

York Consulting

DEPARTMENT OF TRADE AND INDUSTRY

**EARLY EVALUATION OF CENTRES
OF EXPERTISE**

Final Report

April 2000

EXECUTIVE SUMMARY

Evaluation Focus

- Twenty-two Centres of Expertise have been established and have been operational for just over one year, covering a range of areas of expertise.
- The early evaluation was intended to explore the effectiveness of the Centres in extending knowledge networks, the extent to which the services have been used and the scope for replicating the concepts more widely and on a self-sustaining basis.
- The early evaluation was not intended to identify hard impact measures, nor was it intended as a value for money study.
- Centres of Expertise are intended to enhance the role of Business Links in providing support to SMEs.
- The development of expertise relating to SMEs in specific sectors or clusters was seen as inevitable once the Business Link network began to develop.
- It was recognised that there was a need to make expertise available across Business Link boundaries and to address the problem that Centres could only develop to the extent that resource limitations and local demands allowed.

The Centres of Expertise

- The case study Centres exhibit a significant range in scale of activities.
- There are variations in the clarity with which outputs or outcomes have been specified. Where outcomes have been identified, they are largely activity-related, not true outcome or impact measures.

Evaluation Feedback

- There was a need for much greater clarity in defining what constitutes a Centre of Expertise. Logical reasons for establishing each of the eight case study projects could be identified particularly where a Centre's resources were used to enhance and build on existing strengths.
- However, the strength of the rationale for the Centres was variable, and the business need was not always clearly demonstrated.

Early Evaluation of Centres of Expertise

- The need or opportunity to develop a Centre often stems from a number of factors combining, rather than there being a single impetus.
- The case study Centres have generally performed strongly in meeting the targets set or exceeding expectations.
- Key influences on the performance of the Centres include:
 - offering expertise which is not widely available;
 - effectiveness in identifying need and securing appropriate provision;
 - the personal interface between the Centre and the client;
 - securing adequate funding and resources.
- Centres of Expertise activities have helped to draw together a range of services as part of an integrated approach.
- A central point of reference is needed for organisations wishing to access a Centre of Expertise. A marketing campaign may be required to promote the Centres.
- It is too early to identify the impacts of the Centres. It may take two to three years for the Centre activities to come to full fruition.
- Early impacts which have been identified include the encouragement of collaboration between Business Links and the increasing awareness of the need for expert support.
- The potential sustainability of the Centre activities reflects their scope to add value. All the Centres require an input of resources. The costs of developing and sustaining a quality service should not be under-estimated.
- Effective collaborative working between business support agencies will be essential if a regional or national service is to succeed. The use of networks covering different aspects of the support can be an important success factor.

Good Practice Messages

- The eight case studies demonstrated a range of good practice examples, including:
 - the development of a practical interface between businesses, Innovation Technology Counsellors (ITCs) and specialist providers;
 - the creation of a model which could be broadened to link the Small Business Service (SBS) single Gateway to sector-specific support, drawing in national partners (hub and spoke configuration);

Early Evaluation of Centres of Expertise

- demonstrating that clusters of businesses can provide a key focus for the development of well-structured business support;
- the introduction of a protocol for the operation of an overseas market Centre of Expertise, providing a clear framework to ensure consistency between different providers;
- the use of strong partnership approaches, recognising that no single organisation or individual will be able to meet the varied needs of client businesses;
- the use of a range of funding sources to provide an integrated response to a market need;
- combining input from a nationally recognised expert with the development of expertise and champions in the Business Links.

Future Policy Issues

- There is a need to ensure that bid appraisal criteria, against which Centre of Expertise bids are assessed, provide for the key elements of a business case and rationale to be rigorously demonstrated.
- There is a need for much greater clarity of what constitutes a Centre of Expertise.
- There must be a clear rationale for the geographical focus of a Centre of Expertise, depending to a large extent on the nature of the expertise and the target market.
- Sufficient time and resources must be made available to enable the development of future Centres.
- There is likely to be a distinction between the access point and the expert resource. It is important that the expert support is linked into other support available, and not seen as a stand-alone activity delivered by other organisations.
- Centres of Expertise must be recognised as such across the Business Link network, with a willingness to refer to the expert provision.
- Centres of Expertise may not generate significant direct income, but may link with other services offered, thereby potentially generating indirect income for the Business Link.

Key Recommendations

Identifying the Need for Future Centres of Expertise

Areas of activity for future Centres of Expertise should be based on an overview of required provision from a national perspective.

Bid Appraisal

Ensure that, in the future, the appraisal criteria against which Centre of Expertise bids are assessed provide for the key elements of a business case and rationale to be rigorously demonstrated.

Sustainability

A reasonable and sufficient period of funding should be allowed to enable the Centres to become properly established and for the potential benefits to accrue.

A study of transfer pricing or cost-recovery is recommended, focusing on suitable arrangements for cost recovery for the use of Centre services by members of the Business Link network, as well as pricing strategy for business users.

The Bidding Process

The process of setting objectives for the projects must be based on SMART principles, as far as this is realistically possible.

SBS Integration

A further tranche of Centres of Expertise must be visualised and contracted in relation to the services that are to be delivered via the SBS local Gateway. This will call for clarity of objectives, client focus and services available.

Awareness Raising

‘Centres of Expertise’ should be re-named ‘Access Points for Expertise’ (APEX) to avoid confusion amongst potential clients about the Centres in relation to similar types of service such as centres of excellence.