need to remain agile and to drive change to ensure the company remains competitive
- raising aspirations in terms of the pace at which management and operational change can be delivered
- the importance of having a formalised approach to training to support business growth objectives.

## **Company perceptions of the Learning Journey**

The overwhelming feeling towards the Learning Journeys was positive, with all participants stating that as a whole the Journey had been a worthwhile exercise. A number of strengths were identified:

- there was a clear view that the content of the company visits was engaging and more relevant
- the quality of the companies who hosted the visits was also commended
- the calibre of the staff who participated in the sessions from host companies was recognised to be high
- the delivery agent had played an important facilitation role in these discussions and acted as a 'bridge' between the Lanarkshire companies and host companies
- the event offered an opportunity to get away from the day to day running of the business and provided the space to do fresh thinking on future plans
- there was a high degree of satisfaction with the logistical and organisational arrangements for the Learning Journeys.

## **Development of contacts and networks**

There was some evidence to suggest that participants had used the Learning Journeys as a mechanism for developing contacts and networks:

- five of the participants surveyed had kept in touch on an ad-hoc basis with one or more participants from other Lanarkshire companies who had taken part in the Journey
- two of the food manufacturing companies who had attended the same Learning Journey had subsequently carried out a joint approach to sharing customers
- one company remained in contact with one of the US firms they had visited and had subsequently hosted a return visit from that company to Scotland.

## **Changes in business operations and impacts on business performance**

The survey identified a number of areas where businesses has made direct changes to business operations as a result of participation in the Learning Journeys. The changes identified can be grouped under four main headings:

### **Management and Leadership**

- strengthening the business management team and recruiting a senior member of staff
- making significant changes in financial reporting arrangements to facilitate growth plans
- making significant changes to customer relationship management processes
- introducing improved staff performance procedures to encourage staff to recognise their contribution to the business
- improving communication with staff on business goals and performance as a means of empowering
- giving senior staff greater responsibility to set their own goals
- using effective leadership to improve staff morale, motivation and engagement
- placing greater emphasis on the need for the business to continue to grow and develop
- increasing the pace at which change in the company was delivered.

### **Training and development of staff**

- two companies pointed to the setting up or expanding training for senior staff on leadership and management development
- two companies stated that they had instituted a formal programme of training for all staff development to support other business growth objectives such as improving customer service skills or an increase in their customer base.

### **Encouraging Innovation**

- enhancement of the company intranet to facilitate the sharing of ideas for product and process enhancement
- instituting best practice visits and meetings between departments within the organisation
- carrying out further, focussed best practice visits to other UK companies outwith the setting of a SE Lanarkshire supported Learning Journey
- facilitating a return visit from a host company to further explore some of the issues raised in the initial Learning Journey
- most participants noted that in general the Learning Journeys were an invaluable source of new ideas and fresh insights.



### **Supporting business growth**

- one company pointed to a modest increase in the region of £25,000 as a result of contacts made through the Learning Journey
- this same company was now considering appointing a U.S export agent to help secure further growth in the US market
- one other company suggested an increase in sales in the region of £100,000 as a result of participation in the Journey – attributed to changes in management structures

### **Impacts on business performance**

The brief for the study recognised that the attribution of economic impact from the Learning Journeys was likely to be difficult. In practice this proved to be the case. Only two participants interviewed were able to attribute direct economic impact to the Learning Journey. Various reasons were given for non-attribution of impact. In some cases

- the changes made were ‘soft’ and related more to leadership styles and or staff communication
- other factors outwith the Learning Journeys had a more significant impact on business performance (e.g. moving to new premises or developing new products) and as a result disentangling the impact of the Learning Journeys was difficult
- it was too early to identify the impact of these changes.

Given that only two companies reported impacts, it is unhelpful to generate estimates of economic impact for the programme as a whole based on such a small response. Nevertheless it would appear from the interviews that:

- additionality from the Learning Journeys is likely to be high
- displacement from the programme at the Lanarkshire level is likely to be low
- displacement from the programme at the Scottish level is also likely to be low

## **4 Emerging issues**

The review of programme participants, the business survey and the consultations highlighted a number of emerging issues around the performance of the Learning Journeys and their future delivery

## **Demand for Learning Journeys**

The consultations suggested that over the last three years (2002/03 – 2004/05) the demand for the Learning Journeys has remained strong. Typically there is more demand for places on Learning Journeys than those who actually attend.

There have been significant levels of repeat attendance although this is not necessarily perceived as a negative. Account and Client Managers viewed that repeat participation can help companies to:

- re-inforce and build upon learning accrued in earlier Learning Journeys
- embed management and leadership change beyond the Managing Director to include other key members of the management team
- ensure a succession plan for some companies.

## **Involvement of Account and Client Managers**

The consultations suggested that the primary responsibility for the delivery of Learning Journeys within SEL lies with the project manager, who carries out the internal marketing of the project and liaises with the delivery agent, Strategem Ltd.

Nevertheless the Account and Client Managers also play an important role. In particular they:

- nominate firms who might wish to take part
- work closely with the Learning Journey project manager and Account and Client Managers on the potential focus of Learning Journeys
- play an active role, (albeit in varying degrees) in helping companies set their learning objectives.

## **Role of the delivery agent**

One of the objectives of the brief was to understand the particular added value that the contracting out of delivery brings to the project. In our view the contractor

- is able to commit a significant amount of dedicated resource to the planning and organisation of the Learning Journeys
- acts as an effective bridge between the participating companies and the host firms, largely due to their involvement with both sets of companies prior to the Learning Journeys taking place and the high level facilitation skills that the contractor brings

- has a wealth of experience of running Learning Journeys for a number of different clients and has a good sense of the types of host companies that will be able to meet the needs of participating firms
- plays an important role in facilitating access to the senior personnel in major firms.

## **5 Potential enhancements to project delivery**

A number of enhancements for improving the delivery of Learning Journeys were suggested revolving around:

- improving the content of existing journeys
- tapping into new areas of demand.

### **Improving the content of existing Learning Journeys**

A number of suggestions were made by companies including:

- giving companies a greater say in identifying companies they would like to visit
- building in some 'free time' for companies to visit some firms on a one to one basis
- running sectorally focused Learning Journeys to lessen the chances of companies hosting sessions which are seen to be less relevant.

While each of these suggestions is not without merit, in our view they each raise some issues for future delivery:

- one of the apparent benefits of the Learning Journeys is their ability to deliver 'unanticipated' learning - there may be a danger that giving companies the opportunity to be overly prescriptive about who should host visits might weaken this impact
- building in time for one to one company visits will increase the logistical difficulties in organising and delivering Learning Journeys
- at the same time however it might provide opportunities to increase the economic impact of journeys, particularly if the one to one visits have a clear business or export development focus
- running sectorally focussed journeys may weaken the opportunities for Lanarkshire companies to learn from a wide range of firms and would also narrow down the potential range of attendees for particular visits

## **Tapping into new areas of demand**

The consultations identified a number of ways the Learning Journey might seek to work with different types of companies. In particular SE Lanarkshire might give consideration to:

- running shorter Learning Journeys to the US to lessen the time commitment required on the part of companies
- running a programme of one or two day visits to UK based companies on a themed basis – which would again lessen the time commitment required on the part of companies.

Once more a number of potential issues were identified in relation to these proposals:

- there was a perception that shorter visits to the US were largely impractical – two days would be required to travel back and forth to the US and that as a result a minimum of two or three days should be spent working there to make the journey worthwhile
- a key selling point of the Learning Journeys is the quality of the firms who host visits – while high quality companies could be identified for visits in the UK and indeed Europe, concerns were expressed about critical mass and proximity of these types of business
- there were also concerns about the ability of UK based visits to expose Lanarkshire based companies to different working cultures, or to learn from the key decision makers in the headquarters of global companies
- shorter interventions would lessen the intensity of the learning experience and might compromise the ability of the Learning Journeys to help develop contacts, particularly with overseas firms.
- In spite of this there was recognition that there may be merit in piloting some short one day visits on either a sectoral basis or for Client Managed companies, although further research would be required on the cost and feasibility of such visits.

## **6 Conclusions and recommendations**

There is strong evidence from the business survey to suggest that the programme has met its aims and objectives for all companies in terms of:

- helping Lanarkshire companies to think differently
- broadening Lanarkshire companies awareness of what is happening outside Scotland
- facilitating and encouraging networking.

There is also good evidence to suggest that the project has delivered on a range of other objectives for almost all participating companies including:

- encouraging companies to implement positive change to their operations as a result of what they have learned
- ensuring that knowledge gained is then implemented
- ensuring awareness and appreciation of best practice as a fundamental building block of success.

With regards to facilitating the development of exemplar companies (who can act as role models for other local companies) there is less evidence that Lanarkshire participants are acting in this way largely because there is no clear mechanism through which this can be delivered.

The project appears well targeted in that all participating companies were either Account or Client Managed. In addition there is evidence that the project is targeted on companies who make a disproportionate impact on the Lanarkshire economy. Finally

- the project appears to have been well managed and delivered. There has been effective and appropriate recruitment onto the programme, the responsibilities of the individuals and organisations involved in delivery are clearly defined and there appears to be good communication between those involved in the project.
- the feedback from the participants is overwhelmingly positive, both in terms of the content of the Learning Journeys and the organisation of the events.

### **Economic impact and changes in business behaviour**

As was suggested in the brief the identification of economic impact has been problematic. Nevertheless it would appear from the interviews that:

- there is strong evidence that the Learning Journeys encouraged changes in business operations in a number of key areas including:
  - management and leadership
  - training and development of staff
  - encouraging innovation
  - supporting business growth.

In addition there is evidence from the survey to support view that companies have adopted a sustainable approach in terms of:

- continuing to learn from the experience of other companies
- implementing changes in business operations that are continuing
- recognising the need to continue to improve performance and drive change in the business

### **Future demand for the programme and continuing relevance**

Historical demand from Account and Client Managed companies for Learning Journeys has been strong and this is expected to continue, particularly from larger firms. Many of the participants interviewed expressed interest in participating in a further Learning Journey.

There is evidence to suggest however that demand from smaller firms is constrained and will continue to be so because of the level of time commitment required on the part of companies. Having said that two out of the seven companies who were surveyed were SME's and one of this group was a micro-business.

Perhaps the key determinant of future demand will be the number of firms in Lanarkshire who are at the right stage in their growth ambitions to derive significant benefits from the Learning Journey as it currently operates.

### **Recommendations**

Our primary recommendation is that there is sufficient evidence to suggest that the Learning Journeys, with their current format of a five day visit to the US and focus on companies who make a disproportionately high impact on the Lanarkshire economy should be retained.

There are a number of opportunities for enhancement of the existing Learning Journeys that should be considered which include:

- formalising the engagement of Account and Client Managers with Lanarkshire companies prior to participation in the Learning Journeys, with a focus on ensuring that detailed learning objectives are set by all companies
- exploring ways in which future Learning Journeys might give companies the flexibility to arrange visits to individual companies, for example to develop new export sales
- supporting further networking between Lanarkshire companies after participation in the Learning Journey

- formalising the follow up of the implementation by businesses of learning achieved through the Learning Journeys, most likely through Account and Client Managers
- identifying mechanisms for sharing the learning achieved by Learning Journey participants with other Lanarkshire companies.

There may also be merit in considering ways extending the reach of the Learning Journey approach to those companies who are constrained from participating in the programme as it currently stands. These might include:

- developing a series of shorter learning visits targeted at host companies in the UK or Europe
- developing and facilitating a programme of themed one day visits open to a wider range of Lanarkshire companies.

# **1 Introduction**

## **1.1 Introduction**

Gen Consulting and O'Herlihy and Co. Ltd. were commissioned by Scottish Enterprise Lanarkshire (SEL) to carry out an evaluation of the Learning Journey support offered as part of the portfolio of Organisational Development business support. The evaluation was commissioned to consider the economic impact of the support from 2002/3 to 2004/05 and to provide recommendations to inform the on-going development of the project.

## **1.2 Project background**

The Organisational Development programme is a combination of group projects and individual company projects which focus on leadership and management development.

A number of group projects have been offered by SEL since 2002/03 including

- MSc in Corporate Leadership
- Emerging Executive Programme
- Jump Start Your Business
- Lean Management Thinking
- Learning Journeys.

The Organisational Development programme is targeted principally at high and medium impact companies, although some universal companies with potential to progress to client and account management have also been supported. A number of elements of the Organisational Development programme have recently, or are currently, undergoing evaluation. As a result this evaluation focuses solely on the Learning Journey element.

Over the period of the evaluation there have been three Learning Journeys:

- New York and Massachusetts – March 2003
- San Francisco and Seattle – November 2003
- San Francisco and San Jose – September 2004



### 1.3 Study objectives

The brief for the study set out a number of clear objectives for the evaluation. Specifically consultants are expected to:

- evaluate and assess the rationale behind the programme
- review the success of the programme in meeting its aims, objectives and targets
- comment on the effectiveness of targeting and project delivery
- identify the characteristics of companies participating in the programme and key baseline performance information
- assess customer satisfaction with support
- capture perceptions of programme fit, delivery and performance from key stakeholders
- assess the overall local and national economic impact of the service including estimates of:
  - deadweight
  - displacement
  - leakage
  - multiplier effects
  - impacts on business performance
  - leverage
  - cost per job
  - contribution to GVA
  - value for money and cost effectiveness
- examine the extent to which the programme has achieved sustainable benefits, particularly in terms of company attitudes and behaviours
- identify the key strengths and weaknesses of the programme
- establish likely future demand for the programme, particularly in respect of SE Lanarkshire's target groups
- assess whether the support offered through the programme remains relevant to the needs of businesses

- identify potential improvements to programme content and delivery, within the framework of Network products, with the aim of optimising levels of economic impact
- inform future European funding applications
- comment on the applicability of an exit strategy.

## **1.4 Report structure**

The remainder of this report is set out as follows:

- Chapter 2 presents a description of the programme including the rationale underpinning the programme, how it is delivered and details of project activity
- Chapter 3 presents the findings from the business survey
- Chapter 4 sets out some of the emerging issues from the stakeholder consultation process
- Chapter 5 sets out our conclusions and recommendations.

## **2. Project description**

### **2.1 Introduction**

This section of the report sets out a brief description of the Learning Journey and focuses on the stated background to the project, the rationale for delivering the Learning Journeys, and explains the delivery mechanism. This provides a basis for the discussion on the extent to which the project met these stated aims later in the report.

This section also reviews the funding committed to the Learning Journeys and identified the number and types of participants in the Learning Journeys.

### **2.2 Project background**

The Learning Journey is a tool which aims to help senior managers from key Lanarkshire businesses meet with, learn from and interact with some of the world's leading companies. Participating companies take part in a structured week long programme which includes a series of peer meetings (at CEO or senior director level) with major global companies and organisations. Three learning journeys have taken place over 2003 and 2004 with each focusing on a specific theme:

- Leadership – New York and Massachusetts, March 2003
- Best practice and International growth – San Francisco and San Jose, November 2003
- Innovation – San Francisco and Seattle, September 2004

The Lanarkshire companies participating in the Learning Journeys have been drawn exclusively from SE Lanarkshire's Account Managed and Client Managed portfolio of companies.

The objectives of the Learning Journeys are to:

- help Lanarkshire companies to 'think differently'
- ensure awareness and appreciation of best practice as fundamental building blocks of success
- facilitate the development of exemplar companies whom can then act as role models for other Lanarkshire companies

- broaden Lanarkshire companies understanding of what is happening outside Scotland
- help ensure that knowledge acquired through the programme is then implemented
- facilitate and encourage networking
- encourage companies to implement positive change to their operations as a result of what they have learned.

## **2.3 Project rationale**

The strategic rationale for the Organisational Development programme as a whole is set out in a series of Approval Papers in support of the programme which note that:

- there is a strong correlation between the development of visionary 'leaderships and styles' and substantial improvements in business performance
- leadership is considered to be the most important aspect of business behaviour in respect of change management
- organisations however are frequently constrained by a lack of resources and are unable to devote the time to researching the latest management techniques nor to developing new leadership styles
- the Organisational Development programme therefore seeks to overcome risk aversion and information deficiencies by engaging in a range of activities which lead to companies:
  - adopting new and innovative business management models
  - increase their global competitiveness

The programme is perceived in the Approval Papers to fit well with the strategic vision for a Smart Successful Scotland and the Global Connections Strategy by:

- encouraging local businesses to enhance their competitiveness
- developing the leaders of Lanarkshire's growing businesses

- raising awareness of the cultural and leadership change required to develop global businesses
- raising awareness of the importance of learning and skills
- developing a culture of lifelong learning.

The Learning Journeys are an integral part of the Organisational Development programme and aim to deliver a high level of value add to participating companies. In particular the Learning Journeys:

- are targeted at companies who make a disproportionately high impact on the Lanarkshire economy
- engage the senior decision makers and owners of these in the businesses
- expose these individuals to the most up to date thinking in terms of leadership and management in some of the most successful and dynamic companies in the world.

## **2.4 Delivery mechanism and selection of companies**

The project is delivered by an SEL Business Growth executive in conjunction with a delivery agent. SEL Account Managers are also involved in the delivery of the project and in the selection of participating companies. The main roles of each of those involved in the delivery of the project are highlighted below:

### **2.4.1 SE Lanarkshire Business Growth Executive**

The project is managed by a Business Growth Executive who has responsibility for:

- promoting the project to Account and Client Managers
- liaising with the delivery agent on the organisation of the programme, with a particular emphasis on agreeing the focus of each visit
- internal management of the project.

### **2.4.2 Account Managers**

Account and Client Managers are responsible for:

- identifying companies who might be appropriate to participate in the programme, through their ongoing contact with businesses
- identifying (in conjunction with the delivery agent) specific learning objectives for their companies, aligned to their business growth needs
- working with companies to support follow on activity after participation in the learning journeys.

### **2.4.3 Delivery agent**

The contract for each individual Learning Journey has been put out to competitive tender by SEL. On each occasion the tender was won by Strategem Ltd. As delivery agents they have primary responsibility for:

- recruiting host companies to participate in the programme and provide speakers
- refining the programme content to reflect both the theme of the journey and the specific needs of the Lanarkshire firms participating in the programme – through discussions with participating companies and the pre-Journey visits with host companies
- the logistical organisation of the programme
- preparing briefing materials for both participating companies and host companies
- preparing a short follow on report capturing initial reactions of participating companies to the Learning Journeys.

### **2.4.4 Selection criteria for participating companies**

Through the consultations the consultants explored the criteria that are used to select participating companies. What is clear is that there are relatively few 'hard and fast' rules, and rather that participation is influenced mostly by account managers. Criteria that have been used include:

- *whether companies are account or client managed* – the programme is perceived by Account and Client Managers to be a high added value product
- *the potential benefits that a company would derive from addressing issues of leadership to support business growth* – Account Managers argued that the Learning Journey is most appropriate for companies who are about to (or need to) embark on a process of significant management change
- *the extent to which the companies identified needs matched the theme of the Learning Journey* – Account Managers used their knowledge of the issues facing companies to identify potential participants
- *the ability of the company to make a ‘commitment’ to the Learning Journey* – there was a recognition that the Learning Journeys demanded a significant commitment (of five days plus travelling) on the part of companies and that as a result they might not always be suitable for some firms, particularly some smaller companies.

Overall it appears that no one of these criteria dominated and that there was a significant level of flexibility on the part of Account Managers in the selection process. This is partly reflected in the instances of repeat attendance (both in terms of companies and individuals). We return to this issue in chapter 4.

## 2.5 Funding

SE Lanarkshire has committed around £75,000 to the delivery of the three Learning Journeys covered in this evaluation. The funding covers:

- the preparation and delivery of the Learning Journeys by the delivery agent
- a 50% contribution to the travel and accommodation costs of participating companies
- delivery of a short summary report on the outcomes of each Learning Journey.

Our discussions with SEL provided the following estimates of the breakdown of costs for each Learning Journey. On average

- around £10,500 is committed to a 50% contribution to the travel and accommodation costs of participating companies<sup>1</sup>
- a further £9,000 goes towards meeting the full cost of travel and accommodation for the SEL representatives attending the Learning Journey
- the balance of around £6,500 represents the delivery agents fee for facilitating and developing the Learning Journey.

## 2.6 Review of project activity

### 2.6.1 Participating companies

SE Lanarkshire provided details of the companies who have taken part in the Learning Journeys and those Executives from those companies who attended the Journeys. Summary details are shown on table 2.1 below.

**Table 2.1: Companies participating in learning journeys**

		<i>New York and Mass. Mar. 03</i>	<i>San Francisco and Seattle Nov. 03</i>	<i>San Francisco and San Jose Sep. 04</i>	
<b>Company</b>	<b>Company sector</b>	<b>Learning journeys attended</b>			<b>Participants</b>
City Refrigeration	Facilities Management		X		1
Concept Consulting	Consultancy		X	X	1
ECO European	Construction and energy		X		1
Enterprise Foods Group	Food and drink manufacture	X			1
Gael Ltd	Software and IT	X			1
Inverclyde Biologicals	Biotechnology		X	X	1
Korway Foods	Food and drink manufacture	X		X	2
Kwik Fit Insurance Services	Finance and Insurance	X	X	X	3
Memex Technology Ltd	Software and IT			X	1
Photonic Materials	Technology	X			1
Reliance Monitoring	Security			X	1
Rolls Royce	Engineering	X	X	X	3
Sematek Group	Engineering		X		1
Westcrowns Group	Construction and energy			X	1
<b>Total</b>	<b>14</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>19</b>

The review highlighted the following key messages:

<sup>1</sup> Participating companies contribute the remaining 50%, typically in the region of £1,500 per participant



- in total 14 companies have participated on a Learning Journey, with a total of 19 individual participants
- the first two Learning Journeys were attended by six individual companies, with the final Learning Journey attended by 8 participants
- more than a third of participating companies attended more than one learning journey, with two companies, Rolls Royce and Kwik Fit attending all three learning journeys
- two companies, Inverclyde Biologicals and Concept Consulting sent the same participant on both learning journeys
- the companies taking part in the Learning Journeys come from a range of sectors including:
  - two from the construction and energy sector
  - two food and drink manufacturers
  - two engineering companies
  - two software companies
  - one each from the security, facilities management, biotechnology, technology, finance and insurance and consultancy sectors
- the spread of companies matches relatively well with Lanarkshire's key sectors<sup>2</sup>
- all companies were Account or Client Managed at the time of their participation
- in terms of individual participants, the Learning Journeys were attended by senior managers and directors, with 13 out of the 19 participants being either Directors or Managing Directors in their respective businesses.

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<sup>2</sup> Lanarkshire's priority sectors were identified to the consultants by SEL as Engineering, Financial/business services, Electronics (inc semi conductors), Food & Technology, Manufacturing and Biotech/Life Sciences

### 3. Business survey

#### 3.1 Survey process

SE Lanarkshire provided contact details for individual participants who had taken part in the Learning Journeys. The consultants attempted to make contact with each of those participants. Of that group:

- interviews were completed with seven participants
- two participants declined to take part as a result of survey fatigue
- four were unable to take part due to holiday commitments
- four participants had left their position within the company since the learning journey took place and were therefore unavailable for interview

Four interviews were carried out face to face and three took place over the telephone. The preference was for the interview to be carried out face to face, however if the participant was unable or unwilling to make time for a face interview then a telephone consultation was carried out.

#### 3.2 Surveyed firms and characteristics

##### 3.2.1 Learning journeys attended

Interviews were completed with the following participants:

**Table 3.1: Learning Journeys interviewees**

		<i>New York and Mass. Mar. 03</i>	<i>San Francisco and Seattle Nov. 03</i>	<i>San Francisco and San Jose Sep. 04</i>
<b>Participant</b>	<b>Company</b>	<b>Learning Journey attended</b>		
Finance Director	City Refrigeration		X	
Managing Director	Enterprise Foods Group	X		
Managing Director	Gael Ltd	X		
Business Manager	Inverclyde Biologicals	X		X
Director	Kwik Fit Insurance Services		X	
Technical Manager	Rolls Royce			X
HR Director	Rolls Royce		X	

The table shows that:

- the seven interviewees were drawn from 6 participating companies
- the interviews provided coverage of all three Learning Journeys.

### **3.2.2 Characteristics of firms interviewed**

The firms interviewed were broadly representative of the companies who participated in the learning journeys:

- all of the companies interviewed were Account or Client managed and were drawn from the following sectors
  - facilities management
  - food and drink manufacture
  - software
  - biotechnology
  - finance and insurance
  - engineering (2 participants)
- there were two SME's<sup>3</sup> in the sample; Inverclyde Biologicals and Gael Ltd
- there were two medium sized companies employing in excess of 250 employees who have gone through significant recent growth in turnover and employment (Enterprise Food Group and Kwik Fit Insurance Services)
- the sample includes two large established companies, employing in excess of 1,000 employees (City Refrigeration and Rolls Royce).

## **3.3 Preparation for the learning journey**

### **3.3.1 Planning and preparation prior to journey**

The interviews explored the extent to which the companies carried out planning and preparation for the Learning Journeys. The survey identified three main areas where preparation was undertaken:

- all participants had an initial meeting with the delivery Strategem Ltd. to explore company objectives for attending the Learning Journey, provide a

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<sup>3</sup> Based on the European Commission Definition of an SME employing less than 250 people and whose annual turnover is less than 50 million euros

briefing on the companies who would be hosting the visit and identify opportunities for engaging with the GlobalScot<sup>4</sup> network

- the majority of participants identified a similar meeting with their Account or Client Manager to discuss the Learning Journey and to help set learning objectives - although half of this group noted that this took place as part of their normal contact with their Account and Client manager
- around half of participants carried out some research into the companies they were due to visit and/or on the specific business issues they aimed to address through the journey. Those who didn't cited lack of time or a perceived lack of need to carry out research although it should be highlighted that the carrying out of research was not a specific requirement of participation in the Journeys.

### **3.4 Business objectives for attending**

#### **3.4.1 Key issues facing participating businesses**

Participants were asked in the consultations to identify the key issues facing their business prior to taking part in the Learning Journey. Given the nature of the businesses who participated in the Learning Journeys it is of no surprise that the issues facing businesses were relatively diverse. Nevertheless a number of consistent themes emerged:

- in terms of growth all but one of the companies interviewed stated explicitly that they had *significant growth ambitions*
- these growth plans typically raised a range of issues around *managing growth* and ensuring that the business had *an appropriate management structure* to facilitate growth, particularly for firms expecting to go through rapid expansion.
- unsurprisingly given that one of the Learning Journey focussed specifically on the issue of innovation, the need to *encourage and sustain innovation* was also stated as an important business issue for a number of participants.

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<sup>4</sup> The GlobalScot network is an international business network, supported by the Scottish Executive, SDI and Scottish Enterprise which aims to make connections between Scottish Businesses and ex-patriate Scots Entrepreneurs. Members of the GlobalScot network have attended latter Learning Journey sessions and welcome dinners.

- the two largest companies interviewed identified that the need to *broaden the horizons of key managers* and *introduce fresh thinking* into the organisation were also key issues. There were also issues for one of the SME's.

### 3.4.2 Specific learning objectives set

Participants were asked about the specific learning objectives they had set for their companies from the Learning Journeys. Again there was diversity, both in the nature of the objectives set, and the extent to which companies approached the Journeys with specific objectives in mind. There was no specific correlation between the extent to which objectives were set, nor the nature of those objectives and company size.

Five of the participants identified a range of specific learning objectives for the Journey most of which were directly related to the business issues identified in section 3.4.1. These included:

- introducing a service excellence culture
- identifying lessons for effective leadership
- improving staff communication, motivation and engagement
- exploring other companies use of technology in a range of areas including financial reporting, management and customer care
- exploring the potential of new markets and products
- understanding how to manage growth
- developing an innovation culture.

In addition to identifying business specific learning the interviewees in all companies placed great emphasis on the personal development opportunity that the Learning Journey offered. This was characterised in a number of ways. In particular participants expected to:

- develop increased confidence to deal with business growth and change issues
- be in a better position to influence change within their own organisations based on their experience

- identify fresh insights into management and leadership styles
- identify new ways to address business issues.

While participants had identified these specific objectives for the Learning Journeys it is important to recognise that the Journeys were not viewed as a linear 'tick-box' learning exercise. One of the key perceived benefits of the Learning Journey (from the participants' point of view) was that they expected their own views to be challenged, and their ambitions to be raised by exposure to world-class companies. As a result three companies emphasised that while they approached the Learning Journeys with some specific objectives in mind, they also recognised that it was not possible (nor desirable) to be overly prescriptive about what they might learn from the Journeys.

One participant set no formal learning objectives for the Journeys beyond the broad expectation to 'learn from the experience of the companies they were visiting' – although our understanding is that this individual was a late replacement for someone who withdrew from the Learning Journey at a relatively late stage.

### **3.4.3 Expectations of how the learning journey would address these issues**

Participants were asked about how they expected the Learning Journeys would deliver on their learning objectives:

- crucially the Learning Journeys offered an opportunity to learn from the experience of other companies. Related to this three factors were seen as important
  - the high quality of the companies who were hosting the visits was seen as important and included a number of world class and best in field firms
  - the selection of host and participating companies was well matched and meant that there were opportunities to learn from companies who were operating in the same markets or who had dealt with the specific issues that Lanarkshire companies were facing
  - crucially the Journeys offered access to senior staff in these organisations – and there was recognition that the involvement of both Strategem Ltd. and SEL had provided access that they would otherwise have found difficult to achieve.

## **3.5 Company perceptions of the Learning Journey**

### **3.5.2 Key strengths of the Learning Journey**

The overwhelming feeling towards the Learning Journeys was positive, with all participants stating that as a whole the Journey had been a worthwhile exercise.

In terms of the sessions with host companies a number of key strengths were identified:

- there was a clear view that the content of the company visits was engaging and more importantly relevant to the Lanarkshire businesses attending. This is further supported by the feedback on the achievement of learning objectives (see 3.6.1)
- the quality of the companies who hosted the visits was also commended and there was a clear view that Lanarkshire companies were getting access and insights into the workings of world class companies. This was one of the key selling points of the Learning Journeys and it is encouraging to note that Lanarkshire companies expectations were exceeded
- similarly the calibre of the staff who participated in the sessions from host companies was recognised to be high – this played a key role in facilitating effective strategic discussions at a peer level
- there was a recognition that Strategem Ltd. had an important facilitation role in these discussions and played an important role in acting as a 'bridge' between the Lanarkshire companies and the host companies. The initial briefing meetings (and Strategem Ltd's awareness of the host companies and participants) helped them to carry out this role effectively

Moving beyond the content of the sessions themselves a number of other important strengths were identified:

- for two participants the opportunity to build links with GlobalScots was an important strength of the event
- two companies noted that the event offered a rare opportunity to get away from the day to day running of the business and provided the space to do fresh thinking on future plans and be influenced by new ideas

- there was a recognition that the Learning Journey offered networking opportunities and indeed some evidence that these were followed up (section 3.6.4)

Finally there was a high degree of satisfaction with the logistical and organisational arrangements for the Learning Journeys. The itinerary was well planned and executed and the travel and accommodation arrangements were highly commended.

### **3.5.3 Opportunities for enhancement**

While the majority of the feedback on the organisation and content of the visits was overwhelmingly positive, opportunities for enhancement were suggested in the interviews:

- three companies suggested that the content of one of the sessions had not been relevant to their business - although these related to different sessions. This feedback however has to be viewed in context:
  - the remainder of the sessions were viewed as relevant
  - the feedback on the remainder of the Journey was in call cases positive
  - there was a recognition that it was 'impossible to please all of the people all of the time'
- a participant on one of the Journeys suggested that the timing of the meeting with the GlobalScots would have been more effective later in the Journey as opposed to on the first evening. This would have given opportunities to look at ways in which the GlobalScots might help Lanarkshire businesses deliver on the issues that were identified later in the Learning Journey.

## **3.6 Outcomes from the learning journey**

### **3.6.1 Did the learning journey address business learning objectives**

Companies were questioned about the extent to which the Learning Journeys addressed the business learning objectives they had set before taking part. Of the six participants who identified specific learning objectives there were 15 specific learning objectives set across all Learning Journeys. All of these were addressed well or very well.



**Table 3.2: How well were business learning objectives set addressed by the Learning Journeys?**

<b>Business learning objective</b>	<b>Very well</b>	<b>Well</b>
Learning how to manage growth plans		√
Developing an innovation culture	√	
Identifying exporting opportunities		√
Introducing a culture of service excellence	√	
Exploring new markets	√	
Identifying lessons for effective leadership	√	
Personal development and confidence	√	
Identifying applications for technology in business operations		√
Generating new ideas		√
Identifying an appropriate scale of growth	√	
Strengthening the management team	√	
Improving financial management	√	
Influencing our move to a new factory		√
Using web tools to encourage innovation from staff	√	
Communication, staff morale and engagement	√	

### **3.6.2 Other key learning gained from the Learning Journeys**

In addition to the specific objectives set there were a number of other key learning areas that were identified as a result of participation in the Learning Journeys. These ranged from very practical and readily implementable ideas through to much softer lessons and included:

- improved confidence in the current direction that the firm was taking in terms of customer service
- a clearer understanding of how to improve service standards
- the benefit of looking to the experience of other businesses to help solve problems
- the importance of team forming and working within the business
- using technology to streamline business operations and strengthen management of the business
- potential benefits of introducing home working
- costs savings that can be achieved by out-sourcing non-essential activities
- challenging complacency and recognising the need to remain agile and to drive change to ensure the company remains competitive

- raising aspirations in terms of the pace at which management and operational change can be delivered
- the importance of having a formalised approach to training to support business growth objectives.

### **3.6.3 Development of contacts and networks**

Finally there was some evidence to suggest that participants had used the Learning Journeys as a mechanism for developing contacts and networks with both other participating companies and to a lesser extent host firms.

- five of the participants surveyed had kept in touch on an ad-hoc basis with one or more participants from other Lanarkshire companies who had taken part in the Journey. The focus of this contact was often informal, but on occasion was to share information, ideas, or to gain insights into particular business issues
- two of the food manufacturing companies who had attended the same Learning Journey had subsequently carried out a joint approach to a number of customers and shared information on each others production processes
- one company remained in contact with one of the US firms they had visited and had subsequently hosted a return visit from that company to Scotland

## **3.7 Changes in business operations and impacts on business performance**

### **3.7.1 Introduction**

In addition to meeting business and personal learning objectives, a key aim of the Learning Journeys is that the learning gained will lead to changes in business behaviour and operations.

To assess this, the consultants adopted a two pronged approach in the surveys. Interviewees were:

- reminded about the learning they had achieved through the Journey and asked whether they had made any changes to business operations as a result of that learning

- then asked to identify (if possible) the impact of those changes in business performance in terms of turnover, employment and profitability.

### **3.7.2 Changes in business behaviour and operations**

The survey identified a number of areas where businesses has made direct changes to business operations as a result of participation in the Learning Journeys. Once more the responses given were diverse, reflecting the range of business who participated in the programme and the diversity of the issues that they were seeking to address. Our analysis of these responses suggests that the changes in business behaviour / operations can be grouped under four main headings:

- management and leadership
- training and development of staff
- encouraging innovation
- supporting business growth.

#### **Strengthening management and leadership**

The interviews suggested that the Learning Journeys had the greatest number of identified outcomes in this area which is encouraging given that this was a key objective of each of the journeys. In terms of action to **strengthen management**

- one participant suggested that the management team of their business was restructured as a result of the Journey, and that a decision was taken to recruit a senior member of staff to strengthen the management team
- another participant pointed to significant changes in financial reporting arrangements which had help to facilitate growth plans
- two companies stated that they had made significant changes to their customer relationship management processes as a result of attending the journeys
- one company introduced improved staff performance procedures to encourage staff to recognise their contribution to the business.

Action to **strengthen business leadership** was typically less well defined, but nevertheless seen as an important outcome. Specific examples of change included:

- improving communication with staff on business goals and performance as a means of empowering
- giving senior staff greater responsibility to set their own goals
- using effective leadership to improve staff morale, motivation and engagement
- placing greater emphasis on the need for the business to continue to grow and develop
- increasing the pace at which change in the company was delivered.

### **Training and development of staff**

Four of the participants surveyed suggested that they had instituted a programme of **training and development of staff** as a result of participating in the Journeys. The training typically fell into two broad areas:

- two companies pointed to the setting up or expanding training for senior staff on leadership and management development
- two companies stated that they had instituted a formal programme of training for all staff development to support other business growth objectives such as improving customer service skills or an increase in their customer base.

### **Encouraging Innovation**

Three companies noted that they had taken focussed action to **encourage a culture of innovation** within their businesses. These actions included:

- enhancement of the company intranet to facilitate the sharing of ideas for product and process enhancement between 'shop-floor' staff and management
- instituting best practice visits and meetings between departments within the organisation

- carrying out further, focussed best practice visits to other UK companies outwith the setting of a SE Lanarkshire supported Learning Journey
- facilitating a return visit from a host company to further explore some of the issues raised in the initial Learning Journey

In addition most participants noted that in general the Learning Journeys were an invaluable source of new ideas and fresh insights. They were less clear on how these ideas had impacted directly on business operations on a day to day basis, and indeed suggested that to attempt to do so missed one of the key points of the Learning Journeys. From the participants point of view a key aim of the Journey was to encourage them to look at their business in a different light and importantly to recognise the importance of looking at different ways of solving the same problem.

### **Supporting business growth**

All of the actions identified above do, to a greater or lesser extent, contribute to company attempts to support business growth. In addition two participants pointed to direct business growth outcomes as a result of participating in the Learning Journey:

- one company pointed to a modest increase in the region of £25,000 as a result of contacts made through the Learning Journey
- this same company was now considering appointing a U.S export agent to help secure further growth in the US market
- one other company suggested an increase in sales in the region of £100,000 as a result of participation in the Journey – attributed to changes in management structures

### **3.7.3 Impacts on business performance**

The brief for the study recognised that the attribution of economic impact from the Learning Journeys was likely to be difficult. In practice this proved to be the case.

Only two participants interviewed were able to attribute direct economic impact to the Learning Journey. While most businesses recognised that changes in business operations had taken place, various reasons were given for non-attribution of impact. In some cases

- the changes made were 'soft' and related more to leadership styles and or staff communication
- other factors outwith the learning journeys had a more significant impact on business performance (e.g. moving to new premises or developing new products) and as a result disentangling the impact of the learning journeys was difficult
- it was too early to identify the impact of these changes.

Given that only two companies reported impacts, it is unhelpful to generate estimates of economic impact for the programme as a whole based on such a small response.

Nevertheless it would appear from the interviews that:

- additionality from the Learning Journeys is likely to be high – participating companies would not have organised the Learning Journeys in the absence of SEL support. Furthermore the networks of both SEL / SDI and Strategem assisted with arranging access to host companies
- displacement from the programme at the Lanarkshire level is likely to be low – the companies taking part in the programme are operating in UK and global markets and are unlikely to have a significant number of locally based competitors
- displacement from the programme at the Scottish level is also likely to be low given that the gross economic impact reported in section 3.7.2. was low (only £125,000)
- there is some evidence of sustainability – with a small number of companies instituting further best practice visits and training activity outwith the setting of the Learning Journey.

## **4. Emerging issues**

### **4.1 Introduction**

The review of programme participants, the business survey and the consultations<sup>5</sup> have highlighted a number of emerging issues around the performance of the Learning Journeys and their future delivery. In this section we review these. The discussion is organised around a number of key headings including:

- demand for Learning Journeys
- involvement of Account and Client Managers
- the role of the delivery agent
- potential changes to project delivery.

The key messages from the consultations are summarised below.

### **4.2 Demand for Learning Journeys**

The consultations suggested that over the last three years the demand for the Learning Journeys has remained strong. The project is promoted to Account and Client managers around 6 months before the scheduled journey to allow adequate time for the identification of companies, for preparation work with companies and for the details of the programme to be developed.

Referrals from Account and Client Managers remains the most important way in which companies are identified, however two other routes appear important:

- there is significant demand (and participation) from companies who have previously taken part in a Learning Journey
- less significantly word of mouth is also a source of demand.

Our understanding is that typically there is more demand for places on Learning Journeys than those who actually attend, yet at the same time there is a significant proportion of repeat business in terms of Learning Journey participation. While in theory the concept of repeat participation may appear

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<sup>5</sup> Consultations were carried out with Alison Abraham, Lynn Wilkinson, Carole McCarthy, Jim Murray and Stephen Clifford, (all SE Lanarkshire) and John Meiklejohn, Strategem Ltd

unfair in light of strong demand, in practice a number of factors appear to influence the final selection and participation of companies:

- where selection of participants has been required, judgements appear to have been made primarily on the basis of which firms will benefit most from participation
- attendance on a Learning Journey requires companies and participants to make a commitment of a full working week – this raises obvious difficulties for owner/managers of small companies who maybe unwilling or indeed unable to make such a commitment in spite of the obvious benefits that can be accrued
- conversely it is easier for larger companies to make arrangements to allow a senior manager or director to be away from the business for a week – and in part this explains the higher level of participation from larger firms
- it was also argued that the Learning Journey is one of the few organisational and business development support mechanisms that are attractive or appropriate for some of the large companies (such as Rolls Royce) that SE Lanarkshire deals with.

The combination of these factors goes some way to explaining the relatively high levels of repeat participation in Learning Journeys. The consultations also suggested, that from the Account and Client Managers perspective, repeat participation is not necessarily a negative. They viewed that repeat participation was acceptable in terms of:

- helping companies re-inforce and build upon learning accrued in earlier Learning Journeys
- helping companies to embed management and leadership change beyond the Managing Director to include other key members of the management team
- helping to ensure a succession plan for some companies

From the evaluation evidence it is difficult to draw definitive judgements on these issues, although it should be noted that both companies who identified improvements in turnover and exports had participated in more than one journey.



What is clear however is that the current format of the Learning Journeys is perceived to act as a barrier to participation for some smaller firms. We return to this issue in the discussion of potential enhancements to the project below.

### **4.3 Involvement of Account and Client Managers**

The consultations suggested that the primary responsibility for the delivery of Learning Journeys within SEL lies with the project manager, who carries out the internal marketing of the project and liaises with the delivery agent, Strategem Ltd.

Nevertheless the Account and Client Managers also play an important role. Beyond nominating firms who might wish to take part there has been close work between the Learning Journey project manager and Account and Client Managers on the potential focus of Learning Journeys. As a result the intervention is one that is valued by frontline business support staff. In particular the intervention is viewed as being something that looks to deliver significant higher added value benefits and looks to get companies to consider issues that are often hard to address through more traditional business support approaches.

The survey suggested that Account and Client Managers play an active role, (albeit in varying degrees) in helping companies set their learning objectives, although there was a recognition that this is also one of the primary roles played by the delivery agent when facilitating the journeys. While the survey suggested that the balance of involvement between Account and Client Managers and Strategem Ltd in setting objectives varies on a case by case basis, in all cases that communication between the two is strong and works well.

One area where there is much less clarity is the role that the Account and Client Managers play in following up on the outcomes of the Learning Journey with the participating companies, particularly in respect of implementation of learning gained, or on identifying further ways in which SEL can offer support.

Our understanding is that Account and Client Managers will address these issues as part of their normal on-going contact with businesses, although there appears to be no formal requirement to do so. This may be an issue to address in the future delivery of the programme, particularly if there is a desire to increase (and understand better) the process of embedding learning in the workplace accrued through the Learning Journeys. We return to this issue in our recommendations.

## **4.4 Role of the delivery agent**

Strategem Ltd won the competitive tender to deliver each of the Learning Journeys. One of the objectives of the brief was to understand the particular added value that contracting out of delivery brings to the project. Based on the survey findings and the stakeholder consultations a number of key areas have been identified:

- the contractor is able to commit a significant amount of dedicated resource to the planning and organisation of the Learning Journeys
- the contractor acted as an effective bridge between the participating companies and the host firms, largely due to their involvement with both sets of companies prior to the Learning Journeys taking place and the high level facilitation skills that the contractor brings
- in particular the contractor has a wealth of experience of running Learning Journeys for a number of different clients and has a good sense of the types of host companies that will be able to meet the needs of participating firms
- there is a perception that this experience (and the networks that have been developed as a result) play an important role in facilitating access to the senior personnel in major firms – access to the quality of personnel and companies is seen as a critical success factor for the Learning Journeys.

In addition the survey and the stakeholder consultations suggested a high degree of satisfaction with the organisational arrangements delivered for all three Learning Journeys.

## **4.5 Potential enhancements to project delivery**

It should be noted that one of the defining characteristics of both the survey and the stakeholder consultations was the high degree of satisfaction with the project. As a result the discussions on the future delivery of the programme focussed less on whether the project should continue and more on ways in which the future delivery might be enhanced.

These enhancements fell into two main groups:

- improving the content of existing journeys

- tapping into new areas of demand.

#### **4.5.1 Improving the content of existing Learning Journeys**

From the company perspective feedback on the content of the host visits was overwhelmingly positive. While the content of all sessions was seen as relevant to some businesses, there were inevitably sessions where companies believed the content was either less relevant to their needs, or indeed not relevant at all. While there was broad recognition that to a certain extent this was unavoidable, a number of suggestions were made to alleviate this including:

- giving companies a greater say in identifying companies they would like to visit
- building in some 'free time' for companies to visit some firms on a one to one basis
- looking to run sectorally focused Learning Journeys to lessen the chances of companies hosting sessions which are seen to be less relevant.

While each of these suggestions is not without merit, in our view they each raise some issues for future delivery.

- one of the apparent benefits of the Learning Journeys is their ability to deliver 'unanticipated' learning. There may be a danger that giving companies the opportunity to be overly prescriptive about who should host visits might weaken this impact
- building in time for one to one company visits will increase the logistical difficulties in organising and delivering Learning Journeys – at the same time however it might provide opportunities to increase the economic impact of journeys, particularly if the one to one visits have a clear business or export development focus
- running sectorally focussed journeys may weaken the opportunities for Lanarkshire companies to learn from a wide range of firms and would also narrow down the potential range of attendees for particular visits – thus reducing the scope for repeat participation and leading to the danger that less appropriate firms are taken on journeys to make the project stack up financially.

#### **4.5.2 Tapping into new areas of demand**

The discussion on demand highlighted that the current format (and location) of the Learning Journeys means that some firms are not willing, nor able, to participate, even though they might be able to derive significant benefits from the Learning Journeys.

The consultations identified a number of ways in which this might be addressed. In particular SE Lanarkshire might give consideration to:

- running shorter Learning Journeys to the US to lessen the time commitment required on the part of companies
- running a programme of one or two day visits to UK based companies on a themed basis – which would again lessen the time commitment required on the part of companies.

Once more a number of potential issues were identified in relation to these proposals:

- there was a perception that shorter visits to the US were largely impractical – two days would be required to travel back and forth to the US and that as a result a minimum of two or three days should be spent working there to make the journey worthwhile
- a key selling point of the Learning Journeys is the quality of the firms who host visits – while high quality companies could be identified for visits in the UK and indeed Europe, concerns were expressed about critical mass and proximity of these types of business
- there were also concerns about the ability of UK based visits to expose Lanarkshire based companies to different working cultures, or to learn from the key decision makers in the headquarters of global companies
- finally shorter interventions would lessen the intensity of the learning experience and might compromise the ability of the Learning Journeys to help develop contacts, particularly with overseas firms.

In spite of this there was recognition that there may be merit in piloting some short one day visits on either a sectoral basis or for Client Managed companies, although further research would be required on the cost and feasibility of such visits.

## **5 Conclusions and future delivery**

### **5.1 Introduction**

The brief for the study set out a series of specific objectives for the evaluation, namely to:

- review the success of the programme in meeting its aims and objectives
- comment on the rationale for the project with reference to market failure
- comment on the effectiveness of targeting and project delivery
- identify the characteristics of companies participating in the programme and key baseline performance information
- assess customer satisfaction with support
- assess the overall economic impact of the service
- examine the extent to which the programme has achieved sustainable benefits, particularly in terms of company attitudes and behaviours
- identify the key strengths and weaknesses of the programme
- establish likely future demand for the programme, particularly in respect of SE Lanarkshire's target groups
- assess whether the support offered through the programme remains relevant to the needs of businesses
- identify potential improvements to programme content and delivery, within the framework of Network products and with a view to optimising economic impact
- inform future European funding applications
- comment on an exit strategy.

In this final chapter we set out our conclusions for each of these objectives. Given the overlaps between some of the evaluation objectives, we have amalgamated the evidence in support of some of the requirements of the brief.

## **5.2 Key conclusions**

### **5.2.1 Did the programme meet its aims and objectives and targets**

There is strong evidence from the business survey to suggest that the programme has met its aims and objectives as set out in the Approval Papers for all companies in terms of:

- helping Lanarkshire companies to think differently
- broadening Lanarkshire companies awareness of what is happening outside Scotland
- facilitating and encouraging networking.

There is also good evidence to suggest that the project has delivered on a range of other objectives for almost all participating companies including:

- encouraging companies to implement positive change to their operations as a result of what they have learned
- ensuring that knowledge gained is then implemented
- ensuring awareness and appreciation of best practice as a fundamental building block of success.

It should be noted however that not all companies made changes to their business operations as a result of attending the Learning Journeys, and that in some cases it was not easy to track in a linear fashion the relationship between learning gained and changes made.

In many ways this is not surprising. As we have noted the Learning Journeys were never designed to be a linear, tick box exercise. The learning gained through the Journeys may not have been directly implemented but may have influenced companies in more subtle ways (some of which they may not realise)

In addition the diversity of companies taking part in the Journeys, and the range of reasons that they had for taking part also meant that it is entirely reasonable for different companies to have taken different meanings from the same 'lessons' delivered in the host company sessions.

Notwithstanding the above we would suggest that there may be a case for formalising follow-up with companies after participation in the Learning

Journey. Account and Client Managers should aim to have a follow-up meeting with participating businesses (and perhaps involving the delivery agent) to explore:

- what actions companies plan to take as a result of the Learning Journey
- how SEL might support them to make those changes

There is less evidence that Lanarkshire companies are acting as exemplar companies for other companies largely because there is no clear mechanism through which this can be delivered. Again this is an issue we would suggest should be addressed in any future delivery of the programme, perhaps by encouraging companies to take part in dissemination events with other local companies.

### **5.2.2 Comment on rationale and market failure**

The rationale for the programme was set out in Chapter 2 and confirmed that the Learning Journey fits well with the aims and objectives of Smart Successful Scotland and SEL's operating plan.

Market failure is defined by Scottish Enterprise as a situation where the market fails to operate because of information deficiencies, externalities, risk aversion, scale, institutional barriers, or some other factor which can prevent a market from operating effectively. The Learning Journey would appear to have been set up to address the following market failures:

- Risk aversion – where companies may not take a course of action because they are unsure of the benefits they might accrue
- Scale/Institutional barriers – it is extremely unlikely that any of the participating companies (with the exception of Rolls Royce) would have the credibility to arrange access to senior staff in the range of world class host companies who have taken part in the Learning Journeys
- Information deficiencies – linked to the above participating companies are unlikely to be aware of who these World Class companies might be, or the key staff who might be able to offer learning opportunities.

We would argue that there is evidence to suggest that the project is making some progress towards addressing these market failures:

- Risk Aversion – there is evidence of sustainability in terms of companies taking further action to embed a learning culture and recognising the importance of learning to remain competitive - most notably through other non supported learning activity
- Scale / Institutional barriers and Information deficiencies – the process of taking part in the Learning Journey means that initial contact has been made with world class companies and key staff within them. Evidence of further follow-up however has been relatively limited.

Finally we would note that while there has been some progress in addressing market failure for those firms who have participated the original market failures that the Learning Journeys were set up to address will remain persistent for businesses who have not yet participated in a Learning Journey. As such the case for developing an exit strategy from the intervention at this stage is not clear. We return to the issue of future delivery in our recommendations and suggestions (section 5.3).

### **5.2.3 Effectiveness of targeting and characteristics of firms**

The project appears well targeted in that all participating companies were either Account or Client Managed. In addition there is evidence that the project is targeted on companies who make a disproportionate impact on the Lanarkshire economy:

- two of the companies surveyed employed in excess of 1,000 people
- two of the companies surveyed had gone through significant expansion in employment and turnover in the last 3 years and now employed more than 500 people
- the remainder of the firms surveyed all had significant growth ambitions.

### **5.2.4 Effectiveness of project delivery and customer satisfaction**

The project appears to have been well managed and delivered. There has been effective and appropriate recruitment onto the programme, the responsibilities of the individuals and organisations involved in delivery are clearly defined and there appears to be good communication between those involved in the project.

The feedback from the participants is overwhelmingly positive, both in terms of the content of the Learning Journeys and the organisation of the events.



In addition we could conclude that, if the programme to continue there is merit in retaining the principle of contracting out the design and delivery of the programme to an outside contractor. In the past the contractor has been able to:

- commit the significant time required to set up and deliver the journeys
- work with participating companies in the US and Lanarkshire to refine the content of the Journeys
- bring a wealth of experience in the delivery of Learning Journeys.

### **5.2.3 Economic impact and changes in business behaviour**

As was suggested in the brief the identification of economic impact has been problematic. While most businesses recognised that changes in business operations had taken place, various reasons were given for non-attribution of impact. In some cases:

- the changes made were 'soft' and related more to leadership styles and or staff communication
- other factors outwith the Learning Journeys had a more significant impact on business performance (e.g. moving to new premises or developing new products) and as a result disentangling the impact of the learning journeys was difficult
- for some it was too early to identify the impact of these changes.

Given that only two companies reported impacts, it is unhelpful to generate estimates of economic impact for the programme as a whole based on such a small response.

Nevertheless it would appear from the interviews that:

- additionality from the Learning Journeys is likely to be high – participating companies would not have organised the Learning Journeys in the absence of SEL support. Furthermore the networks of both SEL / SDI and Strategem Ltd. assisted with arranging access to host companies
- displacement from the programme at the Lanarkshire level is likely to be low – the companies taking part in the programme are operating in UK and global markets and are unlikely to have a significant number of locally based competitors

- displacement from the programme at the Scottish level is also likely to be low given that the gross economic impact reported in section 3.7.2. was low (only £125,000)
- there is evidence of sustainability in that some companies have instituted further best practice visits, or have carried out further training and development outwith the setting of the Learning Journey.

Nevertheless there is strong evidence that the Learning Journeys encouraged changes in business operations in a number of key areas including:

- management and leadership
- training and development of staff
- encouraging innovation
- supporting business growth.

The evidence of the changes in business operations seems reasonable given the relatively low levels of funding committed by SEL to the project. At only £75,000 for three Journeys the project appears to be a cost effective way of delivering change.

In addition there is evidence from the survey to support view that companies have adopted a sustainable approach in terms of:

- continuing to learn from the experience of other companies
- implementing changes in business operations that are continuing
- recognising the need to continue to improve performance and drive change in the business.

#### **5.2.4 Future demand for the programme and continuing relevance**

Historical demand from Account and Client Managed companies for Learning Journeys has been strong and this is expected to continue, particularly from larger firms. Many of the participants interviewed expressed interest in participating in a further Learning Journey.

There is evidence to suggest however that demand from smaller firms is constrained and will continue to be so because of the level of time commitment required on the part of companies. Having said that two out of the seven companies who were surveyed were SME's and one of this group was a micro-business.

Perhaps the key determinant of future demand will be the number of firms in Lanarkshire who are at the right stage in their growth ambitions to derive significant benefits from the Learning Journey as it currently operates. A key message from the consultations and the business interviews is that the Learning Journeys in their current form are a high value added intervention that are only seen as appropriate for Account and Client Managed companies who are facing management and leadership challenges.

### **5.2.5 Informing future European Applications**

Our understanding is that to date the Learning Journeys have not been explicitly supported by ERDF funding to date. This may represent a missed opportunity given that a small number of the companies who have participated in the programme are SME's. Having said that the sums involved are likely to be small and may not merit the development of a separate ERDF application.

There may also be opportunities to seek European funding to support other Learning Journeys if the decision is taken to pursue shorter UK or US based activity which is likely to be more accessible to smaller firms.

## **5.3 Implications for future delivery**

In concluding we would offer a number of firm recommendations, and a number of suggestions which might be explored further by SEL.

### **5.3.1 Recommendations**

We would offer the following **recommendations**:

- there is sufficient evidence to suggest that the Learning Journeys, with their current format of a five day visit to the US and focus on companies who make a disproportionate impact on the Lanarkshire economy should be retained
- the design and delivery of the Learning Journeys should continue to involve SEL through the Business Growth Executives and Account and Client managers, although the primary responsibility for each Journey

should remain with an outside contractor. There are no obvious advantages to bringing delivery in house, and indeed the facilitation skills brought by a contractor and their experience in delivering Learning Journeys may be lost

- there is a need to formalise the engagement of Account and Client Managers with companies throughout the Learning Journey process:
  - prior to taking part it should be a pre-requisite that Account and Client Managers attend a dedicated meeting with companies to discuss and set specific learning objectives (although it should be recognised that these objectives may not cover all of the learning gained by companies who participate)
  - Account and Client Managers should also carry out a follow up visit with participating companies to explore the specific learning gained, and ways in which SEL can offer further support to help achieve those objectives – this will be one of the key ways in which the economic impact of the project could be increased
- related to this the outcomes from these meetings should be recorded in such a way as to make future evaluation of Learning Journey support easier and more transparent – one of the key problems facing the consultants was to develop a causal link between learning gained and action taken
- there is no clear mechanism through which participating companies can share learning achieved through the Learning Journey with other Lanarkshire companies, in spite of this being one of the stated aims of the project. SEL should seek to establish such a mechanism, most likely through a series of workshops where participating companies make presentations to other Lanarkshire companies
- there should be a greater focus given to expanding the reach of the Learning Journey to other Account and Client Managed companies – and indeed pursuing the recommendation on sharing experiences may help to open up new areas of demand
- related to this consideration should also be given to the basis on which companies are offered the opportunity to take part in multiple Learning Journeys. While there may be good reasons for this, there is also a case to suggest that companies might receive financial support on a sliding scale

(e.g. 50% support towards the cost of the first Learning Journey, 40% towards the costs of the second, 30% towards the cost of the third)

### **5.3.2 Other suggestions**

The evaluation has identified a number of ways in which the delivery of the project could be extended. These fall into two main areas:

#### **Enhancement of the current Learning Journey**

- giving companies a greater say in identifying companies they would like to visit
- building in some 'free time' for companies to visit some firms on a one to one basis
- looking to run sectorally focused Learning Journeys to lessen the chances of companies hosting sessions which are seen to be less relevant.

#### **Extension of the Learning Journey format to cover other companies**

- running shorter Learning Journeys to the US to lessen the time commitment required on the part of companies
- running a programme of one or two day visits to UK based companies on a themed basis – which would again lessen the time commitment required on the part of companies.

These enhancements are not without their merits nor their pitfalls and we do not have a firm view on whether or not they should be pursued. Our discussions with SEL following the submission of the draft report confirmed that these suggestions would be considered by SEL with a final decision on implementation resting with the Business Growth team.

**GEN Consulting – November 2005**

## COMPANY CASE STUDIES

### Gael.net Ltd

Gael.net Ltd was established in 1995 with a clear vision to provide leading edge web based business solutions and was recently recognised as one of the fastest growing technology forms in Scotland by the Deloitte and Touche *Technology Fast 50*. The company offer internet and intranet management services. .

Gordon Wylie, Gael's Product Development Manager attended a Learning Journey to Boston and New York in 2003. "The Learning Journey came at an important time for us – we had just developed an innovative mind mapping tool, *Mind Genius*, and the Learning Journey gave us the opportunity to explore how other major software companies adopted effective strategies launch new products. In addition the Journey offered us the opportunity to showcase *Mind Genius* to a range of potential partners in the US who we could never have accessed on our own.

Gordon went on, "We approached the Learning Journey with a fairly open idea about what we might get out of it – if we simply developed a better understanding of the way in which some of our larger competitors operated, we'd have been happy. In the end I was very surprised about how much we learned. The event broke down myths about big companies being 'different' – and we're now much more confident of Gael's ability to compete with and partner major players in the software industry".

### Kwik Fit Financial Services

Kwik Fit Financial services operate a 600 seat contact centre in Lanarkshire and have rapidly established themselves as one of the fastest growing new entrants to the competitive insurance market. Elaine Whitefoot, IT Director attended the innovation Learning Journey in 2004.

Elaine commented, "We had ambitious plans to grow our customer base by 20% in 2005, and we were keen to explore how other businesses employed IT to support the business growth strategies. The Learning Journey was attractive to us as it offered access to senior staff in some of the world's leading companies."

Elaine went on, "I was surprised at just how much the Learning Journey broadened my horizons. We're now exploring home-working opportunities for some of our staff, and we're much more willing to consider using external expertise to advise us on areas that are not part of our core business."

“On a personal level the Learning Journey was a great personal development opportunity, and I’m much better informed on the importance of continuing to innovate if we’re to remain a step ahead of our competitors.”

## **Rolls Royce**

Rolls Royce is one of Lanarkshire’s largest employers, with more than 1,100 staff at their site in East Kilbride. The East Kilbride site is Europe’s largest Aero Repair and Overhaul operation and the company announced an investment of £45 million to upgrade and expand the facility in 2004. David Pollock, a Technical Manager at East Kilbride attended the Learning Journey to San Francisco and San Jose in 2004,

David commented, “The commitment to the new facility at East Kilbride was underpinned by agreement to implement improvements in working practices that will become essential elements of a more efficient and effective manufacturing operation. Our key aim was to empower our workforce to decide how work is done, enhance performance and subsequently, share the benefits”. “The Learning Journey gave us the opportunity to learn how some truly world class companies generated ideas from the shopfloor and built effective teams. It provided us with a wealth of practical tips and solutions on how to improve communication.”

The Learning Journey brought a number of direct changes. David went on, “As a result of the journey we’ve implemented a number of changes, including establishing weekly communication meetings with our shop-floor teams and established an intranet forum for staff to share good practice and ideas. We’re also planning to organise exchange visits between our factories in the UK – who are regularly dealing with the similar challenges in terms of introducing lean production processes.”