

Inward Investment Practitioner Consultation

Final Report for

Scottish Enterprise



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Table of Contents

Executive Summary	1
Emerging Findings	1
1 Background and Approach.....	4
1.1 Background.....	4
1.2 Approach.....	5
2 Consultation Feedback	6
2.1 Population overview	6
2.2 Respondent profile	6
2.3 Barriers to inward investment	9
2.4 Staff and recruitment	13
2.5 Effectiveness and key success factors	15
2.6 Spillovers and indirect benefits.....	20
2.7 Lost projects	22
2.8 Inward Investment Plan (IIP)	25
2.9 Future challenges and opportunities	28
2.10 Team Scotland/Public Sector Inward Investment Support System	29
2.11 SDS specific questions	32
3 Emerging Findings.....	34
Appendix 1: Detailed findings tables.....	37
Appendix 2: Inward Investment Practitioner Research – Business-facing staff consultation	54

Executive Summary

The Scottish Government is leading an evaluation of inward investment support and services offered to companies in Scotland¹ which is scheduled to report in 2026.

Scottish Development International (SDI), the international arm of Scottish Enterprise (SE) and Scotland's Investment Promotion Agency (IPA), leads in attracting and supporting investors over the analysis period, along with support from Team Scotland partners: Highlands and Islands Enterprise (HIE), South of Scotland Enterprise (SOSE) and Skills Development Scotland (SDS).

The purpose of the evaluation is to examine the effectiveness and impact of support delivered to companies and identify potential areas of improvement through the use of a mixed methods evaluation approach.

This mixed methods approach includes a survey of inward investment practitioners within the above delivery partners and Scottish Government. On behalf of Team Scotland partners, Scottish Enterprise commissioned Frontline to undertake this survey which is the subject of this report.

The commission focussed on gathering qualitative feedback from practitioners via an online survey and one to one consultations. It aimed to capture practitioners' perspectives, including themes and operational insights on a wide range of issues rather than precise quantification of impact or effects of support.

The practitioner survey and consultations were carried out between April and June 2025 alongside a parallel commission for export promotion practitioners which is the subject of a separate report.

Emerging Findings

The following section summarises the emerging findings and was developed through extensive consultation with business-facing staff across all delivery partners.

Barriers to inward investment – access to finance including capital, investment and incentives was seen as the main barrier for all inward investors. Access to land, buildings and related infrastructure was seen as the second biggest barrier for new investors with access to skills, talent and workforce taking second place for existing inward investors. Taxation, legislation and regulation also featured as a barrier for both groups along with macroeconomics and global uncertainties. Brexit and an increase in energy transition challenges/opportunities as well as increased competition with other countries were areas of challenge that were seen to have changed the most over recent years.

Internal company factors impacting investment – were most frequently related to resources, finance and investment. Other factors included having the necessary skills and capability, competing priorities and issues relating to internal decision making and strategy.

Impact of the changing global environment – challenges most often related to higher costs of e.g. energy, materials, taxation, NI and wages with global uncertainty featuring as the second main challenge. However, some opportunities were also identified and included attractiveness of some key sectors i.e. energy, food and drink, fintech and AI. Opportunities were also seen in Scotland and UK supportive government and policy.

¹ A parallel exercise is also being undertaken for export promotion support.

Staff and recruitment – employing university or college graduates was the major source of recruiting staff followed by apprenticeships. Recruitment from the rest of the UK and outside of the UK were jointly the third most common source of staff. Geographically, rural areas presented the most challenges in terms of staffing. Data, digital and tech together with offshore wind and renewables sectors also faced challenges with recruitment. Mitigation of these challenges most often included skills development and training and targeted sectoral career approaches.

Areas of inward investment support that work well – the joined-up Team Scotland approach was seen as the area of support that worked best followed by access to grants and funding. No particular combinations or timing of support was identified although funding, early stage feasibility and a bespoke approach from early stage to long term were seen to be key factors.

Areas of support that could be improved – whilst the Team Scotland approach was seen to work well it was identified that support can also be cluttered and uncoordinated which could be improved together with providing more tailored sector support rather than a generic approach. Respondents also felt that the support process could be more streamlined and less bureaucratic. Gaps in current provision included support for accessing premises and land and follow up and aftercare.

Key factors that make a difference – at a sectoral level were large scale economic commitment and policy alignment along with provision and availability of property, sites and infrastructure. At an economic level – it was large scale policy support that unlocks investment and economic activity. At a company level – access to skills and talent along with confidence in the Team Scotland approach that is bespoke and continuing. Timely access to finance and grants was seen to deliver most value for new investors whereas tailored solutions was seen to add value for both new and existing investors.

Additionality/attribution resulting from support – timing – enabling the project to proceed faster, was seen as the main type of additionality. However, respondents also frequently suggested that projects of a larger scale and of higher quality were also a result of inward investment support.

Spillovers – most frequently identified were supply chain impacts, benefits and opportunities followed by increased R&D and innovation, partnerships across academia and industry, employment in the supply chain, skills, training and development and knowledge transfer. Respondents felt that it was most important to capture all of these benefits highlighting supply chain impacts as the most important. A variety of ways of capturing spillovers was suggested with evaluation and tracking of companies being most frequently mentioned. Providing aftercare and support, a greater understanding of supply chains and account management were seen as ways to maximise spill over benefits.

Lost projects – the main reasons for lost projects were seen to be competition from other regions, lack of company capability or commitment and lack of clarity of or slow support decisions. Respondents most frequently felt the projects “fell off” at an early stage although it was also identified that this could happen at any stage. Whilst some respondents felt that lost projects were captured it was suggested that CRM/Dynamics could be better utilised for this. Key lessons from lost projects for operational delivery included the relationship with companies from pipeline through to aftercare as well as better understanding and acting on the reasons for failure. Escalating projects across Team Scotland partners with good communications with clients was seen as actions to be taken for fragile projects.

Inward Investment Plan (IIP) – the majority of respondents believe that the IIP is an effective approach for attracting inward investment. They felt that it focusses on priorities and areas of strength to be targeted and that as a clear plan it provides focus and direction for inward investment support. Two thirds of respondents felt that all nine opportunity areas of the plan were still valid with just over half suggesting it should be refreshed or expanded. However, some people felt that there was a lack of sector fit for some projects, a lack of alignment with SE Missions and that it needed to be updated.

Future challenges and opportunities – increased scrutiny of investment options by companies as a result of the changing global environment was seen to be a future challenge along with the need for greater reassurance in relation to uncertainty and risk and less capital available for investment and increasing costs. Specific challenges relating to the next five years were geopolitical instability, economic security and rising costs. Opportunities for inward investment over the next 5 years were most commonly described as Scotland's sector specific expertise in areas including space, energy transition, sustainability. An opportunity to position Scotland/UK as a stable and free market environment was also identified.

Team Scotland/public sector inward investment support – good wider relationships with e.g. DBT, UK Gov, FCDO together with Team Scotland collaboration were the areas seen to work best. However, it was also identified that things could sometimes be disjointed with duplication and that there could also be a lack of an integrated approach with some organisations having different drivers or priorities.

Key factors for an effective inward investment support ecosystem – in order of frequency the top key factors identified were a collaborative team approach, a simple, responsive and coordinated process, common goals and ambition, good transparent communication and clarity of roles and supports available.

Business awareness of the range of available supports – whilst the majority of respondents felt that businesses were aware of supports a similar number felt that this depended on the level of engagement with businesses and their previous experience of support.

Learning from competitors that could be replicated – a number of respondents highlighted Ireland with Enterprise Ireland and IDA being proactive with a strong customer focus in terms of inward investment.

Inward investment support currently not being offered – managed aftercare was the most frequently identified support followed by skills development and training support.

1 Background and Approach

1.1 Background

1.1.1 Scotland's inward investment strategy

Scotland's Inward Investment Plan: Shaping Scotland's Economy (hereafter referred to as the IIP) defines inward investment as when a business entity from outside of Scotland (including the rest of the UK) establishes, expands, or safeguards its business operations in Scotland.

The IIP sets an ambition for Scotland to be a leading destination for inward investment globally, with a key focus not only on direct impacts, but wider "spillover" benefits of inward investment activity i.e. those that occur within the wider Scottish economy. The delivery of the plan has been focussed on a series of actions, one of which highlights the importance of monitoring and evaluation activity.

Public sector funded inward investment support is delivered by Team Scotland delivery partners:

- Scottish Government (SG)
- Scottish Enterprise (SE) and its international arm Scottish Development International (SDI)
- Highlands and Islands Enterprise (HIE)
- South of Scotland Enterprise (SoSE)
- Skills Development Scotland (SDS)

1.1.2 Research objectives

Scottish Enterprise on behalf of Team Scotland commissioned a survey of inward investment practitioners. Specific objectives included:

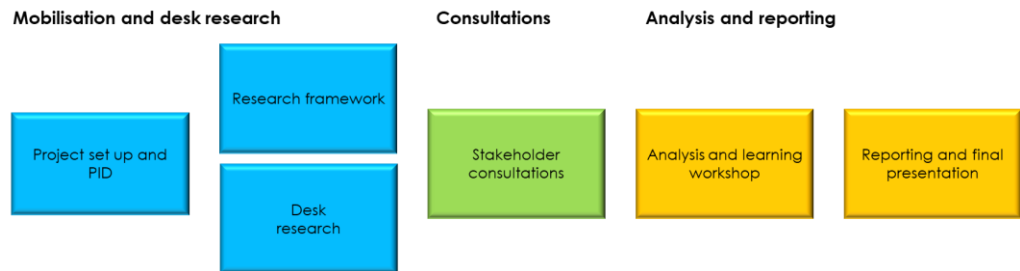
- Views on barriers, challenges and opportunities.
- Views on what works well and less well in delivering inward investment support.
- What group(s) of businesses are benefitting the most from interventions, is this the intended group(s)?
- What are the main types of additionality resulting from the support i.e. timing, scale, quality?
- Are there support gaps/support limitations and how could these be addressed?
- What impact do these gaps/limitations have on the ability to support/meet customer needs?
- Do businesses "fall-off" from their support journey, if so, at which point?
- Views on the overall effectiveness of the Scottish Government led inward investment support.
- Effectiveness of the Team Scotland Delivery Partner approach, including identifying any potential duplication, such as staff time or other aspects.
- Views on "market size" and whether delivery partners are able to support current demand.

SDS specific questions are also included. The question sets are provided in Appendix 2.

1.2 Approach

The approach to the evaluation followed the three stages outlined in Figure 1.1.

Figure 1.1: Method Diagram



The sections that follow provide the analysis of the consultation with staff across Team Scotland partners.

2 Consultation Feedback

2.1 Population overview

The following section provides an assessment of the feedback received from 72 consultations across SE/SDI (60), HIE (4), SoSE (3), Skills Development Scotland (3) and Scottish Government (2). Table 2.1 presents the full breakdown.

Staff from the partner delivery organisations (SE/SDI, HIE, SoSE and SDS) and Scottish Government who are involved in inward investment support were invited to participate in the survey. Precise numbers of participants from each organisation are shown in Table 2.1.

The majority of staff participating in the survey are directly involved in the delivery of inward investment support.

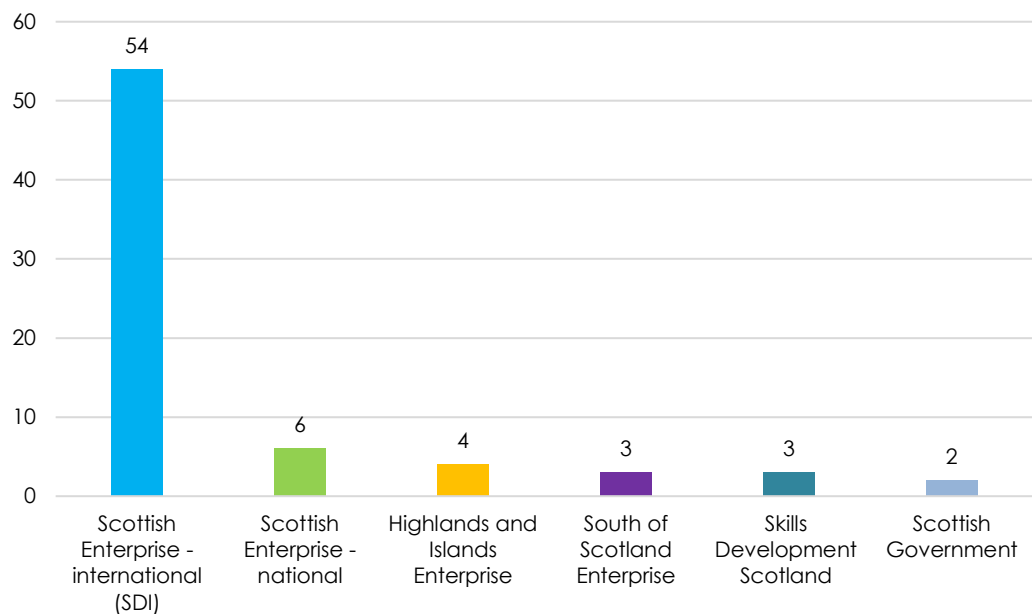
Table 2.1: Population

	Scottish Enterprise/ SDI/ Scottish Government	Highlands and Islands Enterprise	South of Scotland Enterprise	Skills Development Scotland
Consultees	62	4	3	3

2.2 Respondent profile

Respondents worked across a range of partner organisations with the majority from SE/SDI. Figure 2.1 shows the breakdown across the partners.

Figure 2.1: Organisation

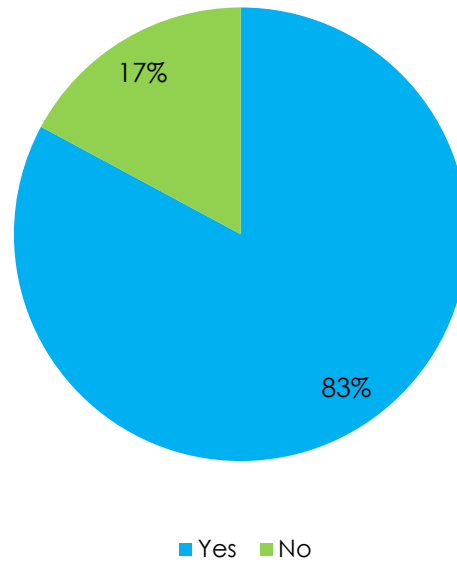


N=72

2.2.1 Business facing

The majority worked in business facing roles (83%, 58).

Figure 2.2: Business facing



N=70

2.2.2 Sectoral coverage

Table 2.2 shows that respondents in direct business-facing roles represented all sectors across the partner organisations.

Table 2.2: Sectoral representation across business-facing respondents

Scottish Enterprise/SDI (incl SG)		Highlands and Islands Enterprise	
Energy transition	41	Energy transition	3
Decarbonisation of transport	24	Decarbonisation of transport	0
Software and IT	25	Software and IT	2
Digital financial services	17	Digital financial services	0
Digital business services	18	Digital business services	2
Space	18	Space	3
Healthtech	24	Healthtech	2
Transformation of chemical industries	19	Transformation of chemical industries	0
Food and drink innovation	15	Food and drink innovation	2
South of Scotland Enterprise		Skills Development Scotland	
Energy transition	1	Energy transition	3
Decarbonisation of transport	1	Decarbonisation of transport	2
Software and IT	0	Software and IT	2
Digital financial services	1	Digital financial services	2
Digital business services	1	Digital business services	2
Space	0	Space	1
Healthtech	0	Healthtech	2
Transformation of chemical industries	0	Transformation of chemical industries	0
Food and drink innovation	0	Food and drink innovation	0

2.2.3 Business geography served

Table 2.3 shows the split across each geography.

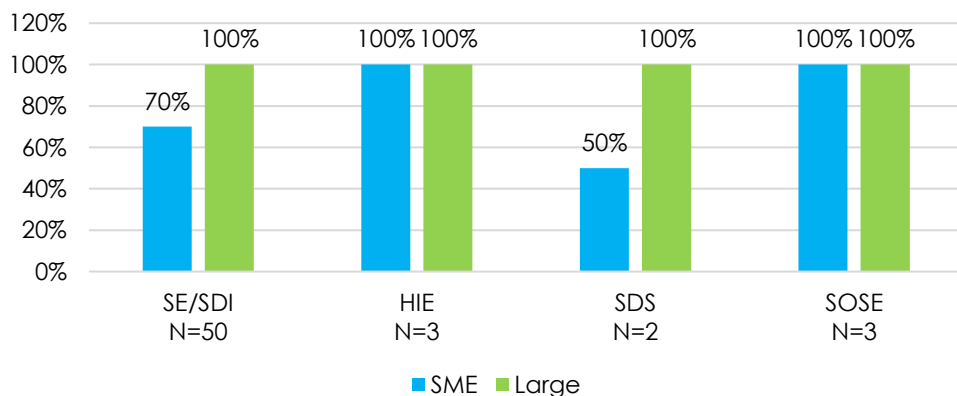
Table 2.3: Business geography served

SE/SDI		HIE	
Aberdeen and Aberdeenshire	13	Aberdeen and Aberdeenshire	
Edinburgh and South East Scotland	17	Edinburgh and South East Scotland	
Glasgow City Region	17	Glasgow City Region	
Highlands and Islands	8	Highlands and Islands	3
Stirling and Clackmannanshire	11	Stirling and Clackmannanshire	
Tay Cities	13	Tay Cities	
Pan Scotland	17	Pan Scotland	
Rest of the UK	14	Rest of the UK	
Ireland	6	Ireland	
EMEA	16	EMEA	1
Americas	21	Americas	
Asia Pacific	20	Asia Pacific	1
Total answered	51	Total answered	3
SOSE		SDS	
Aberdeen and Aberdeenshire		Aberdeen and Aberdeenshire	1
Edinburgh and South East Scotland	1	Edinburgh and South East Scotland	1
Glasgow City Region		Glasgow City Region	2
Highlands and Islands		Highlands and Islands	
Stirling and Clackmannanshire		Stirling and Clackmannanshire	
Tay Cities		Tay Cities	
Pan Scotland		Pan Scotland	3
Rest of the UK		Rest of the UK	
Ireland		Ireland	
EMEA		EMEA	
Americas	1	Americas	
Asia Pacific	1	Asia Pacific	
Total answered	2	Total answered	3

2.2.4 Business size

Respondents worked across a mix of SMEs and large companies. Figure 2.3 shows the breakdown across the partners.

Figure 2.3: Business size overview



2.3 Barriers to inward investment

The section focused on the following questions:

- In your role, what are the main factors inhibiting/slowing investment and barriers to companies locating in Scotland? (Please describe the extent to which these are within Scottish Government or wider UK influence)
 - New inward investors
 - Expanding inward investors
- How has this changed in recent years? (Please describe any sector/sub-sector specifics, over last 3 to 5 years)
- What company internal factors impact their ability to make a new or additional investment? (For example: capacity, resources, investment etc)
- How has the changing global environment affected the companies' choices relating to inward investment; what are the challenges; what are the opportunities? (For example, increased costs, inflation, taxation, energy costs and volatility, geopolitical concerns etc)
 - Challenges
 - Opportunities

2.3.1 Barriers for new inward investors

Almost all respondents (87%, 63) provided views on what they saw as the biggest barriers for new inward investors. The main themes were:

- Financial – including capital, investment and incentives (35%, 22)
- Access to land/building/infrastructure/utilities/facilities (32%, 20)
- Taxes/legislation/regulations/policies/planning (29%, 18)
- Macroeconomics/uncertainty/global trends/geopolitics/tariffs (22%, 14)
- Government involvement in projects/slow decision making – with some noting that a lot of the decision making lies with the UK Government (21%, 13)
- Access to skills/talent/workforce (21%, 13)

It should be noted that feedback was sought over the period immediately prior to and since the most recent USA tariff changes and might not reflect current perspectives.

Other barriers identified less frequently included awareness of Scotland's strengths/capabilities/clarity on proposition, cost factors as Scotland as a location, lack of demand/availability of commercial contracts, complexity of support landscape and Brexit.

"A lack of financial incentives compared to central Europe."

"Limited availability of ready-to-occupy industrial space especially for large-scale projects."

"Higher corporation tax compared to other countries."

"Uncertainty in global markets/investment."

"Delays to development of key projects that would utilise the investors products and services, the responsibility for these sits both with the Scottish and UK Government with the majority sitting with UK Government."

"Skills offer may be not as competitive as other locations for certain project types."

2.3.2 Barriers for expanding by existing inward investors

79% (57) of respondents identified barriers to inward investors expanding. The main themes, which were similar to those for new inward investors were:

- Financial – including capital, investment and incentives (32%, 18)
- Access to skills/talent/workforce (30%, 17)
- Taxes/legislation/regulations/policies/planning (26%, 15)
- Macroeconomics/uncertainty/global trends/geopolitics/tariffs (23%, 13)

Other barriers included cost factors (such as energy, land, workforce and supply chain), access to land/building/infrastructure/utilities/facilities, competition (with other potential locations) and government involvement/decision making/too bureaucratic.

“Difficulty in accessing funding support.”

“Perception of workforce availability and availability of skills.”

“Overcoming barriers of increasing legislation.”

“Delays in planning and consenting have also slowed things down. For example. Marine Directorate (although this is now better resourced) and energy consents unit. Delays at a local planning level too.”

“Uncertainties in certain market conditions will affect inward investment. It's easy to think what is the public sector doing, but the marketplace itself is the first challenge.”

2.3.3 How barriers have changed in recent years

Comments were received from (81%, 58) respondents on how barriers have changed over the last three to five years. The main themes were:

- Brexit – seen as the most significant, complicating UK market access and changing inward investors prioritisation in terms of locations in the EU (28%, 16)
- Increase in energy transition challenges (lack of grid provision)/opportunities (i.e. opportunities in the offshore wind sector have become clearer and better defined) (22%, 13)
- Increased competition on costs/offering/ROI – with other countries pitching more competitively than before (22%, 13)

Other changes identified included increased bureaucracy (i.e. red tape for financial assistance) /lack of sufficient support/increased barriers from public sector), increase in geopolitical uncertainty and increased financial risks/constraints/investment challenges.

"We no longer have service agreements with customers regarding how long the approval process will take, when contracts will be issued or when grant claims will be paid."

"As a result of Brexit, smaller companies are deprioritising the UK to focus on the EU, the Middle East and Africa."

"The challenges for the offshore wind market have both intensified and become clearer as supply chain projects have come closer to investment decision where firm commitment from offshore wind farm developers is required to secure investment decision."

"Over the past 3–5 years, opportunities in the offshore wind sector have become clearer and better defined. This has made it easier to pitch to potential investors and have engaging, productive conversations right from the first meeting."

"Mobile investment has become more competitive. Group HQs expecting faster return on investment."

2.3.4 Internal company factors that impact new or additional investment

Internal company factors that impact new or additional investment were identified by (83%, 60) respondents. The main themes were:

- Resources/finance/investment (38%, 23)
- Skills/capability/experience (32%, 19)
- Competing priorities/projects/locations (28%, 17)
- Internal decision making/strategy (20%, 12)
- Demand for goods and services/opportunity recognition/ROI (15%, 9)

Other factors included economic/policy/political uncertainty, lack of government support, capacity and appetite for risk.

"A general shrinkage of available capital investment within corporate groups has made it far more difficult to secure large investments at local sites in Scotland."

"Limited human resource, capability of staff - understanding skills and training required and where to go for help."

"This varies from company to company, but common themes are competing company internal priorities, and other nations providing a more attractive proposition (especially in the energy sector)."

"Their internal plan of expansion, internal political issues."

"Capacity to convince board that investment will bring profit, resources to dedicate to the market to justify that there is a market and to winning enough export contracts that a local team on the ground is required (Scottish-based)."

2.3.5 *Impact of the changing global environment on company inward investment decisions and plans – challenges and opportunities*

When asked about what **challenges** the changing global environment was having on companies' choices relating to inward investment 83% (60) of respondents provided comments. Inward investment decisions were being impacted by higher costs, such as energy, materials, inflation, taxation, National Insurance contributions and wage costs. It was also generally agreed that the challenges caused uncertainty and reduced confidence. The main themes were:

- High costs i.e. energy, materials, inflation, taxation, National Insurance contributions and wage costs (68%, 41)
- Geopolitical uncertainty (32%, 19)
- Access to skills/labour (17%, 10)
- Lack of pipeline of work/changing demand/economic and market uncertainty (17%, 10)

"Overhead/energy costs adding to complexity and financial gaps in projects. Taxation increases in Scotland vs UK vs other competing locations."

"Had a challenging few years, had a lot of political instability with Brexit, UK government election (new Govt), waiting on policy, waiting on release of industrial strategy, creating a bit of a pause. Companies pausing waiting to see what will happen."

"Available workforce."

"Need guaranteed pipeline of new work to secure large scale investments."

In terms of **opportunities** arising from the changing global environment, 76% (55) of respondents gave comments. The main themes were:

- Attractiveness of key sectors i.e. energy, food and drink, Fintech, AI (33%, 18)
- Favourable policies/supportive government (UK/Scotland) (22%, 12)
- Mitigate US tariffs by producing products in Scotland (15%, 8)

“Energy cost and volatility to some extent presents new opportunities for renewable energy development, including home energy storage, solar panel, electric vehicle, onshore and offshore wind supply chain. However, for general businesses, they would become conservative in terms of new capital investment and expansion to avoid risks.”

“Scotland policy regarding renewables and the potential investment that would unlock.”

“Where there are US companies selling goods to China/Europe there could be opportunity to bring these products to Scotland mitigating tariffs. I have a couple of companies looking at this and whether this could be a viable solution.”

2.4 Staff and recruitment

The section focused on the following questions:

- For the companies you work with, from where and how do they get the staff they need? (For example, from other companies in Scotland, university/college graduates, apprenticeship schemes, other regions/areas etc)
- Are there particular local areas, regions or sectors where this is particularly challenging? How have we or how can we mitigate against this?
 - Challenges
 - Mitigation

2.4.1 Recruitment of staff

When asked where and how companies get the staff they need, 76% (55) responded. Employing university or college graduates was noted by over two thirds. The main themes were:

- Uni/college graduates (67%, 37)
- Apprenticeships (36%, 20)
- Rest of UK (22%, 12)
- Outside UK (22%, 12)
- Local Scottish labour market recruitment (20%, 11)
- All available sources – other Scottish companies, graduates, apprenticeships, other regions/geographies (18%, 10)
- Recruitment agencies (16%, 9)
- Other companies (generic) (15%, 8)
- Other Scottish companies (15%, 8)
- School leavers (11%, 6)
- Internal transfers (11%, 6)

"Varies depending on activity - university for supervisor level or college/apprentices for operators."

"Depends on the scale of the business and growth stage, most new investors are looking for a mix of professionals with minimum 5yrs experience in a role and access to young talent, increasingly through Graduate Apprenticeships or traditional college/university graduates."

"More senior personnel typically head hunted including from outside Scotland."

"Other companies or adjacent industries in the UK (and occasionally overseas)."

2.4.2 Areas/regions/sectors that face particular challenges recruiting

In terms of geographical or sectoral **challenges** in recruitment, 51% (37) responded. Then biggest challenges were in

- Rural areas (46%, 17)
- Data/digital/tech/software/AI (32%, 12)
- Offshore wind/renewables (24%, 9)
- Engineering (14%, 5)

"Outside the central belt, pretty hard to find good flows of talent."

"AI and software roles are very technical and specific."

"Skills at all levels across engineering, advanced manufacturing, tech, finance, life science are all in demand, with similar skills sets looked for across these key sectors and across all regions of Scotland."

2.4.3 Mitigation for areas/regions/sectors that face challenges recruiting

When asked how have/can recruitment challenges be mitigated 65% (47) responded. The main themes were:

- Skills development/training plans/apprenticeships (40%, 19)
- Sector/regional targeted approach/promotion (26%, 12)
- Public realm, housing, wider local infrastructure (13%, 6)
- Development agency support/strategy e.g. SDS, TalentScotland (13%, 6)
- Collaboration between business and local agencies (11%, 5)

“Work with Developing Young Workforce (DWY) and the local schools and colleges to show the career paths and career opportunities in all sectors in the region. STEM projects for school kids on specific industry challenges to ignite interest in regional businesses. Work with our clients and the FE colleges to build the pipeline of future employees giving them the skill sets to enable them to join the workforce.”

“Regionally – we are pulling together senior leaders from public sector organisations to also see what can be done and get an action plan in place.”

“If Government was to make a wholesale commitment to anchor projects the interested applicants would follow, but this must include life beyond just work (i.e. pleasant environment, good schools, attractive retail, good transport links).”

“Conversations had with SDS/ Talent Scotland early on.”

“The Convention of the Highlands and Islands (COHI) initiative, bringing all the relevant partners both public and private sector together to outline an action strategy.”

2.5 Effectiveness and key success factors

The section focused on the following questions:

- To achieve inward investment objectives and impact – in terms of public sector support and other / non-financial support:
 - What works well and why?
 - What works less well and why?
- Are there any gaps within the support offered to investors during their investor journey? If yes, what are they?
- Are there any combinations and timings of support that are effective in leading to increased inward investment success and economic impact?
- What are the key factors that ultimately make a difference to increased inward investment (at company, sectoral and economy levels)?
- Depending on the different stages of the inward journey, (ie new project or expansion) are there any differences in what works/key factors that make the most difference/derive the most value, reduces time for quicker decision making?
- What are the main types of additionality/attribution resulting from the support i.e. timing, scale, quality?

2.5.1 What inward investment support works well across the public sector?

Types of inward investment support seen to work particularly well across the public sector were identified by 74% (53) respondents. The main themes were:

- Team Scotland approach/joined up/shared learning/knowledge (45%, 24)
- Grants/funding (23%, 12)
- Wider Scotland/global networks e.g. government, HEIs, investors (19%, 10)
- Valued/tailored value propositions (17%, 9)
- Good account/relationship management (13%, 7)

"Our Team Scotland approach works really well with client as this gives clients the access to every possible resource across Scotland."

"Grant support is always stated as a crucial factor in attracting investors."

"Scottish Government Ministers are good at providing support to encourage companies to invest, readily available to meet."

"Focused and tailored support when we are given clearly defined opportunities."

"For me a very targeted relationship management approach, engaging closely with companies after initial contact. It also works well for me that these are warm introductions from my intermediary connections."

2.5.2 Areas of support that could be improved across public sector support

Suggestions for areas of support that could be improved were made by 78% (56) of respondents. The main themes that emerged were:

- Cluttered/confused/uncoordinated support (25%, 14)
- Generic rather than tailored sector/market support/data/propositions (18%, 10)

"Working with and targeting high potential companies in the absence of a clearly defined project. Relationship management for companies out with account management where significant opportunities could lie. Too many partners and stakeholders undertaking similar activity without good co-ordination."

"Formulaic off the shelf reports outlining talent pool, salary levels, etc. without being put in the context of the company."

2.5.3 Gaps in support

When asked about gaps in the support, 78% (56) of respondents commented with 13% saying there were no gaps. For others, these were wide ranging. The most commonly mentioned was not around the support itself but more about the process which needed to be streamlined i.e. it's too complicated and bureaucratic (16%, 9). Gaps included premises/land/sites/infrastructure/planning and aftercare/follow up.

"For certain types of manufacturing investment opportunities, Scotland does not have the buildings into which an investor could move into. We can offer support by identifying plots of land where an investor could build their building but then our support offer stops. Could we extend our offer and be able to introduce them to property development companies who might be willing to build the building for them and maybe be able to offer links into the property investment community who might be willing to invest in a building."

"Not sure – always something that can be fixed. The suite of products and services including ministerial engagement with companies is relatively sound. Not convinced there are big gaps."

2.5.4 Combinations and timings of support that are more effective

When asked if there were any particular combinations or timings of support that were more effective just over half 53% (38) responded. No particular combinations or specific timings stood out but the areas most frequently mentioned were:

- Funding/grants/private investment (21%, 8)
- Early stage market insights, propositions, feasibility (18%, 7)
- Bespoke approach from early stage to long term (16%, 6)
- Hiring talent/skills (13%, 5)
- Team Scotland integrated approach (11%, 4)

"Financial support will certainly increase the chance of winning a project."

"Understanding market insights - what sectors are important, who are the companies and what timelines are we trying to achieve."

"Being able to project manage all potential support at our end and devise a plan as and when we can introduce that support. Understanding their day-to-day business constraints and taking them through the process in a natural managed manner that fits with their timescales and resources that they can put into the project. Being able to differentiate from the tasks of an inward investor making enquiries and the data and info that we provide."

"Understanding the skills requirements from an early stage so work can be done to prepare for the skills ask."

"I think a dedicated account team approach works well, so that a company has a single point of contact that draws on a network of experts to ensure a seamless experience."

2.5.5 Key factors that make a difference

When asked what were the key factors that make a difference to increased inward investment at company, sectoral and economy levels, 69% (50) of respondents commented. The main themes were:

- Sectoral – large scale economic commitment/policy alignment (14%, 7)
- Sectoral – provision/availability of infrastructure, property, sites (12%, 6)
- Economy – large scale policy support that unlocks a new type of investment or economic activity (10%, 5)
- Company – access to skills/talent (18%, 9)
- Company – Team Scotland approach/confidence in support/bespoke/continuity (14%, 7)
- Company – capability/capacity/preparation/clear proposition/proposal (12%, 6)
- Other – competitive support environment e.g. incentives/funding/grants (26%, 13)
- Other – relationships/supportive ecosystem (20%, 10)

“Sectoral – large economic movements that opens up a window for a portfolio of companies to address a new need or a new market.”

“Sectoral – energy transition dependent on factors such as port infrastructure, grid connectivity.”

“Economy – large scale policy changes that unlocks a new type of investment or economic activity. For example, changes to immigration, tariffs, etc.”

“Company – getting access to a good employee to establish and run a new office in a target location is essential.”

“Company – understanding the client, understanding its strategic ambition, tailored value offering fit with its strategic ambition and capabilities, telling clients something they don't know, and making sure drawing direct connection straight into the company.”

“Company – buy in /support/ funding from the parent company. Clear strategy from the outset.”

“Other – being a competitive location in terms of set up costs.”

“Other – strong relationships with open and transparent conversations make the difference in winning versus losing projects.”

2.5.6 Factors that deliver most value to new and existing inward investors

Depending on the different stages of the inward journey (new or existing), different factors were believed to deliver most value. 60% (43) of respondents commented. Findings were varied with most frequently mentioned factors focused on new inward investors or cut across both:

- New – finance/grants – quick decisions (14%, 6)
- Different for each company/tailored solutions (12%, 5)

Other responses included; new – trust/confidence (7%, 3), existing – relationship management (7%, 3) and relationship building/understanding needs/proactive (7%, 3).

“For new projects - how quickly we can provide support i.e. finance to get this project off the ground and commence.”

“Decision making varies from enquiry to enquiry. Having the necessary information to hand will help ensure that the investor has all the information they need to make an informed decision.”

2.5.7 Additionality/attribution resulting from inward investment support

When asked about the main types of additionality resulting from the support 50% (36) responded. They were given the example of additionality relating to timing, scale, quality and 11% (4) identified attribution in all of these areas.

Timing was identified most frequently as an area of attribution (53%, 19) followed by the scale of investment. The most frequently mentioned types of additionality were:

- Timing (53%, 19)
- Scale (47%, 17)
- Quality (19%, 7)
- Decision to invest i.e. achieving final investment decision to enable the project to proceed (17%, 6)
- All – timing, scale, quality (11%, 4)

“Often in competition with 2-3 sites and there is not much between them, our support allows it to happen faster and on a bigger scale than would have happened without the support.”

“Accelerated delivery (to market quicker and with greater quality).”

“For some of the large-scale pioneering projects the additionality would be around achieving the final investment decision to enable the project to proceed at all. For others it would be around enabling it to happen sooner, or at a larger scale.”

2.6 Spillovers and indirect benefits

The section focused on the following questions:

- How would you describe the main spillovers generated by inward investment projects? (e.g. supply chain impacts, knowledge transfer activities, innovation and R&D effects, partnerships etc)
- Which spillover benefits are the most important for Team Scotland partners to capture and monitor?
- How can spillovers be maximised? e.g. are there further support needs/requirements?
- How should these spillovers be best captured and monitored?

2.6.1 Main spillovers generated by inward investment projects

75% (54) of respondents described the main spillovers generated by inward investment projects. The most frequent responses were:

- Supply chain impacts/benefits/opportunities i.e. building new and critical supply chains (63%, 34)
- R &D and innovation (41%, 22)
- Partnerships across industry and academia (30%, 16)
- Employment in supply chain (22%, 12)
- Training/skills development/capability development/new ways of working (22%, 12)
- Knowledge transfer – including commercialisation activities e.g. spin outs (20%, 11)
- Financial/investment (13%, 7)
- Environmental/sustainability (11%, 6)

"Huge potential for positive impact on Scottish supply chain capabilities and investment."

"Future R&D work expanding into Universities/Colleges and other companies."

"Inward Investment projects are massive opportunities for Scottish companies looking to scale - either through partnerships or engagement with new investors."

"Generating employment in high quality jobs, building additional supply chain and customers."

" Knowledge transfer activities help in development of local Scottish business."

"A preference for attracting companies who demonstrate an innovation mindset is key. That has a knock-on effect on partners and customers in Scotland and UK. These tend to be inwards investors that have a longer term focus."

2.6.2 Important spillover benefits for Team Scotland to capture

65% (47) of respondents noted which spillover benefits are the most important for Team Scotland partners to capture and monitor. Respondents found it hard to disaggregate between spillovers and direct impacts of investment. The top responses included:

- Supply chain impacts (40%, 19)
- Skills, training and capability development (19%, 9)
- Employment across supply chain (19%, 9)
- Financial/investment (19%, 9)
- R&D and innovation (17%, 8)

"Dispelling the myths that Scotland has a lack of skills and people to support both direct growth and that of the supporting supply chain. If an investor decides not to land due a (perceived) lack of people/skills - we need to either evidence the opposite, or if that is the case, influence key partners/training providers/educational institution to ensure supply meets demand."

"Track the spillover benefits relating to major projects e.g. multiplier effect on jobs, skills development/movement."

"Investments created by FDI including capital investment/infrastructure that would otherwise not have happened."

"Jobs, R&D spend, innovation etc are our metrics, be good to capture these at the supply chain level rather than what we do just now ie at the company level."

2.6.3 Capturing and monitoring of spillover benefits

When asked how spillover benefits should best be captured and monitored, 57% (41) responded. The most common themes were:

- Evaluation/survey/direct from the company/economic measurement (27%, 11)
- Tracking companies/CRM capturing (24%, 10)
- Direct from supply chains (12%, 5)
- Case studies (10%, 4)

"Some you can capture remotely, productivity (turnover per head good benchmark and indicators that are already available). ONS benchmarking against industry to see globally who they compare in terms of productivity, good to see to help target our interventions. Shows where we are less competitive and need to be more proactive."

"At application stage and recorded on CRM."

"Can we talk to those supply chains, has their productivity been bumped, are they more knowledgeable?"

2.6.4 How spillover benefits can be maximised

56% (40) of respondents commented on how the spillovers can be maximised. Most commonly noted were:

- Aftercare/relationship management/support systems (28%, 11)
- Stronger supply chain knowledge/understanding (18%, 7)
- Through account management of the inward investor (13%, 5)

"Better after-care, regularly check on their challenges or successes, promote available SE business supports, like business growth, digitalisation and sustainability improvement."

"Spillovers can be maximised by offering added incentives for such things as moving supply chain locally, however often this is not possible due to global corporate policy and structures."

"Strong after care account management."

2.7 Lost projects

The section focused on the following questions:

- What are the main reasons for lost projects?
- Where does the "fall-off" occur? (early, later in discussions, or other critical pinch points)?
- How should lost projects be captured to ensure there is an understanding of the reasons for investors choosing a competitor region over Scotland?
- What are the key lessons for policy and operational delivery?
- What actions are put in place when a project begins to look fragile to help rectify the situation? What actions should be put in place in the future?

2.7.1 Main reasons for lost projects

When asked about the main reasons for lost projects, 72% (52) responded. Most frequent reasons given, included:

- Competition from other regions/Scotland offer is less attractive (29%, 15)
- Lack of company capability/preparation/commitment – disengagement (21%, 11)
- Lack of funding/incentives (19%, 10)
- Slow/unclear support/decision making – business and support agencies (15%, 8)
- Planning/infrastructure challenges (10%, 5)
- Lack of suitable property (10%, 5)

"Lack of market certainty, change of business focus, more competitive offer from other locations."

"The company didn't have the right capacities to deliver at this timing. It could be personnel changing, lack of investment, market changes, etc."

"The main reason for lost projects is that the project does not receive funding or is cancelled for any number of reasons before it gets fully formed."

"Slow build of projects. Unclear support for companies. Delayed response and decisions from SE."

"Grid/power connection not meeting required capacity."

"In south of Scotland it is lack of suitable premises."

2.7.2 Where "fall off" occurs

Staff were asked for their views on whether there were situations where businesses do not continue to take up support on the inward journey and where this "fall-off" tends to occur. 63% (45) responded agreeing that it does happen to some extent. In addition to "don't know" (13% 6), the following was mentioned most frequently:

- Early stage (38%, 17)
- Any stage/varies (27%, 12)
- Later – funding not granted/delays in funding decisions (13%, 6)

"Early - slow scoping due to lack of resource."

"Falls off happens at all stages but most often when we can't offer an "easy solution" to a key issue."

"Engagement with utilities or grant funding not available to meet funding gap."

2.7.3 How lost projects should be captured

When asked how lost projects should be captured to ensure there is an understanding of the reasons for investors choosing a competitor region over Scotland 61% (44) responded. CRM/Dynamics was most commonly mentioned (56%, 25) with 20% (9) of the view that more detail and follow up also being needed. Key themes included:

- CRM/Dynamics (36%, 16)
- CRM/Dynamics – more detail/follow up needed (20%, 9)
- Currently captured (14%, 6)

"This can be captured on dynamics. Detail on the specific reasons why the project is more viable at that location. Information on what agency support was available there."

"We have some of this information captured via Dynamics, however, as far as I am aware, there is no follow up. We are missing a big opportunity at gleaning intelligence from both investors and potential investors about both why they are investing here and, if lost, why they preferred somewhere else."

2.7.4 Key lessons for policy and operational delivery

When asked what the key lessons were of lost projects for policy and operational delivery 54% (39) responded. Key themes were predominantly focused on operational delivery:

- Operational – investor/pipeline relationships, follow up, aftercare (21%, 8)
- Operational – Understand/act on reasons for failure (15%, 6)
- Operational – more alignment between support partners/streamlined working (10%, 4)
- Policy – more agility/alignment/flexibility to meet/understand sector/company needs (18%, 7)

"We should be continuing to secure repeat investment from the companies we work with. As soon as one investment has been secured, we need to immediately start working on next phase as these large investments take time to deliver."

"Act upon the reasons for loss rather than just capture data for data's sake."

"In Scotland, there are two distinct delivery partners, huge disconnect."

"Be customer focused - move away from operational inertia and more to an agile, streamlined service."

2.7.5 Actions to support fragile projects

When asked about the actions that are put in or should be put in place when a project begins to look fragile to help rectify the situation. 51% (37) responded. The key themes were:

- Need a process to escalate/flag with wider gov agencies/senior leaders (30%, 11)
- Communication with client/understanding reasons/team approach (27%, 10)
- Team Scotland and wider stakeholders working together (16%, 6)
- Prioritise more impactful opportunities (11%, 4)

"Try to get better engagement with government departments to help to demonstrate the challenges and opportunities that are at risk and see if anything can be done to address these."

"Regular engagement with the client. We need to be very clear about why it has got fragile."

"Project team assembled earlier and in unison to reduce fragility."

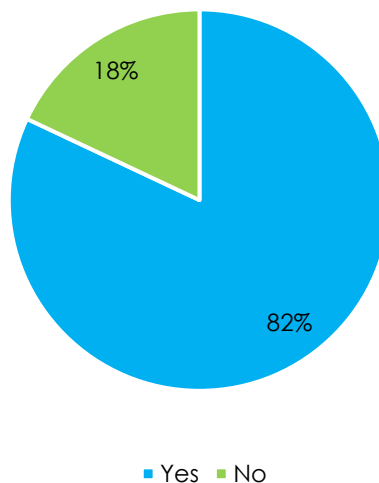
"If we are not competitive, we should bow out early and focus on other opportunities, we can't win everything. If we are still in the running, understand what needs to be done to improve our offer, e.g. how can we provide reassurance that they will be able to find the right volume and skills of staff."

2.8 Inward Investment Plan (IIP)

The section focused on the following questions:

- Is the focus of the IIP an effective approach for attracting inward investment?
- What works well and why?
- What works less well and why?
- To what extent has the IIP impacted the identification and prioritisation of inward investment support needs?
- To what extent has the introduction of the IIP assisted with operational delivery of impactful projects ie has it helped Team Scotland partners do things better and with a greater benefit and impact? If not, why not?
- Are the IIP's 9 opportunity areas still valid? If no, what needs to change?

82% (41) of respondents believe that the focus of the IIP is an effective approach for attracting inward investment.



N=50

2.8.1 IIP – what works well

Comments on what works well about the plan were received from 56% (40) of respondents. Over half (53%, 21) thought it focusses on priorities/areas of strength with a competitive advantage to be targeted while 13% (5) felt is a good, clear plan, well thought out and provides direction.

"It's great as a way of showing what we are focused on. Most of the areas are still relevant."

"It is a very well thought out, clear plan about how Scotland wants to grow the economy through its priority sectors."

2.8.2 IIP – what could be improved

Areas for improvement were provided by 57% (41) of respondents and included:

- Too many projects/sectors don't fit (17%, 7)
- Target sectors (new sectors need considered)/lack of alignment with SE Missions (15%, 6)
- Out of date/needs reviewed (15%, 6)

"Lots of companies not fitting into new approach, how do we manage expectations?"

"Now becoming out of sync with SE Mission focus."

"Areas such as the sustainable transport and transformation of chemicals have moved up the agenda but not really getting the policy push to help."

"It was produced in 2020 the global economy has moved on and several political and economic challenges have taken place."

2.8.3 Impact of the IIP on support needs

Over half (56%, 40) of respondents provided comments on the extent to which the IIP impacted the identification and prioritisation of inward investment support needs. The main themes were:

- Prioritisation/helped focus II teams (50%, 20)
- Well aligned (15%, 6)
- Not driving us now/considered less/diluted due to change of focus/resources (15%, 6)

"The IIP has served to focus the inward investment team's efforts on the sectors that are listed in the IIP. It eliminates the shot gun approach of previous years."

"Fairly strong alignment at a strategic level."

"Recently, it is less of a consideration, it's becoming increasingly irrelevant."

2.8.4 Impact of the IIP on operational delivery

Under half (43%, 31) of respondents commented on the extent to which the IIP has assisted with operational delivery of impactful projects i.e. helped Team Scotland partners do things better and with a greater benefit and impact. 35% (11) said it had while 29% (9) were not sure, and 13% (4) said it had not or was limited. Other themes included:

- Clarity/focus on priorities/activity driver/strategic rationale/framework (19%, 6)
- Good buy-in across Team Scotland/helped Team Scotland and partner approach (16%, 5)

"It has because its provided clarity along with the discretion and flexibility around the 9 priority areas."

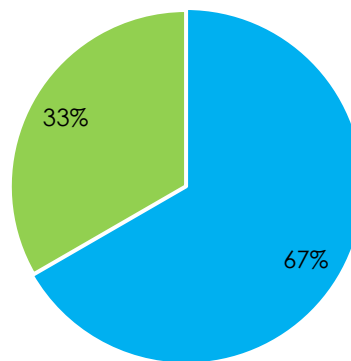
"It has helped Team Scotland prioritise and focus on high value areas/sectors and their role in these areas."

"It has made little difference to the delivery of projects I have worked on - mainly because we were already doing what is in the plan."

"Limited. Movement from strategy to execution is difficult."

2.8.5 Validity of the IIP's 9 opportunity areas

67% (30) of respondents believe that the IIP's 9 opportunity areas are still valid.



■ Yes ■ No

N=45

57% (41) of respondents commented on areas that need to change including:

- Need refreshed/sharpened (48%, 15)
- Need expanded/account for emerging sectors/more agile (13%, 4)

"The opportunity areas were developed through robust methodology factoring in inward investment flows and Scotland's competitiveness. The market is always changing and the analysis requires to be refreshed along similar lines every few years."

"We have strengths in other areas, e.g. whisky industry, life sciences, AI & tech food & drink, and we should at least work a bit on those."

2.9 Future challenges and opportunities

The section focused on the following questions:

- How has the changing global environment for companies affected choices relating to inward investment?
- What are the challenges – in the next 5 years?
- What are the opportunities – in the next 5 years?

2.9.1 Impact of changing global environment

When asked how the changing global environment was impacting company choices relating to inward investment 57% (41) responded. Two thirds (66%, 27) identified increased scrutiny of investment options by the inward investor as an impact. The main themes were:

- Increased scrutiny of investment options/competitors e.g. consideration of energy costs, tax, policy, geopolitics, access to supply chains, security (66%, 27)
- Increased uncertainty/risk – a need for reassurance (24%, 10)
- Less capital for investment/increased costs (10%, 4)

"The market is always changing and approaches need to factor this in. Existing investors will assess the environment in terms of determining which of their sites internationally wins an investment project. New investors will consider these factors in terms of whether Scotland is on the short list for their project. Companies are less likely to select Scotland for market seeking reasons and more likely to choose Scotland for natural resource or skills access reasons."

"There is far more uncertainty around market strength and generally there seems to be less capital available for investment, making it a more competitive process for group sites to attract new investment from parent bodies."

2.9.2 Challenges and opportunities in the next five years

Challenges relating to inward investment in the near future were identified by 57% (41) respondents. The challenge mentioned most frequently was geopolitical instability and security (54%, 22) followed by economic security including tax and tariffs (27%, 11) and rising costs (24%, 10).

Opportunities likely to impact inward investment over the next 5 years were identified by 60% (43) respondents. The opportunity most frequently identified was Scotland's sector specific expertise/focus e.g. space, energy transition, sustainability, health, biotech, AI (65%, 28).

The table below shows the most frequently mentioned challenges and opportunities identified.

Challenges	Opportunities
Geopolitical instability/security (54%, 22)	Sector specific expertise/focus e.g. space, energy transition, sustainability, health, biotech, AI (65%, 28)
Economic security, tax/tariffs (27%, 11)	
Rising costs (24%, 10)	Positioning Scotland/UK as a stable and free market environment (14%, 6)
Attracting investors – right incentives (12%, 5)	
Access to skills and talent (12%, 5)	
Impact of AI on jobs/roles (10%, 4)	

2.10 Team Scotland/Public Sector Inward Investment Support System

The section focused on the following questions:

- How effective is the wider public sector inward investment support system in Scotland? (e.g. partnership working including at a UK level (eg FCDO and DBT) and with local authorities, communication across services, duplication across services, customer journey from one service to another, links to other types of support e.g. innovation, investment.
 - What works well and why
 - What works less well and why
- What are the key success factors for an effective inward investment support ecosystem?
- How aware are businesses in Scotland of the range of inward investment supports available?
- Is there any learning from competitors that can be replicated in Scotland to improve the overall inward investment offering?
- What types of support do you think companies need that is not currently being offered?

2.10.1 What works well and is effective

Areas of public sector inward investment support that were seen to work well, contributing to an effective wider support system were identified by 58% (42) of respondents. 40% (17) felt that the support system worked well or mostly worked well and referred to strong partnerships. Other areas most frequently identified to work well and be effective were:

- Good wider relationships with e.g. DBT, UK Gov, FCDO, OfI (29%, 12)
- Team Scotland works well/collaborative (26%, 11)
- Relationships with local authorities/regional partnerships is mixed (14%, 6)
- Shared vision/common understanding (14%, 6)

"There are some great examples of collaborative work. DBT/Office For Investment has extensive reach through the British Consulates and its strategic relationship management of hundreds of investor accounts. Local authority economic development teams have property dealings, support inward visits and are in contact with existing investors."

"Partnership working tends to be dependent on which local authorities I am working with and also the drive and willingness to engage by individuals in wider partner organisations. So, a strong joined up approach can be achieved if working together and focussed on the goals of all."

"The sector is well joined up, Team Scotland really makes a difference, companies say they don't see it anywhere else – we're all wearing the jersey for Scotland – common goals."

2.10.2 What could be improved

Suggestions for what works less well or what could be improved in terms of public sector inward investment support were made by 67% (48) of respondents. The main themes were:

- Messy/disjointed/duplication/competition (27%, 13)
- Lack of consolidated/holistic/integrated approach/different drivers/priorities (19%, 9)
- Need better engagement with DBT (19%, 9)
- Inconsistent engagement/communications/support by some (13%, 6)

"Companies can get frustrated when they have multiple public sector agencies reaching out at the same time to meet with them."

"We aren't fully committed to Brand Scotland and still talk at odds between the different organisations/agencies. It is confusing for us so must be even worse for investors. When you go to trade shows and see how proper place-based branding works, we are missing a trick. Investors want to speak to Scotland; they don't care if it is SE/HIE/SOSE/SDS etc."

"Lack of co-ordinated approach, multiple approaches to customers from product areas or different bodies. Can be lack of continuity in some areas e.g. change in personnel, strategy, structures."

2.10.3 Key success factors for an effective inward investment support ecosystem

Key success factors for an effective inward investment support ecosystem were identified by 63% (45) respondents. The main themes were:

- Team approach, collaborative, relationships (40%, 18)
- Simple process/responsive/ease of engagement/co-ordinated (27%, 12)
- Common goals/ambition (22%, 10)
- Good communication – honest/transparent (20%, 9)
- Clarity of roles/supports available (20%, 9)
- Funding/multiyear funding/clarity of funding (11%, 5)

“Clear objectives and understanding of roles within the ecosystem with strong cross partner working. Clarity around financial support mechanisms and multi-year funding. Ability to be agile and work at the pace that businesses require. Strong Team Scotland working.”

“The keep it simple (KIS) principle. Avoiding unnecessary complexity and creating simple and efficient solutions”.

“Mutual goals/objectives, clear roles, good communication and collective mechanisms to review and share success and challenges.”

2.10.4 Business awareness of range of available supports

When asked how aware were businesses of the inward investment support available, 63% (45) provided comment. Whilst 31% (13) did not know how aware businesses were, 24% felt they were aware or well aware. The breakdown of responses is given below.

- Aware/well aware (24%, 10)
- Depends on level of engagement/experience of support (21%, 9)
- Not aware/not very aware (12%, 5)
- Mixed awareness (12%, 5)

2.10.5 Learning from competitors that could be replicated

When asked if there was learning from competitors that could be replicated in Scotland to improve the overall inward investment offering 47% (34) of respondents highlighted Ireland with Enterprise Ireland and IDA being proactive with a strong customer focus. Other suggestions included Northern Ireland, UK combined authorities, the Netherlands, and Singapore.

“Envious of some of the resource available e.g. IDA in Ireland – they have a lot more people and money.”

“Borrow IDA's model of having one consistent contact in both the US and the UK throughout the entire customer journey. Simpler is better”

“The Netherlands Investment Agency shared they now focus more on the innovation which the inward investment could bring rather than the investment volume and jobs created. I think it is valuable to do analysis on other European countries' strategy which could help us to improve our work.”

2.10.6 *Inward investment support currently not being offered*

Of the 51% (37) who suggested types of support that we not currently being offered, managed aftercare for companies was the most frequently identified support (19%, 7) followed by skills development/training support (16%, 6).

Other areas of support mentioned included practical business support (e.g. opening bank accounts, legal procedures), multi-year funding, incubator space and account management.

2.11 SDS specific questions

The section focused on the following questions:

- How does Team Scotland's inward investment support delivery align with SDS strategies and goals?
- How does SDS's strategy support Scotland's Inward Investment ambitions?
- Are there any activities or current gaps which make or could potentially make important contributions to inward investment ambitions which do not currently align or sit within SDS's strategy?
- What could be done differently in the future to maximise the value of SDS's strategy?

Three staff answered the SDS specific questions.

2.11.1 *How Team Scotland's inward investment support delivery aligns with SDS strategies and goals*

All provided views on how Team Scotland's inward investment support aligns with SDS strategies and goals. Comments included:

- The vision aligns – needs multi-organisation collaboration across the ecosystem (1)
- Strategy alignment could be clearer (1)
- Aligns – Team Scotland support creates jobs and opportunities (1)

2.11.2 *How SDS's strategy supports Scotland's Inward Investment ambitions*

All commented on how SDS's strategy supports inward investment decisions. Key themes mentioned included:

- Ensuring industry engaged (1)
- Working with schools, supporting agencies (1)
- SDS aware of the skills and competencies needed for the landscape (1)
- Evidence based research (1)

2.11.3 *Activities or current gaps which make or could potentially make important contributions to inward investment ambitions which don't currently align or sit within SDS's strategy*

2 responded when asked about activities or gaps which contribute the inward investment ambitions which don't align with SDS's strategy. Feedback included:

- National approach is required to ensure collaboration (1)
- Proposed move out of apprenticeship management could provide challenges (1)
- Lack of mandate from SG for SDS operational level support for the IIP (1)

2.11.4 *What could be done differently in the future to maximise the value of SDS's strategy?*

2 provided feedback on what could be done to maximise the value of SDS's strategy – both agreed that there needed to be a clear mandate.

3 Emerging Findings

The following summary was developed through extensive consultation with business-facing staff across delivery partners, including face to face and e-survey. Respondents represented all sectors, all EGP categories and were from across Scotland. The main themes were:

Barriers to inward investment – access to finance including capital, investment and incentives was seen as the main barrier for all inward investors. Access to land, buildings and related infrastructure was seen as the second biggest barrier for new investors with access to skills, talent and workforce taking second place for existing inward investors. Taxation, legislation and regulation also featured as a barrier for both groups along with macroeconomics and global uncertainties. Brexit and an increase in energy transition challenges/opportunities as well as increased competition with other countries were areas of challenge that were seen to have changed the most over recent years.

Internal company factors impacting investment – were most frequently related to resources, finance and investment. Other factors included having the necessary skills and capability, competing priorities and issues relating to internal decision making and strategy.

Impact of the changing global environment – challenges most often related to higher costs of e.g. energy, materials, taxation, NI and wages with global uncertainty featuring as the second main challenge. However some opportunities were also identified and included attractiveness of some key sectors i.e. energy, food and drink, Fintech and AI. Opportunities were also seen in Scotland and UK supportive government and policy.

Staff and recruitment – employing university or college graduates was the major source of recruiting staff followed by apprenticeships. Recruitment from the rest of the UK and outside of the UK were jointly the third most common source of staff. Geographically, rural areas presented the most challenges in term of staffing. Data, digital and tech together with offshore wind and renewables sectors also faced challenges with recruitment. Mitigation of these challenges most often included skills development and training and targeted sectoral career approaches.

Areas of inward investment support that work well – the joined-up Team Scotland approach was seen as the area of support that worked best followed by access to grants and funding. No particular combinations or timing of support was identified although funding, early stage feasibility and a bespoke approach from early stage to long term were seen to be key factors.

Areas of support that could be improved – whilst the Team Scotland approach was seen to work well it was identified that support can also be cluttered and uncoordinated which could be improved together with providing more tailored sector support rather than a generic approach. Respondents also felt that the support process could be more streamlined and less bureaucratic. Gaps in current provision included support for accessing premises and land and follow up and aftercare.

Key factors that make a difference – at a sectoral level were large scale economic commitment and policy alignment along with provision and availability of property, sites and infrastructure. At an economic level – it was large scale policy support that unlocks investment and economic activity. At a company level – access to skills and talent along with confidence in the Team Scotland approach that is bespoke and continuing. Timely access to finance and grants was seen to deliver most value for new investors whereas tailored solutions was seen to add value for both new and existing investors.

Additionality/attribution resulting from support – timing – enabling the project to proceed faster, was seen as the main type of additionality. However respondents also frequently suggested that projects of a larger scale and of higher quality were also a result of inward investment support.

Spillovers – most frequently identified were supply chain impacts, benefits and opportunities followed by increased R&D and innovation, partnerships across academia and industry, employment in the supply chain, skills, training and development and knowledge transfer. Respondents felt that it was most important to capture all of these benefits highlighting supply chain impacts as the most important. A variety of ways of capturing spillovers was suggested with evaluation and tracking of companies being most frequently mentioned. Providing aftercare and support, a greater understanding of supply chains and account management were seen as ways to maximise spill over benefits.

Lost projects – the main reasons for lost projects were seen to be competition from other regions, lack of company capability or commitment and lack of clarity of or slow support decisions. Respondents most frequently felt the projects “fell off” at an early stage although it was also identified that this could happen at any stage. Whilst some respondents felt that lost projects were captured it was suggested that CRM/Dynamics could be better utilised for this. Key lessons from lost projects for operational delivery included the relationship with companies from pipeline through to aftercare as well as better understanding and acting on the reasons for failure. Escalating projects across Team Scotland partners with good communications with clients was seen as actions to be taken for fragile projects.

Inward Investment Plan (IIP) – the majority of respondents believe that the IIP is an effective approach for attracting inward investment. They felt that it focusses on priorities and areas of strength to be targeted and that as a clear plan it provides focus and direction for inward investment support. Two thirds of respondents felt that all 9 opportunity areas of the plan were still valid with just over half suggesting it should be refreshed or expanded. However some people felt that there was a lack of sector fit for some projects, a lack of alignment with SE Missions and that it needed to be updated.

Future challenges and opportunities – increased scrutiny of investment options by companies as a result of the changing global environment was seen to be a future challenge along with the need for greater reassurance in relation to uncertainty and risk and less capital available for investment and increasing costs. Specific challenges relating to the next five years were geopolitical instability, economic security and rising costs. Opportunities for inward investment over the next 5 years were most commonly described as Scotland's sector specific expertise in areas including space, energy transition, sustainability. An opportunity to position Scotland/UK as a stable and free market environment was also identified.

Team Scotland/public sector inward investment support – good wider relationships with e.g. DBT, UK Gov, FCDO together with Team Scotland collaboration were the areas seen to work best. However, it was also identified that things could sometimes be disjointed with duplication and that there could also be a lack of an integrated approach with some organisations having different drivers or priorities.

Key factors for an effective inward investment support ecosystem – in order of frequency the top key factors identified were a collaborative team approach, a simple, responsive and coordinated process, common goals and ambition, good transparent communication and clarity of roles and supports available.

Business awareness of the range of available supports – whilst the majority of respondents felt that businesses were aware of supports a similar number felt that this depended on the level of engagement with businesses and their previous experience of support.

Learning from competitors that could be replicated – a number of respondents highlighted Ireland with Enterprise Ireland and IDA being proactive with a strong customer focus in terms of inward investment.

Inward investment support currently not being offered – managed aftercare was the most frequently identified support followed by skills development and training support.

Frontline

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Appendix 1: Detailed findings tables

Barriers for new Inward Investors

Theme	%	No of responses
Financial – including capital, investment and incentives	35%	22
Access to land/building/infrastructure/utilities/facilities	32%	20
Taxes/legislation/regulations/policies/planning	29%	18
Macroeconomics/uncertainty/global trends/geopolitics/tariffs	22%	14
Government involvement in projects/slow decision making	21%	13
Access to skills/talent/workforce	21%	13
Awareness of Scotland's strengths/capabilities/clarity on proposition	17%	11
Cost factors	17%	11
Lack of demand/availability of commercial contracts	17%	11
Complexity of support landscape	10%	6
Brexit	10%	6
Lack of projects/project delays	5%	3
Competition	5%	3
Access to businesses	3%	2
Supply chain issues	3%	2
Don't know	2%	1
Lack of long-term solutions/offering	2%	1
Access to markets	2%	1
Other	5%	3

Barriers for expanding inward investors

Theme	%	No of responses
Financial – including capital, investment and incentives	32%	18
Access to skills/talent/workforce	30%	17
Taxes/legislation/regulations/policies/planning	26%	15
Macroeconomics/uncertainty/global trends/geopolitics/tariffs	23%	13
Cost factors	21%	12
Access to land/building/infrastructure/utilities/facilities	21%	12
Competition (with other potential locations)	16%	9
Government involvement/decision making/too bureaucratic	11%	6
Lack of demand/availability of commercial contracts	9%	5
Decision making capabilities/internal competition for investment	9%	5
Complexity of support landscape	7%	4
Awareness of Scotland's strengths/capabilities/clarity on proposition	5%	3
Brexit	4%	2
Don't know	2%	1
Access to businesses	2%	1
Lack of projects/project delays	2%	1
Access to markets	2%	1
Other	9%	5

Changes to barriers in recent years

Theme	%	No of responses
Brexit – seen as the most significant, complicating UK market access and changing inward investors prioritisation in terms of locations in the EU	28%	16
Increase in energy transition challenges (lack of grid provision)/opportunities (i.e. opportunities in the offshore wind sector have become clearer and better defined)	22%	13
Increased competition on costs/offering/ROI	22%	13
Increased bureaucracy (i.e. red tape for financial assistance) /lack of sufficient support/increased barriers from public sector)	14%	8
Increase in geopolitical uncertainty	10%	6
Increased financial risks/constraints/investment challenges	10%	6
Constraints/demand on infrastructure	9%	5
Don't know	5%	3
Remained the same	5%	3
Lack of labour/skills/expertise/knowledge	5%	3
Tariff/trade war uncertainties	3%	2
Technological advances	3%	2
Unpredictable global markets/ongoing economic challenges	3%	2
Policy environment	3%	2
Change in type of product/project demand	3%	2
Increase in onshoring	3%	2
Increased local acquisition	2%	1
Logistic and supply chain constraints	2%	1
Commitment from developers to ensure investment	2%	1
Restriction of talent availability	2%	1
Now worse	2%	1
Other	10%	6

Internal company factors that impact new or additional investment

Theme	%	No of responses
Resources/finance/investment	38%	23
Skills/capability/experience	32%	19
Competing priorities/projects/locations	28%	17
Internal decision making/strategy	20%	12
Demand for goods and services/opportunity recognition/ROI	15%	9
Economic/policy/political uncertainty/lack of government support	13%	8
Capacity	10%	6
Appetite for risk	10%	6
Availability of suitable property/infrastructure/planning permission	7%	4
Increased costs	7%	4
Don't know	3%	2
Culture/behaviour	3%	2
Proximity to customer	2%	1
Regulatory environment	2%	1
Ambition	2%	1
Existing links	2%	1
Willingness to explore new markets	2%	1
Other	10%	6

Impact of the changing global environment on investment decisions – challenges

Theme – Challenges	%	No of responses
High costs i.e. energy, materials, inflation, taxation, National Insurance contributions and wage costs	68%	41
Geopolitical uncertainty	32%	19
Access to skills/labour	17%	10
Lack of pipeline of work/changing demand/economic and market uncertainty	17%	10
Lack of clarity/changing regulations/policy	13%	8
Loss of competitive advantage/competition from other markets	13%	8
Uncertainty around tariffs	12%	7
Underdeveloped infrastructure to meet demand	10%	6
Slowdown of energy transition/uncertainty in off-shore wind	8%	5
Lack of/volatility of supply chain	8%	5
Lack of government support/national strategic approach	8%	5
Decreased need for physical footprint/use of remote workers	7%	4
Lack of enthusiasm/growing frustration/nervousness	5%	3
Funding	5%	3
Impact of Brexit	5%	3
Appetite for risk	3%	2
Limited/delayed ROI	3%	2
Market access	2%	1
Cultural differences	2%	1
Technology impacts	2%	1
Other	12%	7

Impact of the changing global environment on investment decisions – opportunities

Theme – Opportunities	%	No of responses
Attractiveness of key sectors i.e. energy, food and drink, Fintech, AI	33%	18
Favourable policies/supportive government	22%	12
Mitigate US tariffs by developing products in Scotland	15%	8
Seen as a safe/favourable location for investment/more balanced	9%	5
Access to skilled/affordable talent	9%	5
Opportunity following US political changes	9%	5
Opportunities around re-shoring/near home shoring/onshore expansion	7%	4
Public sector funding to support development/tailored support packages/ease of engaging	7%	4
Strong project pipeline in Scotland	5%	3
USP in our supply of green energy	5%	3
Innovative ecosystem	5%	3
Don't know	4%	2
Opportunities from zonal/regional pricing	4%	2
Access to new technologies	4%	2
Businesses have become more collaborative and innovative	4%	2
Good links between Government and academia	2%	1
Access to local supply chains	2%	1
Growth in local talent pool as a result of home/remote working	2%	1
Competitive compared to UK	2%	1
Other	15%	8

Staff/Recruitment

Where staff are recruited from

Theme	%	No of responses
Uni/college graduates	67%	37
Apprenticeships	36%	20
Rest of UK	22%	12
Outside UK	22%	12
Local Scottish labour market recruitment	20%	11
All – other Scottish companies, graduates, apprenticeships, other regions/geographies	18%	10
Recruitment agencies	16%	9
Other companies (generic)	15%	8
Other Scottish companies	15%	8
School leavers	11%	6
Internal transfers	11%	6
Personal and/or professional networks/partners eg LinkedIn	9%	5
Competitors	5%	3
Other	9%	5

Geographical or sectoral recruitment challenges

Theme	%	No of responses
Rural areas	46%	17
Data/digital/tech/software/AI	32%	12
Off shore wind/renewables	24%	9
Engineering	14%	5
Aerospace/space	8%	3
Financial services	8%	3
Life sciences	8%	3
Large scale metal working	8%	3
Technical skills	8%	3
Manufacturing	5%	2
General lack of talent in all areas across Scotland	5%	2
Quantum computing	3%	1
Construction	3%	1
Oil and gas	3%	1

Geographical or sectoral recruitment mitigation

Theme	%	No of responses
Skills development/training plans/apprenticeships	40%	19
Sector/regional targeted approach/promotion	26%	12
Public realm, housing, wider local infrastructure	13%	6
Development agency support/strategy eg SDS, TalentScotland	13%	6
Collaboration between business and local agencies	11%	5
Incentives	9%	4
Competitive salaries	9%	4
Finance/investment	9%	4
Linkages with colleges/universities	9%	4
Linkages with Government	6%	3
Recruitment agencies	4%	2
Overseas sponsorships	2%	1
Accelerated graduate training	2%	1
No solution	2%	1
More career entry jobs	2%	1
Other	17%	8

What inward investment support works well across the public sector

Theme	%	No of responses
Team Scotland approach/joined up/shared learning/knowledge	45%	24
Grants/funding	23%	12
Wider Scotland/global networks e.g. gov, HEIs, investors	19%	10
Valued/tailored value propositions	17%	9
Good account/relationship management	13%	7
Clear/consistent strategy/policy	6%	3
Sector/industry specialists	6%	3
Access to talent	6%	3
Missions approach	4%	2
Identifying supply chain gaps	4%	2
In market specialists/knowledge	4%	2
Lead generation	2%	1
Other	11%	6

Areas of support that could be improved across the public sector

Theme	%	No of responses
Cluttered/confused/uncoordinated support	25%	14
Generic rather than tailored sector/market support/data/propositions	18%	10
Time taken to respond/approve/decisions/bureaucracy	9%	5
Less grant support/not fit for purpose	9%	5
Uncertainty of financial incentive incl timescales, allocation	7%	4
Less competitive	5%	3
Uncertainty of gov policy/non alignment of policy	5%	3
Lack of infrastructure/site/facility readiness	5%	3
Lack of inward investment staff capacity/capability	5%	3
Annualised budgets	5%	3
Lack of PR/marketing of Scotland	4%	2
Mismatch/limited coordination between UK/Scotland	4%	2
Unrealistic targets/over complicated reporting	4%	2
Lack of resources/finance	4%	2
Not making use of networks	2%	1
Lack of aftercare/follow up	2%	1
Other	27%	15

Gaps in support

Theme	%	No of responses
Less complicated/less bureaucratic/streamlined support	16%	9
No gaps	13%	7
Premises/land/sites/infrastructure/planning	7%	4
Aftercare/follow up	7%	4
Missions – lack of clarity on mission fit	5%	3
Engagement with existing inward investor companies who are not clients	5%	3
Energy tech sector depth of knowledge	4%	2
Compelling/clear articulation of Scotland proposition	4%	2
Disconnect between lead generation, BD, account management – in field and home teams	4%	2
Long term approach	4%	2
Don't know	2%	1
Support for scaling	2%	1
Policy alignment/operationalising policy change	2%	1
Support for SMEs	2%	1
Prioritisation of projects/fewer bigger projects	2%	1
Identifying less defined/emerging projects/opportunities	2%	1
Flexibility	2%	1
Other	21%	12

Combinations and timing of effective support

Theme	%	No of responses
Funding/grants/private investment	21%	8
Early stage market insights, propositions, feasibility	18%	7
Bespoke approach from early stage to long term	16%	6
Hiring talent/skills	13%	5
Team Scotland integrated approach	11%	4
Depends on stage	8%	3
Land/premises/planning	8%	3
Accessing wider Scottish/UK gov support e.g. regulatory authorities	5%	2
Early stage support/advice/connections	5%	2
Later stage – advice and connections	3%	1
Other	21%	8

Key factors that make a difference at company, sectoral and economy levels

Theme	%	No of responses
Sectoral – large scale economic commitment/policy alignment	14%	7
Sectoral – provision/availability of infrastructure, property, sites	12%	6
Sectoral – skills and talent	4%	2
Sectoral – sector specific knowledge	4%	2
Sectoral – sector specific ecosystems	2%	1
Economy – large scale policy support	10%	5
Economy – stability, performance	6%	3
Economy – support for geopolitical challenges	2%	1
Economy – presence overseas	2%	1
Company – access to skills/talent	18%	9
Company – Team Scotland approach/confidence in support/bespoke/continuity	14%	7
Company – capability/capacity/preparation/clear proposition/proposal	12%	6
Company – having a key contact	6%	3
Company – supply chain access	4%	2
Company – clear and timely support	4%	2
Company – alignment with Scottish ambitions	4%	2
Company – testimonials/case studies	2%	1
Other – competitive support environment e.g. incentives/funding/grants	26%	13
Other – relationships/supportive ecosystem	20%	10
Other – supportive government/confidence in government	6%	3
Other – clear policy/prioritisation	4%	2
Other	16%	8

Factors delivering most value to new and existing investors

Theme	%	No of responses
New – finance/grants – quick decisions	14%	6
New – trust/confidence	7%	3
New – basic advice on setting up/how things work/culture	5%	2
New – compelling proposition	5%	2
New – property/site availability/planning	5%	2
New – clear view of commercial pipeline	2%	1
New – effective engagement strategy	2%	1
New – financial feasibility/investment plan	2%	1
New – connections with local industry/supply chains	2%	1
New – understanding needs	2%	1
Existing – relationship management	7%	3
Existing – access to property/land/sites	7%	3
Existing – suitable funding/grants	5%	2
Existing – access to partners	2%	1
Existing – access to skills	2%	1
Different for each company/tailored solutions	12%	5
Relationship building/understanding needs/proactive	7%	3
Single point of contact	7%	3
Team Scotland response/collaborative	5%	2
Timeliness/speed of response/response to changes	2%	1
Specialist advice	2%	1
Market certainty	2%	1
Rolling funding	2%	1
Other	26%	11

Additionality of investment support

Theme	%	No of responses
Timing	53%	19
Scale	47%	17
Quality	19%	7
Decision to invest	17%	6
All – timing, scale, quality	11%	4
Other	8%	3

Spillovers generated

Theme	%	No of responses
Supply chain impacts/benefits/opportunities	63%	34
R, D & Innovation	41%	22
Partnerships across industry and academia	30%	16
Employment in supply chain	22%	12
Training/skills development /capability development/new ways of working	22%	12
Knowledge transfer – including commercialisation activities e.g. spin outs	20%	11
Financial/investment	13%	7
Environmental/sustainability	11%	6
Increased exports	9%	5
Infrastructure/construction development	9%	5
Productivity improvements	7%	4
Don't know	4%	2
Increased competition	4%	2
Positive	4%	2
Staff movement	2%	1
Value chain impacts	2%	1
Other	31%	17

Important spillovers to be captured

Theme	%	No of responses
Supply chain impacts	40%	19
Skills, training and capability development	19%	9
Employment across supply chain	19%	9
Financial/investment	19%	9
R, D & Innovation	17%	8
Commercialisation activities/knowledge transfer	9%	4
Productivity improvements	9%	4
Aligned to Team Scotland partner	9%	4
Partnerships across industry and academia	9%	4
All of them	6%	3
Regional growth/community benefits	6%	3
Environmental/sustainability benefits	4%	2
Salary levels	4%	2
Hard too measure	2%	1
Economic measures	2%	1
Market changes	2%	1
Other	32%	15

How spillovers are best captured and monitored

Theme	%	No of responses
Evaluation/survey/direct from the company/economic measurement	27%	11
Tracking companies/CRM capturing	24%	10
Direct from supply chains	12%	5
Don't know	10%	4
Case studies	10%	4
Through account management function incl field	7%	3
Jobs	5%	2
Assessment of skills/capabilities	2%	1
Number of collaborations	2%	1
Level of R, D & I	2%	1
Number of new projects	2%	1
Other	29%	12

Maximising spillovers

Theme	%	No of responses
Aftercare/relationship management/support systems	28%	11
Stronger supply chain knowledge/understanding	18%	7
Through account management	13%	5
Increased knowledge of spillover examples	8%	3
Funding	5%	2
Don't know	3%	1
Focus on R&D	3%	1
Survey/evaluation	3%	1
Attractive proposition	3%	1
Investor connections	3%	1
Prioritise spillovers	3%	1
Capture in CRM	3%	1
Benchmarking	3%	1
Networking/introductions	3%	1
Other	28%	11

Reasons for lost projects

Theme	%	No of responses
Competition from other regions/Scotland offer is less attractive	29%	15
Lack of company capability/preparation/commitment – disengagement	21%	11
Lack of funding/incentives	19%	10
Slow/unclear support/decision making – business and support agencies	15%	8
Planning/infrastructure challenges	10%	5
Lack of suitable property	10%	5
Company decides not to invest in any country	6%	3
Lack of available skills	6%	3
Geopolitics/risk aversion	6%	3
Don't know	4%	2
Competition from other businesses	2%	1
Energy price/policy	2%	1
Lack of specific sector support	2%	1
Supply chain issues	2%	1
Other	10%	5

Where “fall-offs” occur

Theme	%	No of responses
Early stage	38%	17
Any stage/varies	27%	12
Don't know	13%	6
Later – funding not granted/delays in funding decisions	13%	6
Later	13%	6
Later when practicalities kick in	7%	3
Mid stage	4%	2

How should lost projects be captured to ensure there is an understanding of the reasons for investors choosing a competitor region over Scotland?

Theme	%	No of responses
CRM/Dynamics	36%	16
CRM/Dynamics – more detail/follow up needed	20%	9
Currently captured	14%	6
Team debrief/workshop/shared feedback	9%	4
Speak directly to companies	7%	3
Don't know	5%	2
3rd party should capture	5%	2
Difficult to capture reasons e.g. company does not give reasons/complex reasons	5%	2
Other	14%	6

Lost project lessons for policy and operational delivery

Theme	%	No of responses
Operational – investor/pipeline relationships, follow up, aftercare	21%	8
Operational – Understand/act on reasons for failure	15%	6
Operational – more alignment between support partners/streamlined	10%	4
Operational – Due diligence/failure to see warning signs	8%	3
Operational – tools and understanding to apply relevant policy	8%	3
Operational – some elements outside our control	8%	3
Operational – fully automate capture process	3%	1
Policy – more agility/alignment/flexibility to meet/understand sector/company needs	18%	7
Policy and ops – communicate with each other	5%	2
Don't know	10%	4
Other	10%	4

Actions to support fragile projects

Theme	%	No of responses
Need process to escalate/flag with wider gov agencies/senior leaders	30%	11
Communication with client/understanding reasons/team approach	27%	10
Team Scotland and wider stakeholders working together	16%	6
Don't know	14%	5
Prioritise more impactful opportunities	11%	4
Funding over a longer time period	3%	1
Other	19%	7

IIP – what works well

Theme	%	No of responses
Focussed on priorities/areas of strength/targeted/ areas of competitive advantage	53%	21
Good/clear plan, well thought out, provides direction	13%	5
Stops spreading resources too thin/targeted resources	8%	3
Needs reviewed/tweaked/out of date	8%	3
Don't know	5%	2
Does not work well	5%	2
Grounded in evidence/data driven	5%	2
Team Scotland approach	5%	2
Improved performance	3%	1
Helped raise awareness/good promotional activity	3%	1
Consistency/same page/shared goals	3%	1
Varied implementation	3%	1
Not fit for purpose some sectors	3%	1
Other	5%	2

IIP – what could be improved

Theme	%	No of responses
Too many projects/sectors don't fit	17%	7
Target sectors/lack of alignment with SE Missions	15%	6
Out of date/needs reviewed	15%	6
Don't know	7%	3
Insufficient Team Scotland comms/confusion/competition	7%	3
Propositions too vague	5%	2
Needs better resourced	5%	2
Needs to be more targeted/focussed/competitive	5%	2
Performance management/stop-go milestones	2%	1
Lack of fit with policy/too many strategies	2%	1
Too high level	2%	1
Use GlobalScots more/beyond field offices	2%	1
Lack of buy in – customer facing teams	2%	1
Too many targets	2%	1
Other	24%	10

Impact of IIP on support needs

Theme	%	No of responses
Prioritisation/helped focus II teams	50%	20
Well aligned	15%	6
Not driving us now/considered less/diluted due to change of focus/focus resources	15%	6
Don't know	13%	5
None	8%	3
It hasn't / limited impact	5%	2
Needs improved/reviewed	5%	2
Make us too focussed	3%	1
Proactive marketing	3%	1
Proactive marketing	3%	1
Less impact in our region	3%	1
Other	13%	5

Impact of IIP on operational delivery

Theme	%	No of responses
Yes	35%	11
Don't know	19%	6
Clarity/focus on priorities/activity driver/strategic rationale/framework	19%	6
Good buy in across Team Scotland/helped Team Scotland and partner approach	16%	5
It hasn't/limited	13%	4
Possibly	10%	3
Needs further action	6%	2
Still more to do/improving	3%	1
Must be refreshed regularly	3%	1
Too many strategies	3%	1
Strong evidence base	3%	1
Barrier/slow down process	3%	1
SDS not sufficiently involved	3%	1
Other	16%	5

Validity of the IIP's 9 opportunity areas

Theme	%	No of responses
Need refreshed/sharpened	48%	15
Yes still valid/good fit	16%	5
Need expanded/account for emerging sectors/more agile	13%	4
Probably/mostly	6%	2
Yes and no/some more important than others	6%	2
Don't know	3%	1
Nine too many	3%	1
Already pivoted/moved away from several areas	3%	1
Other	3%	1

Future impact of changing global environment

Theme	%	No of responses
Increased scrutiny of investment options/competitors e.g. energy costs, tax, policy, geopolitics, access to supply chains, security	66%	27
Increased uncertainty/risk – need for reassurance	24%	10
Less capital for investment/increased costs	10%	4
Don't know	2%	1
Less need for office space due to remote working	2%	1
Other	15%	6

Challenges in the next 5 years

Theme – Challenges	%	No of responses
Geopolitical instability/security	54%	22
Economic security, tax/tariffs	27%	11
Rising costs	24%	10
Attracting investors – right incentives	15%	6
Access to skills and talent	12%	5
Impact of AI on jobs/roles	10%	4
Access to land, planning/Scottish infrastructure	7%	3
Raising finance	5%	2
Don't know	2%	1
Reduced inward investment globally	2%	1
Other	12%	5

Opportunities in the next 5 years

Theme – Opportunities	%	No of responses
Sector specific expertise/focus e.g. space, energy transition, sustainability, health, biotech, AI	65%	28
Positioning Scotland/UK as a stable and free market environment	14%	6
Relocation of business from US	7%	3
Scaling innovation/R&D	7%	3
Exploring other markets e.g. Asia	5%	2
Access to skills and talent	5%	2
Implementation of capital grant	5%	2
Focus on smaller/start up companies	2%	1
Other	2%	1

Team Scotland/Public Sector inward investment support system – what works well

Theme	%	No of responses
Works well/mostly well/strong partnerships	40%	17
Good wider relationships with e.g. DBT, UK Gov, FCDO, Ofi	29%	12
Team Scotland works well/collaborative	26%	11
Relationships with local authorities/regional partnerships mixed	14%	6
Shared vision/common understanding	14%	6
Understanding of others' priorities e.g. working with DBT/FCDO	7%	3
Clear communications	7%	3
Other	10%	4

Team Scotland/Public Sector inward investment support system – what could be improved

Theme	%	No of responses
Messy/disjointed/duplication/competition	27%	13
Lack of consolidated/holistic/integrated approach/different drivers/priorities	19%	9
Need better engagement with DBT	19%	9
Inconsistent engagement/communications/support by some	13%	6
Poor relationships across the ecosystem	6%	3
Shared measures/data/info	6%	3
LA inconsistencies in support/engagement	4%	2
Awareness of/lack of access to all supports available incl funding	4%	2
Other	23%	11

Key success factors for an effective inward investment support ecosystem

Theme	%	No of responses
Team approach, collaborative, relationships	40%	18
Simple process/responsive/ease of engagement/coordinated	27%	12
Common goals/ambition	22%	10
Good communication – honest/transparent	20%	9
Clarity of roles/supports available	20%	9
Funding/multiyear funding/clarity of funding	11%	5
Access to/support for talent/skills	7%	3
Agility/flexibility	4%	2
Good account management/single point of contact	4%	2
Innovation/research	4%	2
Other	11%	5

Business awareness of range of available supports

Theme	%	No of responses
Don't know	31%	13
Aware/well aware	24%	10
Depends on level of engagement/experience of support	21%	9
Not aware/not very aware	12%	5
Mixed awareness	12%	5

Learning from competitors that could be replicated

Theme	%	No of responses
Ireland/EI/IDA – e.g. customer focus, proactive	26%	9
Don't know	24%	8
We are doing OK	9%	3
Northern Ireland/Invest NI – e.g. customer focus, targeting, package of support, marketing	6%	2
Singapore – no detail given	6%	2
UK combined authorities e.g. Manchester sector specific promotion	3%	1
EU – market specific promotion	3%	1
USA – no detail given	3%	1
More precise propositions	3%	1
Italian Space Agency promotion in the Americas	3%	1
Netherlands – focus on innovation	3%	1
Estonia – no detail given	3%	1
London & Partners – no detail given	3%	1
Other	35%	12

Support not currently being offered

Theme	%	No of responses
Managed aftercare	19%	7
Skills development/training support	16%	6
Practical business support e.g. opening bank account, legal	8%	3
Don't know	5%	2
Grant funding/multi year funding	5%	2
No gaps	5%	2
Incubator space	5%	2
Account management	5%	2
Other	41%	15

Appendix 2: Inward Investment Practitioner Research – Business-facing staff consultation

This questionnaire has been developed jointly with Scottish Enterprise (SE), Scottish Development International (SDI), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS) and South of Scotland Enterprise (SOSE) therefore questions have been tailored to cover all organisations.

Launched by the Scottish Government in 2020, Scotland's Inward Investment Plan sets out the ambition for Scotland as a leading destination for inward investment, both in terms of the direct benefits that accrue from job creation, but also the wider economic spillover benefits. It identifies nine key opportunity areas where Scotland's strengths match global investment flows.

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The survey has been set up so you don't have to complete all in one go. However, to do this there are some ground rules:

1. You must use the same link and same hardware – ie if you start on your PC/laptop then you need to use this again, or progress will be lost.
2. If you want to complete over multiple occasions, then please ensure you click the next button at the bottom of the page you are answering the questions on even if you need to stop halfway through a section, this is the only way progress on that page will be saved – note you can always go through the survey by using the back/next button at anytime
3. To move between pages you need to use the back/next buttons embedded in the survey – do not use the back/forward arrows in your browser this may take you out of the survey and your progress could be lost.
4. Also, do not clear your cache if you haven't completed the survey as this is where the cookies are held that allow you to save your progress.
5. Finally, if you click done at the end of the survey, you will not be able to go back into it, so make sure you have finished. If you click done by mistake and still have something to add, please forward any additional information by email to Danielle.

The following questions relate to the period from the launch of the Inward Investment Plan in 2020 to date.

If you require any help with completing this questionnaire or have any questions, please contact: Danielle.shaw@frontlinemc.com.

Name:

Organisation:

- Scottish Enterprise – national
Scottish Enterprise – international (SDI)

Team:

- Business Development
Lead Generation
Global Companies
Trade and Investment Services

Role:

- Analysts
Specialists
Team Leaders
Heads of.

1. What is your role in public sector provision of inward investment support?

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2. Are you directly business facing? (eg working directly with companies or through programme activities)

Yes (if yes please go to Q3)

No (if no, please go to Q4)

3. Please describe the profile of companies you work with (check all that apply):

Inward Investment Plan (IIP) Opportunity Areas	Geographic Area
Energy transition <input type="checkbox"/>	Aberdeen and Aberdeenshire <input type="checkbox"/>
Decarbonisation of transport <input type="checkbox"/>	Edinburgh and South East Scotland <input type="checkbox"/>
Software and IT <input type="checkbox"/>	Glasgow City Region <input type="checkbox"/>
Digital financial services <input type="checkbox"/>	Highlands and Islands <input type="checkbox"/>
Digital business services <input type="checkbox"/>	Stirling and Clackmannanshire <input type="checkbox"/>
Space <input type="checkbox"/>	Tay Cities <input type="checkbox"/>
Healthtech <input type="checkbox"/>	Pan Scotland <input type="checkbox"/>
Transformation of chemical industries <input type="checkbox"/>	Rest of the UK <input type="checkbox"/>
Food and drink innovation <input type="checkbox"/>	Ireland <input type="checkbox"/>
Size	EMEA <input type="checkbox"/>
SME <input type="checkbox"/>	Americas <input type="checkbox"/>
Large <input type="checkbox"/>	Asia Pacific <input type="checkbox"/>

Current Barriers and Challenges

4. a. In your role, what are the main factors inhibiting/slowing investment and barriers to companies locating in Scotland? (Please describe the extent to which these are within Scottish Government or wider UK influence)

New inward investors	
Expanding inward investors	

b. How has this changed in recent years? (Please describe any sector/sub-sector specifics, over last 3 to 5 years)

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5. What company internal factors impact their ability to make a new or additional investment? (For example: capacity, resources, investment etc)

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6. How has the changing global environment affected the companies' choices relating to inward investment; what are the challenges; what are the opportunities? (For example, increased costs, inflation, taxation, energy costs and volatility, geopolitical concerns etc)

Challenges	
Opportunities	

Staff/Recruitment

7. For the companies you work with, from where and how do they get the staff they need? (For example, from other companies in Scotland, university/college graduates, apprenticeship schemes, other regions/areas etc)

8. Are there particular local areas, regions or sectors where this is particularly challenging? How have we or how can we mitigate against this?

Challenges	
Mitigation	

Effectiveness and Key Success Factors

9. To achieve inward investment objectives and impact – in terms of public sector support and other / non-financial support:

- a. What works well and why?

- b. What works less well and why?

10. Are there any gaps within the support offered to investors during their investor journey? If yes, what are they?

11. Are there any combinations and timings of support that are effective in leading to increased inward investment success and economic impact?

12. What are the key factors that ultimately make a difference to increased inward investment (at company, sectoral and economy levels)?

13. Depending on the different stages of the inward journey, (ie new project or expansion) are there any differences in what works/key factors that make the most difference/derive the most value, reduces time for quicker decision making?

14. What are the main types of additionality/attribution resulting from the support i.e. timing, scale, quality?

Spillovers and Indirect Benefits

15. How would you describe the main spillovers generated by inward investment projects? (e.g. supply chain impacts, knowledge transfer activities, innovation and R&D effects, partnerships etc)

16. Which spillover benefits are the most important for Team Scotland partners to capture and monitor?

17. How should these spillovers be best captured and monitored?

18. How can spillovers be maximised? e.g. are there further support needs/requirements?

Lost Projects

19. What are the main reasons for lost projects?

20. Where does the "fall-off" occur? (early, later in discussions, or other critical pinch points)?

21. How should lost projects be captured to ensure there is an understanding of the reasons for investors choosing a competitor region over Scotland?

22. What are the key lessons for policy and operational delivery?

23. What actions are put in place when a project begins to look fragile to help rectify the situation? What actions should be put in place in the future?

The Inward Investment Plan (IIP) – sets out the ambition for Scotland as a leading destination for inward investment, both in terms of the direct benefits that accrue from job creation, but also the wider economic spillover benefits. It identifies nine key opportunity areas where Scotland's strengths match global investment flows.

24. Is the focus of the IIP an effective approach for attracting inward investment?

Yes

No

a. What works well and why?

b. What works less well and why?

c. To what extent has the IIP impacted the identification and prioritisation of inward investment support needs?

d. To what extent has the introduction of the IIP assisted with operational delivery of impactful projects ie has it helped Team Scotland partners do things better and with a greater benefit and impact? If not, why not?

e. Are the IIP's 9 opportunity areas still valid? If no, what needs to change?

Yes

No

SDS Specific Questions (asked only to those within SDS)

25. How do Team Scotland's inward investment support delivery align with SDS strategies and goals?

26. How does SDS's strategy support Scotland's Inward Investment ambitions?

27. Are there any activities or current gaps which make or could potentially make important contributions to inward investment ambitions which don't currently align or sit within SDS's strategy?

28. What could be done differently in the future to maximise the value of SDS's strategy?

Future Challenges and Opportunities

29. How has the changing global environment for companies affected choices relating to inward investment?

a. What are the challenges – in the next 5 years?

b. What are the opportunities – in the next 5 years?

Team Scotland / Public Sector Inward Investment Support System

30. How effective is the wider public sector inward investment support system in Scotland? (e.g. partnership working including at a UK level (eg FCDO and DBT) and with local authorities, communication across services, duplication across services, customer journey from one service to another, links to other types of support e.g. innovation, investment.

f. What works well and why

g. What works less well and why

h. What are the key success factors for an effective inward investment support ecosystem?

i. How aware are businesses in Scotland of the range of inward investment supports available?

j. Is there any learning from competitors that can be replicated in Scotland to improve the overall inward investment offering?

31. What types of support do you think companies need that is not currently being offered?

Thanks for your support.