

The background of the cover features a grayscale photograph of a hand on the left side, holding a white puzzle piece. Several other white puzzle pieces are scattered around, some of which are shaped like human figures. The overall theme suggests growth, teamwork, and problem-solving.

Growth through Mentoring

Interim
Evaluation
FINAL REPORT

On behalf of the North East LEP

January 2019

Prepared for the North East LEP

Growth through Mentoring: Interim Evaluation Report

Final

January 2019



New Skills Consulting is a leading UK economic regeneration and funding consultancy. Combining expert knowledge with a practical hands-on approach, we help our clients develop and deliver successful projects.

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1 Introduction

1.1 The Growth through Mentoring Programme

The North East LEP's Growth through Mentoring Programme is designed to support the development of leadership capability and strategic thinking of business leaders from high growth potential companies. It aims to do this by matching them with a business mentor with experience of successfully scaling a business.

The Programme offer is three mentoring sessions, over a period of three months, to business owners, managers, or entrepreneurs anticipating or experiencing high growth in their business.

The North East LEP designed and developed the Programme, in consultation with members of the LEP's Business Growth Board, alongside input from mentoring experts as well as local businesses. A dedicated Mentoring Co-ordinator¹ was appointed to manage the Programme in October 2016, with Programme delivery getting underway from January 2017.

1.2 About the evaluation

In September 2018, the North East LEP appointed New Skills Consulting to undertake an independent interim evaluation of the Growth through Mentoring Programme, to explore the programme's impact and effectiveness to date.

This evaluation:

- Assesses the **performance** of the Programme to date, and the extent to which it is achieving its aims and objectives.
- Considers the **effectiveness** of Programme delivery, including 'what works', and the mentoring delivery model.
- Assesses the interim **impact and benefits** of the Programme for participating businesses / mentees, including: business impacts (growth in turnover, and / or jobs); personal development impacts (increased business confidence, leadership and management skills); and 'softer' business impacts (growth ambition).
- Identifies **key lessons** to inform the design and delivery of future business mentoring programmes, including those targeted at 'Scale-up' / growth businesses.

The following research tasks have been undertaken in preparing this evaluation report:

- Analysis of Programme information provided by the North East LEP, including mentor and mentee profile forms.
- A desk-based review of key background documents including: the marketing and communication plan and marketing materials; the mentoring code of conduct; and background papers for the Programme.
- Structured, in-depth, interviews with 22² of the 34 Mentees participating in the Programme.

¹ Now the Mentoring and Brokerage Manager

² 22 mentees from 20 businesses

Growth through Mentoring: Interim Evaluation Report, NSC, 2019

- Structured, in-depth interviews with 12 of the 39 Mentors engaged in the Programme, including:
 - Nine mentors that have been matched with at least one mentee;
 - Three mentors that have not yet been matched with a mentee.
- One-to-one consultations with four members of staff involved in the development, management, or delivery of the Programme.
- One-to-one interviews with six key stakeholder organisations, including three members of the North East LEP Business Growth Board.

This report describes the key findings and lessons identified through the evaluation process.

2 About the Programme

2.1 Rationale and context

The Growth through Mentoring Programme was introduced by the North East LEP as part of a wider programme of business support and scale-up activity, contributing to the strategic goal of increasing the number of high growth small businesses in the LEP area, and helping to create additional new jobs, including 'better' jobs.

Prior to developing the Programme, the North East LEP looked at the wider business support landscape in the area, to identify any gaps in provision, and how they could be addressed. The LEP recognised that low levels of leadership skills and capacity are a key barrier to business growth in the region, and that an effective way to address this, and support the development of leadership skills, would be through peer-to-peer mentoring. It was recognised that businesses benefit and take influence from other businesses / business people, and that there can be significant value in talking to people that have already scaled up a business.

Consequently, the LEP commissioned a policy briefing paper to provide an overview of current thinking about enterprise mentoring and its benefits in supporting business growth, and set up a time-limited Mentoring Working Group, chaired by a member of the Business Growth Board, to consider the need for a mentoring programme in the North East LEP area and to inform its development.

The Working Group agreed that a mentoring programme in the LEP area would be beneficial, recognising that the benefits of mentoring can be significant, both on an individual's personal development as a business leader, and on their business. A mentoring programme would help growth businesses to access quality people that they may not otherwise meet, and would have the potential to add value to other business support programmes in the region, being one part of a wider business growth and scale-up offer.

2.2 Eligibility and targeting

The Growth through Mentoring Programme is targeted on supporting businesses located in the North East LEP area, with growth ambition and potential. To be eligible for support, businesses should have:

- Five or more employees;
- An annual turnover of £250,000 or more;
- Been operating for at least 1-2 years.

The above criteria provided a framework for the LEP to identify potentially suitable companies / mentees. However, it was agreed a flexible approach would be taken, with companies that don't meet all aspects of the above criteria able to access support, provided they clearly demonstrate growth potential.

In addition, the Programme aimed to engage mentors who are proven senior business leaders (e.g. a business owner, Managing Director, Chief Executive), with direct experience of successfully leading the growth of one or more businesses, beyond £3m turnover, who would be willing to give their time to the project voluntarily.

2.3 Objectives and targets

The objectives of the programme are to:

- Support more businesses to achieve and sustain high growth through the encouragement and facilitation of peer mentoring and introduction.
- Bring business leaders from high growth potential companies together with experienced business people who have successfully scaled a business.
- Support the development of leadership capability and strategic thinking aligned to high growth and scaling activities.
- Encourage participation and raise the profile of the potential benefits of mentoring through an integrated communications and engagement strategy.

The programme was designed to be highly flexible and is structured to suit mentor and mentee requirements.

There are no specific targets for the programme, as it was agreed to focus on the quality of the mentees, mentors and matches, rather than quantity.

2.4 Inputs

The North East LEP recruited a dedicated Mentoring Co-ordinator (now the Mentoring and Brokerage Manager) to deliver the programme, who is funded through the North East Growth Hub budget. There was also some administrative support for the programme³, as well as support from the LEP's Communications team.

2.5 Delivery model, activities and support

The Growth through Mentoring Programme offers three mentoring sessions of between one and two hours duration, over a period of three months.

All applicant businesses / mentees meet with the Mentoring and Brokerage Manager, to provide an insight into the individual and their mentoring needs, which helps to facilitate the matching process. The mentee is also asked to complete a profile form, providing baseline information about their business, growth aspirations, and mentoring needs. This form is shared with the mentor, prior to the match, to confirm the mentor feels able to add value. Once the match is made, it is left to the discretion of the mentor and mentee to arrange meetings, at their convenience, and in a location agreed to by both parties. While the offer is for three meetings over three months, the North East LEP takes a flexible approach, should the mentor and mentee mutually agree to follow a different timescale.

Mentors meet with the Mentoring and Brokerage Manager to confirm their suitability for the programme. Each mentor completes a profile form, providing information about their track record and areas of expertise. They also sign a code of conduct, and provide two references, while the LEP completes an in-house director check as part of the due diligence process.

The LEP runs mentor workshops to provide a forum for the mentors to network, share good practice, and improve their understanding of mentoring.

³ The admin support post has been vacant since April 2018

3 Characteristics and targeting

3.1 Introduction

This section explores the extent to which the Programme has been successful in engaging and supporting the intended target audiences of businesses, mentees and mentors.

The mentoring was intended to support **businesses** in the North East LEP area with significant growth ambition or scale-up potential. The **mentees** were to be business owners or senior leaders (e.g. Managing Director, Chief Executive, Director) possessing the control and authority to make and implement decisions about the growth of their business.

The **mentors** were to be current or former senior business leaders (e.g. business owner, Managing Director, Chief Executive, Director) with experience of successfully leading the growth of one or more businesses.

In assessing the extent to which the Programme has successfully targeted these groups, the following information has been analysed.

- **Mentee profile forms** - 33 mentees from 30 businesses supported completed a profile form when they initially applied to join the Programme, providing information about their business and their personal characteristics. The profile forms enabled the North East LEP to confirm the eligibility of mentees and businesses, as well as informing the process of matching mentees with mentors.
- **Mentor profile forms** - 39 mentors completed a profile form when they initially volunteered to join the Programme, providing information about their characteristics, business and growth experience, and key areas of expertise. The profile forms were used to assess their suitability to be mentors, and to facilitate the matching process with mentees.
- **Feedback from consultations with mentees and mentors** - The evaluation interviews with mentees and mentors provided valuable additional information about mentee, business and mentor characteristics, which has also been used in this assessment.

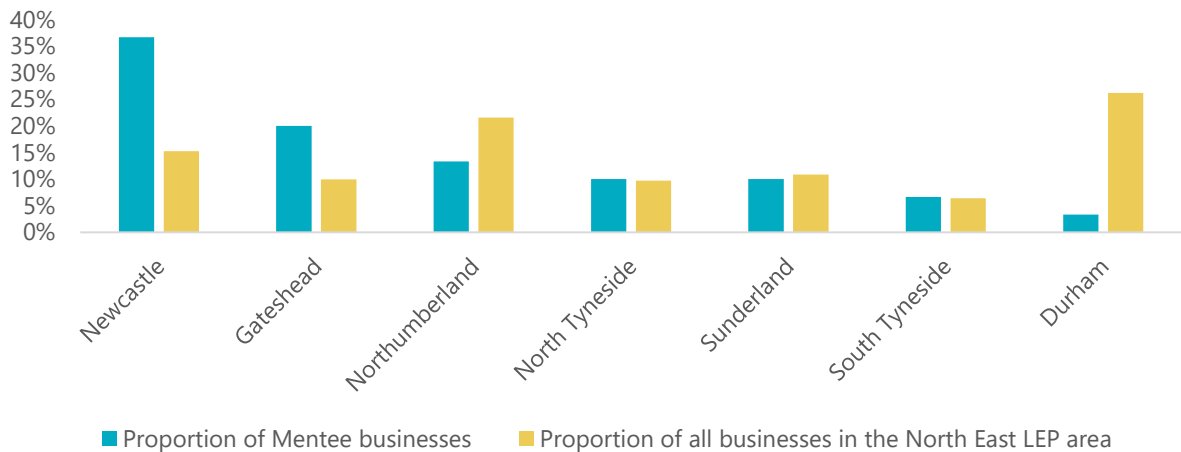
For mentees and mentors that did not consent to participate in the evaluation, some personal information on the profile forms was redacted. As a result, it has not been possible in all cases to analyse data for the full cohort of mentors, mentees and businesses involved in the Programme. Where this is the case, the sample of 22 mentees (from 20 businesses) and 12 mentors interviewed for the evaluation has been used as a proxy for the full cohort.

3.2 Business characteristics

3.2.1 Location

All of the 30 mentee businesses supported were located within the North East LEP area, as intended. Newcastle accounted for the largest share of the businesses supported (37%). The geographic distribution of the businesses largely reflects the business base in the North East LEP area, as illustrated in Figure 1. However, businesses in Newcastle and Gateshead were over-represented. Newcastle accounted for 37% of the businesses supported, compared to 15% of all businesses in the North East LEP area being located there; and 20% of businesses supported were from Gateshead, which is home to 10% of the North East LEP's businesses. Meanwhile, businesses in County Durham were under-represented, accounting for 3% of the businesses supported, compared to 26% of businesses in the North East LEP area that are located there. Businesses in Northumberland were also under-represented.

Figure 1: Geographic location of mentee businesses

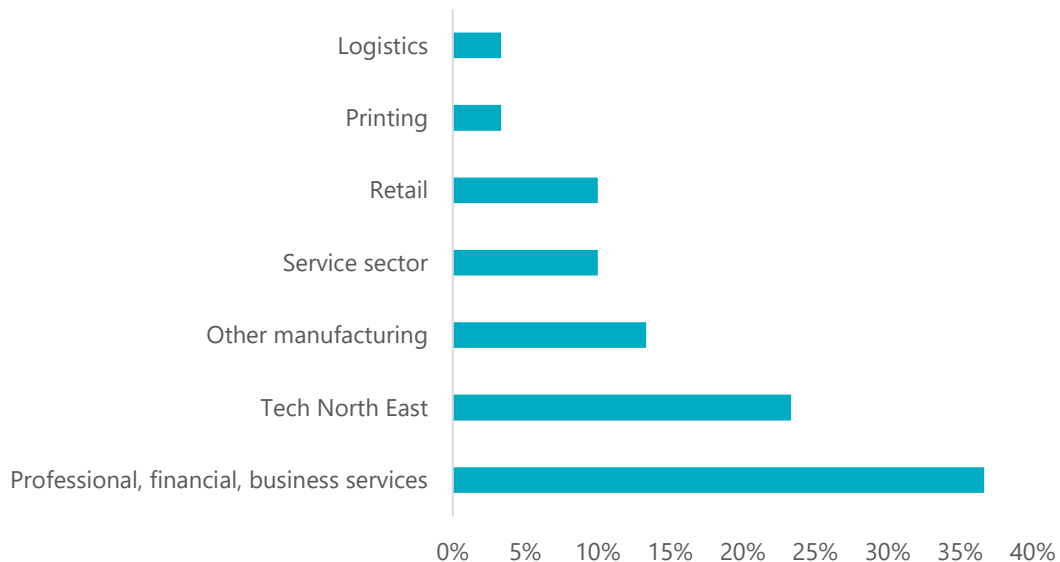


Source: North East LEP Mentee Profile Forms; NOMIS Business Counts (2018)

3.2.2 Sector / main business activity

The 30 mentee businesses operate across a range of sectors, including professional, financial & business services; technology and digital; manufacturing; services; and retail. The majority of businesses supported were focused in two of the North East LEP’s priority sectors. 37% of firms were in professional, financial & business services (identified by the North East LEP as an ‘enabling sector’), and 23% were in the ‘Tech North East’ sector (including digital and other technologies), which is identified by the LEP as an ‘area of opportunity’.

Figure 2: Sector / main activity of mentee businesses



Source: North East LEP Mentee Profile Forms

3.3 Mentee and business eligibility

This section explores the characteristics of the businesses supported and the extent to which they met the eligibility criteria. The Programme was intended to provide mentoring for businesses with growth ambition and potential. To be eligible, the businesses should meet the following minimum criteria:

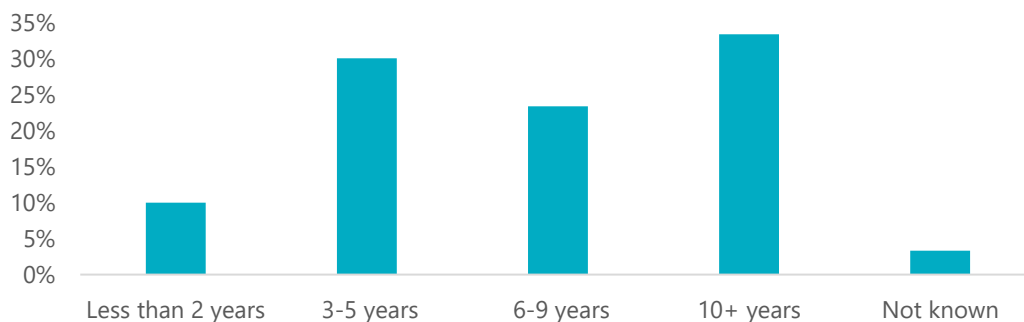
- Operating for at least 1 to 2 years;
- 5 or more employees;
- Annual turnover of £250,000 or more.

However, staff feedback indicates that a flexible approach has been adopted. For example, some businesses not reaching the above thresholds have been supported, where they were able to demonstrate an ambition and potential for growth.

3.3.1 Length of time trading

The largest single group of businesses benefitting from mentoring were well established companies that had been trading for 10 years or more (33% of all businesses supported). Those trading for 3-5 years and 6-9 years collectively accounted for 53% of businesses supported. 10% of the businesses supported (three companies) were relatively new and had been trading for less than 2 years. While not meeting the minimum criteria for length of time trading, all three demonstrated an ambition to grow in terms of both turnover and employment. **In summary, 90% of businesses met the minimum criteria for length of time trading, and the 10% that did not were able to demonstrate growth potential and ambition.**

Figure 3: Length of time trading (years)

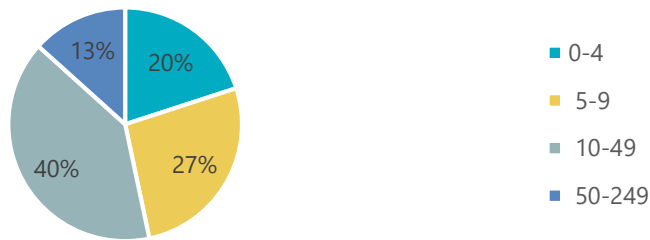


Source: North East LEP Mentee Profile Forms

3.3.2 Company size

Micro businesses with less than 10 employees accounted for the largest share of companies participating in the Programme (47% of all businesses supported). This included six businesses (20%) with fewer than five employees. While these six businesses did not meet the minimum employment criteria, all six demonstrated an ambition to grow, forecasting growth in both turnover and employment. The next largest group was small businesses with between 10 and 49 employees (40% of all businesses supported). Medium businesses (50 to 249 employees) accounted for 13% of all those supported. **In summary, 80% of businesses met the minimum employment criteria, and the 20% that did not were able to demonstrate growth potential and ambition.**

Figure 4: Employment size band of mentee businesses

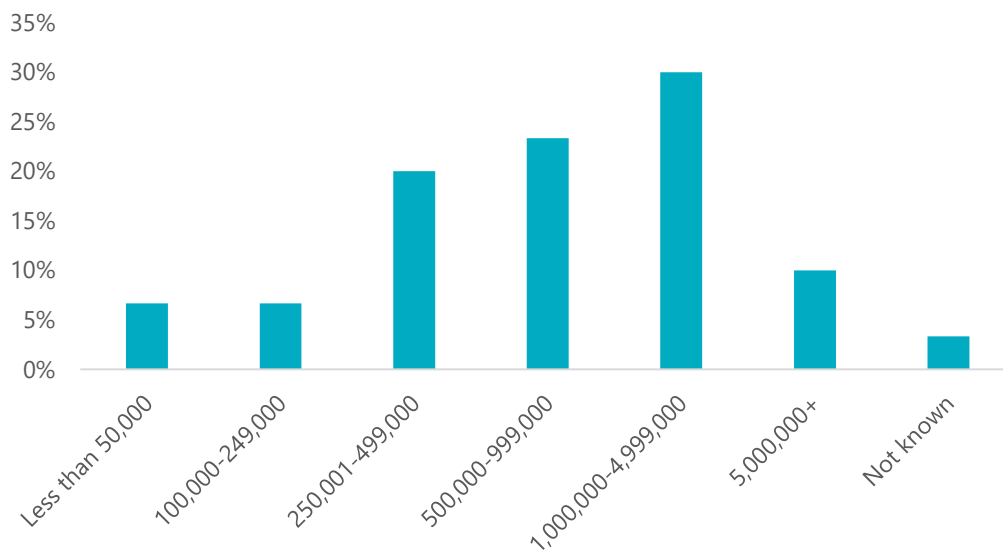


Source: North East LEP Mentee Profile Forms

3.3.3 Annual turnover

83% of all businesses supported had an annual turnover above the minimum eligibility threshold of £250,000. While 14% (4 businesses) reported turnover of less than £250,000, all four were forecasting significant growth in turnover in future years. **In summary, 83% of businesses met the minimum turnover criteria, and those that did not were able to demonstrate growth potential and ambition.**

Figure 5: Annual turnover of mentee businesses



Source: North East LEP Mentee Profile Forms

3.3.4 Growth ambition

Business growth ambition can be defined in many ways. It may be an intention to increase turnover or employment gradually or over a number of years, or it may entail rapid growth over a short period of time.

At the present time, business growth ambition is often described in terms of 'scale-up', or a business achieving significant growth in a short space of time.

A scale-up company is defined as “a business achieving annualised growth in turnover or employment of at least 20% pa over a period of three years, and with at least 10 employees at the beginning of the growth period”⁴.

In assessing the growth ambition of businesses participating in this Programme, this scale-up definition has been used.

The majority of the 30 businesses supported provided information in their profile forms about their current or most recent baseline turnover and employment levels, as well as their targets to grow turnover and/or employment in future years. Analysis of this data shows that:

- 29 of the 30 businesses (97%) were forecasting **some level of growth in either turnover or employment.**
- 21 businesses (70%) had ambitions to **grow turnover by 20% or more.** Two businesses did not provide information about their forecast turnover growth.
- 17 businesses (57%) had ambitions to **grow employment by 20% or more.** Seven businesses did not provide information about their forecast employment growth.

The data available did not specify the intended timescales for growth so it has not been possible to identify how many businesses had an ambition to grow by at least 20% pa for three years. **Nevertheless, it is clear that the majority of businesses supported did have growth ambitions, with 70% aiming to grow turnover and / or employment by 20% or more, albeit over an unknown time period.** The remaining 30% of business intended to grow by less than 20%, or they did not provide growth forecast data.

3.3.5 Job role of the mentee

The Programme was intended to support mentees who were business owners or senior leaders (e.g. Managing Director, Chief Executive, Director) possessing the control and authority to make and implement decisions about the growth of their business. Of the 22 mentees interviewed as part of the evaluation.

- **45% were the CEO, Managing Director, or Director of their business.** Of these, three were Directors of subsidiary businesses, which are wholly owned by another company or organisation.
- **27% were business owners** (either sole or joint owners).
- **27% were heads of department or members of the senior management team,** with responsibility for a particular aspect of the business, for example technology, client services or contracts.

Around 70% of the mentees met the eligibility criteria in terms of their seniority and /or ownership, and decision-making authority. These mentees had a high degree of control over the growth plans of their business. However, approximately 30% were not in the very top leadership roles or had to defer to a parent company. These mentees had less direct control over decisions about business growth.

⁴ Scaleup Institute, Annual Scaleup Review (2018)

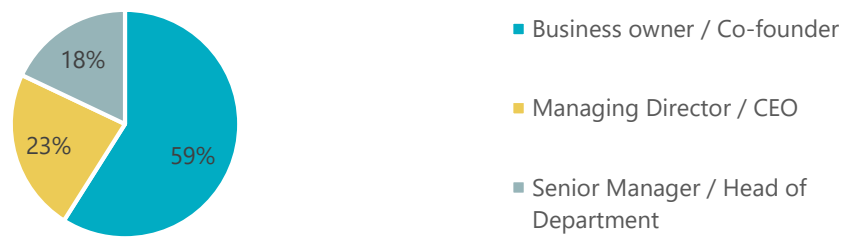
3.4 Mentor eligibility

The Programme aimed to engage mentors who were proven senior business leaders (e.g. business owner, Managing Director, Chief Executive, Director), with direct experience of successfully leading the growth of one or more businesses, beyond £3m turnover.

3.4.1 Role in the business

All 39 mentors have experience of leading, or working in senior management positions, in a business or organisation with turnover in excess of £3m.

Figure 6: Mentor role



Source: North East LEP Mentor Profile Forms

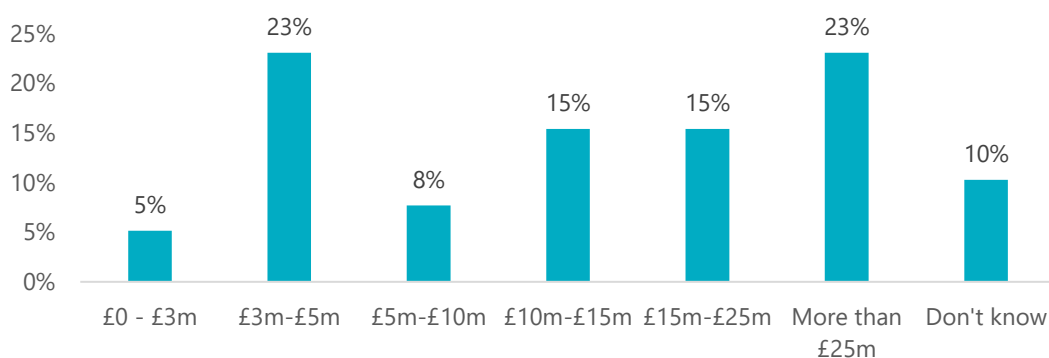
The majority of mentors (59%) were the owner or co-founder of the business, while just under one quarter (23%) held the most senior position in the business of Managing Director or CEO. Just over a fifth (18%) worked in senior management roles, such as Head of Department. This includes two mentors (5%) that worked in a senior role in a public sector organisation.

At least five of the mentors (13%) are now retired or semi-retired from their business. 28% have left their growth business and are now working as consultants in their own business or on a self-employed basis.

3.4.2 Leading business growth

As well as leading a business or organisation with an annual turnover in excess of £3m, 33 of the 39 mentors provided details about their experience of growing or scaling up a business. The chart below shows the scale of business growth achieved by the mentors.

Figure 7: Value of business growth achieved by mentors



Source: North East LEP Mentor Profile Forms

84% of the mentors had grown turnover to £3m or more, with the level of turnover achieved distributed fairly evenly, from £3m to £5m, up to £25m or more. A small proportion of mentors (5%) had grown business turnover by up to £3m, starting from a baseline of zero.

In terms of the **scale of growth**, the smallest (reported by three mentors) was £0.9m, while the largest was £85m achieved over a period of 24 years (reported by one mentor).

The most **rapid growth** reported was an increase of £4m over a period of six months, while the slowest growth was an increase of £5m achieved over a 31-year period.

46% of mentors had experienced **business growth in the past five years** (since 2014). However, 10% (four mentors) reported that their most recent experience of scaling a business was more than 15 years ago.

3.4.3 Areas of expertise

All 39 mentors have a wide range of business expertise and knowledge, gained over long careers in a specific sector (e.g. technology) or a specific occupation (e.g. HR, finance, lawyer).

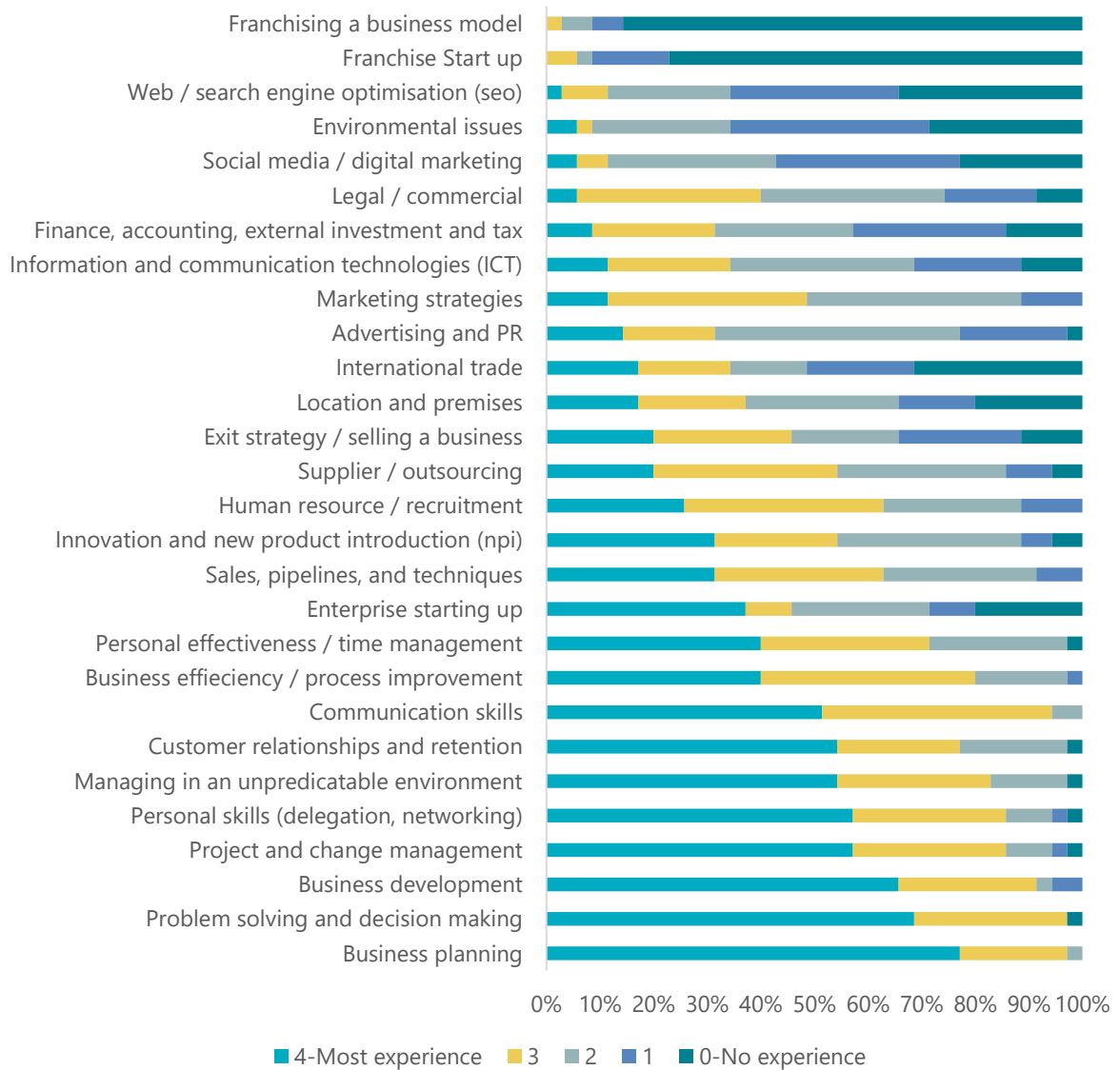
When completing the profile forms, mentors were asked to provide self-assessment ratings of their expertise using a scale of 0-4, with 4 being the highest.

Across the entire cohort of mentors, the areas of expertise with the highest ratings were business planning (77% of mentors rated this as a 4); problem solving and decision making (69%); business development (66%); project and change management (57%), and personal skills including delegation, networking, and confidence (57%).

The areas with the lowest ratings included: franchising a business model (with 86% of mentors reporting no experience in this area), and franchise start up (with 77% of mentors reporting no experience, and 6% rating their experience as a 3).

Across the entire mentor cohort, there was a good level of expertise available across all key areas of business leadership and management.

Figure 8: Mentor areas of expertise / experience



Source: North East LEP Mentor Profile Forms

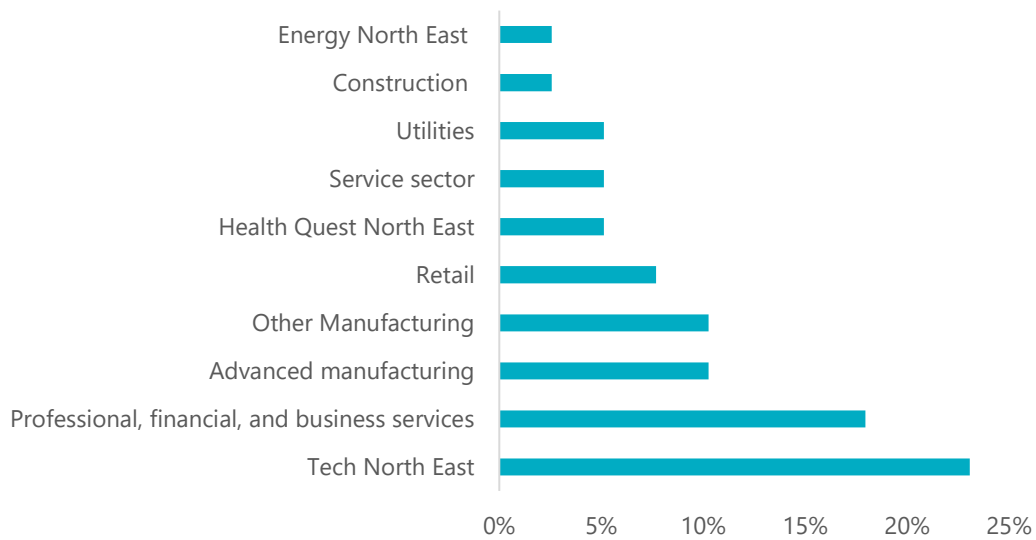
3.4.4 Sectors / main business activity

The 39 mentors led or managed businesses operating across a wide range of sectors. This included all four of the North East LEP’s ‘areas of opportunity’ i.e. Technology / Tech North East (23% of mentors); Advanced Manufacturing (10%); Health Quest North East (5%), and Energy North East (3%).

In addition, 18% of mentors managed in the professional, financial and business services sector, which is identified as an ‘enabling’ sector by the North East LEP.

The sector expertise of the mentors matched closely with the sector profile of the mentee businesses.

Figure 9: Mentor main sector



Source: North East LEP Mentor Profile Forms

3.5 Characteristics of mentees, businesses and mentors consulted

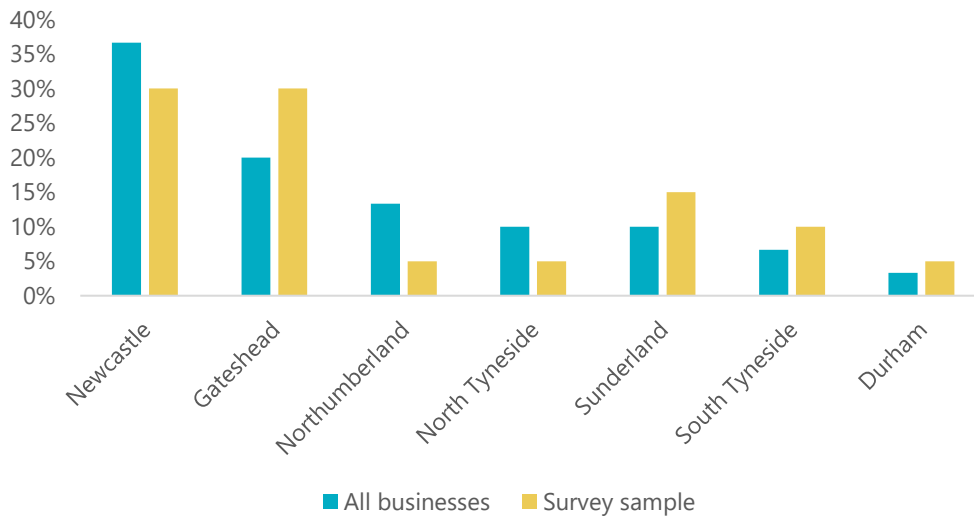
The characteristics of the mentees, businesses and mentors interviewed as part of the evaluation have also been analysed to help assess how well targeted the Programme has been on the intended target groups.

3.5.1 Mentees and businesses

A total of 22 mentees from 20 businesses were interviewed as part of the evaluation. The survey sample was self-selecting, including only those mentees that volunteered to provide feedback. The charts below compare the characteristics of the sample of interviewees with those of the entire cohort of mentees and businesses supported by the Programme.

The survey sample provides a good match to the overall cohort in terms of the geographic location of the businesses. The exceptions are that businesses in Gateshead are slightly over-represented in the sample, and businesses based in Newcastle and Northumberland are slightly under-represented.

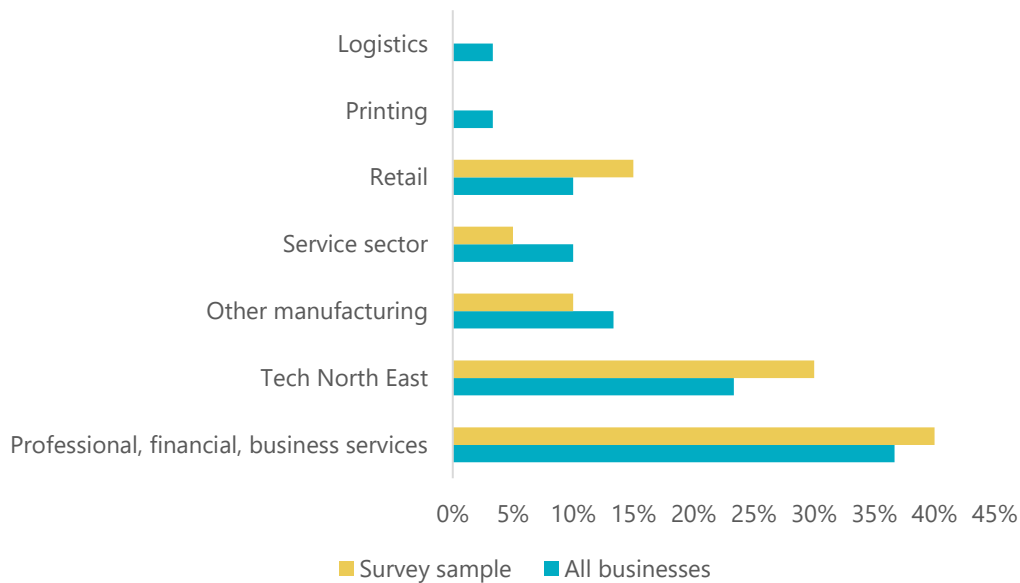
Figure 10: Survey sample and all businesses supported, by location



Source: North East LEP Mentee Profile Forms

The survey sample also provides a good match to the overall cohort in terms of the sector in which businesses operate.

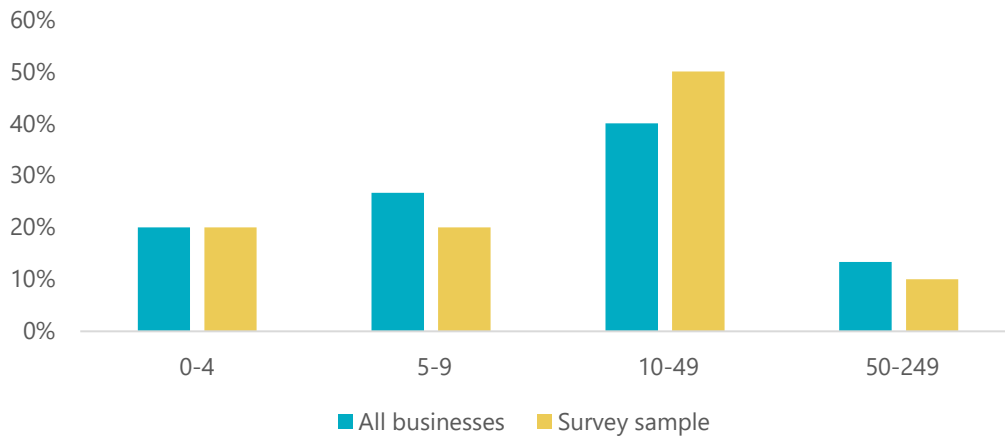
Figure 11: Survey sample and all businesses supported, by sector



Source: North East LEP Mentee Profile Forms

The survey sample matches closely with the overall cohort in terms of the employment size band of the businesses supported.

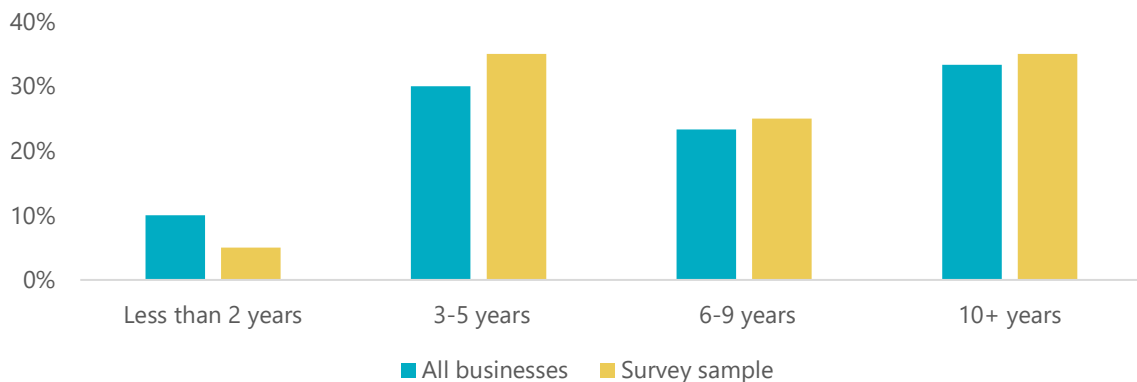
Figure 12: Survey sample and all businesses supported, by company size



Source: North East LEP Mentee Profile Forms

The survey sample also provides a good match to the overall cohort according to the length of time businesses have been trading.

Figure 13: Survey sample and all businesses supported, by length of time trading



Source: North East LEP Mentee Profile Forms

Finally, the survey sample is a good match with the growth ambitions of the overall cohort:

- 14 of the businesses consulted (70%) had ambitions to **increase turnover by 20% or more**. 70% of the entire cohort of businesses supported had the same ambition.
- Nine of the businesses consulted (45%) had ambitions to **increase employment by 20% or more**. 57% of the entire cohort of businesses supported had the same ambition.

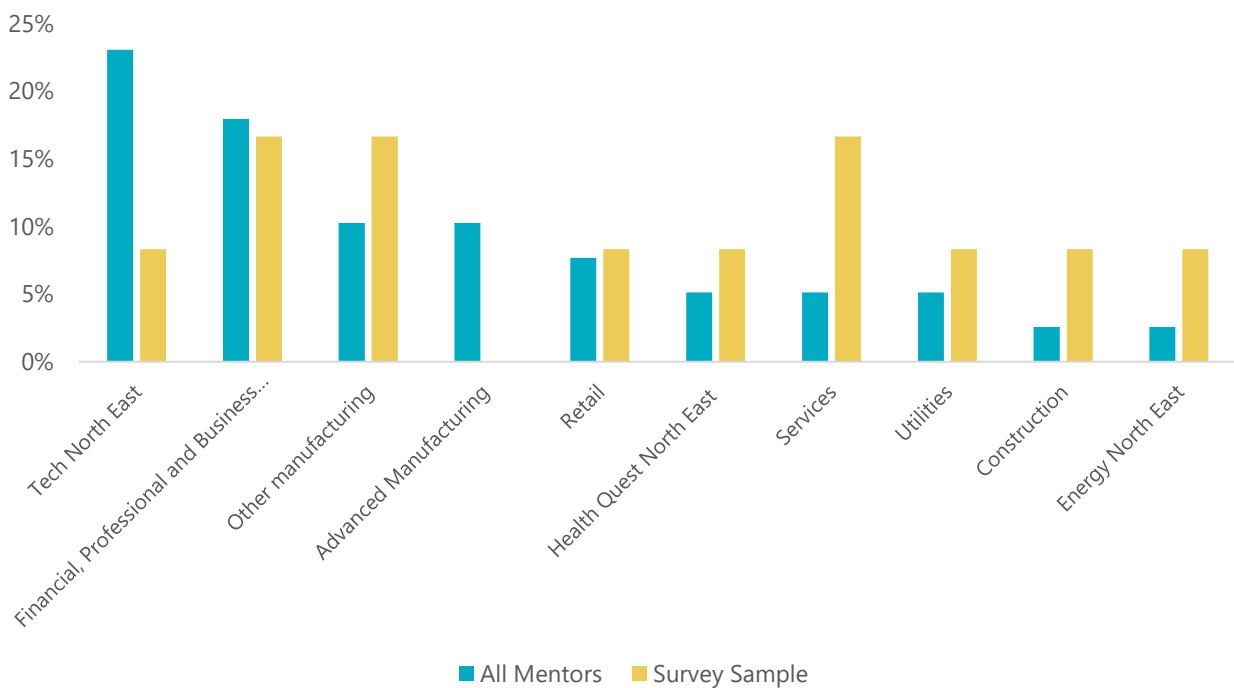
3.5.2 Mentors

A total of 12 mentors were interviewed as part of the evaluation, including nine who had been matched with at least one mentee and had provided mentoring, and three who had not yet been matched. The sample of consultees was selected from a cohort of 19 mentors who agreed to participate in the evaluation.

The consultation sample was selected to reflect broadly the characteristics of the group of 19 mentors, based on the following criteria: the business sector they had worked in; the value of business growth they had achieved; and whether or not they had been matched with a mentee. The charts below compare the characteristics of the sample of 12 mentors interviewed, with those of the entire cohort of 39 mentors that volunteered to be part of the mentoring programme.

The survey sample provides a reasonable match to the overall cohort, according to the main business sector in which the mentors had led businesses. The profile is well matched across most sectors, except for services which was over-represented in the sample, and Technology / Tech North East which was under-represented in the sample.

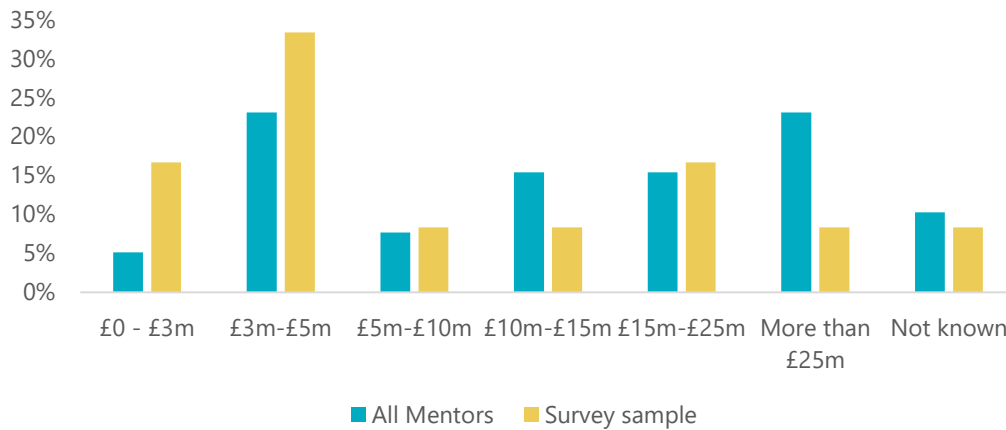
Figure 14: Survey sample and all mentors, by sector



Source: North East LEP Mentor Profile Forms

The survey sample matches closely with the overall cohort, in terms of the value of business growth achieved by mentors.

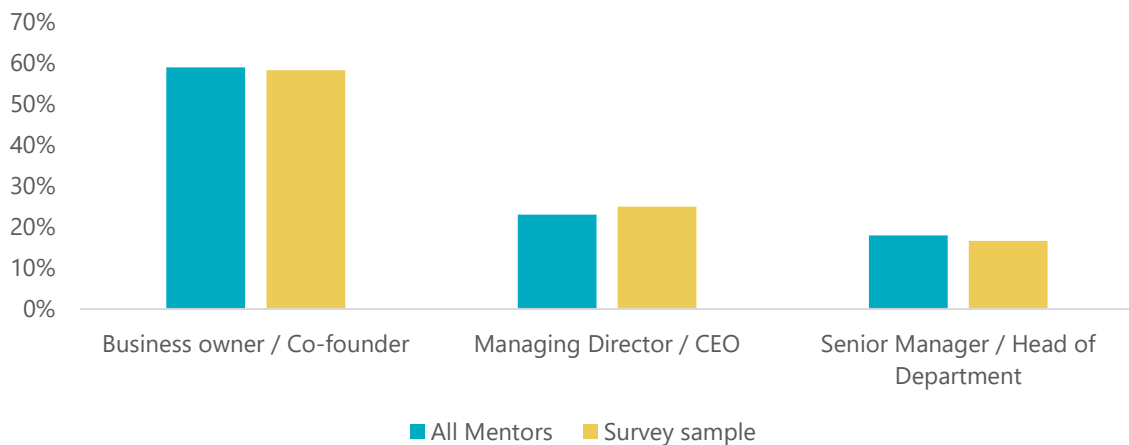
Figure 15: Survey sample and all mentors, by value of business growth achieved



Source: North East LEP Mentor Profile Forms

The survey sample also provides a good match to the overall cohort, according to the type of business leadership role held by the mentor.

Figure 16: Survey sample and all mentors, by business leadership role



Source: North East LEP Mentor Profile Forms

3.6 Summary

Overall, the Growth through Mentoring Programme has been well targeted on the intended group of business leaders / growth businesses, although a degree of flexibility has been applied and a small number of the businesses supported did not strictly match with all of the Programme eligibility criteria. The Programme has also been well targeted on the intended group of senior business leaders / mentors. The key issues to highlight are:

- Location:** All businesses supported are based in the North East LEP area, with a good geographic distribution of businesses supported across the North East LEP area. Currently, businesses are mainly based in the urban areas of Tyne and Wear, especially Newcastle and Gateshead, while businesses in County Durham and Northumberland are under-represented.

- **Sector:** There is a good distribution of businesses supported across different sectors, with a particular focus on financial, professional and business services and Tech North East, two of the North East LEP's priority sectors. Similarly, the 39 mentors led or managed businesses operating across a wide range of sectors. This included all four of the North East LEP's 'areas of opportunity' i.e. Technology / Tech North East (23%); Advanced Manufacturing (10%); Health Quest North East (5%), and Energy North East (3%). In addition, 18% of mentors managed in the professional, financial and business services sector, which is identified as an 'enabling' sector by the North East LEP.
- **Mentee eligibility criteria:** The majority of mentee businesses supported met the eligibility criteria for the programme and those that did not were able to demonstrate growth potential and ambition. For example, 90% of mentee businesses met the minimum criteria for length of time trading; 80% of mentee businesses met the minimum employment criteria; and 83% of mentee businesses met the minimum turnover criteria.
- **Growth ambition:** It is clear that the majority of business supported had growth ambitions, with 70% aiming to grow turnover and / or employment by 20% or more, albeit over an unknown time period. 97% of businesses were forecasting some level of growth in either turnover or employment.
- **Business leaders (mentees):** Around 70% of the mentees had a high degree of control over the growth plans of their business, being either the business owner, Managing Director or in a senior position within the business. However, approximately 30% were not in the very top leadership roles or had to defer to a parent company. These mentees had less direct control over decisions about business growth.
- **Business leaders (mentors):** The majority of mentors (59%) were the business owner, and a further 23% held the most senior position in the business. Just under one-fifth worked in senior management roles, such as Head of Department.
- **Business growth / scale-up experience:** All 39 mentors had experience of leading, or working in a senior management position, in a business or organisation with turnover in excess of £3m. 84% of the mentors had grown turnover to £3m or more, with the level of turnover achieved distributed fairly evenly, from £3m to £5m, up to £25m or more. 46% of mentors had experienced business growth in the past five years (since 2014). However, 10% (four mentors) reported that their most recent experience of scaling a business was more than 15 years ago.
- **Business expertise:** Across the entire mentor cohort, there was a good level of expertise available across all key areas of business leadership and management. Across the entire cohort of mentors, the areas of expertise with the highest ratings were business planning (77% of mentors rated this as a 4); problem solving and decision making (69%); business development (66%); project and change management (57%), and personal skills including delegation, networking, and confidence (57%).

4 Programme effectiveness

4.1 Introduction

This section of the report explores the effectiveness of the Growth through Mentoring Programme. It is based on feedback provided by 22 mentees from 20 businesses, and from 12 mentors, as well as the consultations with project staff and stakeholders.

The assessment of effectiveness is structured around the following themes:

- Take-up and recruitment to the Programme;
- Motivations for engaging and support needs;
- Enquiry, application and matching process;
- Quality, relevance and effectiveness of the mentoring;
- Fit of the Programme in the wider landscape;
- Management and governance.

4.2 Take up and recruitment to the Programme

Between the start of the Growth through Mentoring Programme in January 2017 and the commencement of the interim evaluation in September 2018, the Programme had engaged:

- A total of 40 mentees from 37 businesses. Of these, 34 mentees from 31 businesses received mentoring⁵. The other mentees and businesses did not proceed with the support.
- 39 mentors, of which 25 had been matched with a mentee (including 10 that had been matched more than once), and 14 that had not yet been matched.

4.2.1 Marketing, communications and engagement

At the start of the Programme, the North East LEP developed a Communications Strategy, aligned to the North East Growth Hub, which aimed to raise awareness among business leaders about the value of mentoring, and to drive enquiries to the Growth through Mentoring Programme. An external marketing agency was also appointed to work with the LEP, providing additional capacity to create marketing content, and to develop mentoring case studies.

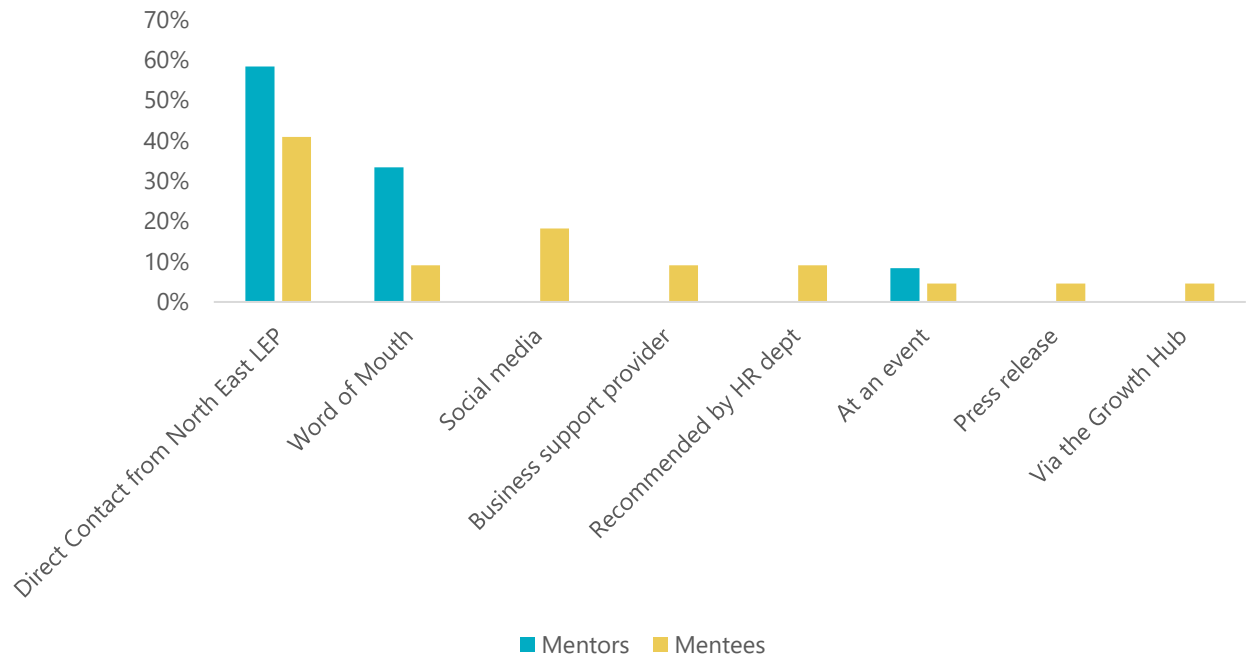
Initially, the LEP's approach to marketing the Programme included case studies on the LEP website, social media posts, and the distribution of marketing materials via business networking events and other business support programmes. This was consistent with the LEP's overall approach to marketing its business support offers.

From early 2018, a new approach to marketing the Programme was introduced, making use of a mentoring 'toolkit' approach. The 'toolkit' is a landing page on the LEP's website which provides a range of information for businesses interested in mentoring, including evidence about the benefits of mentoring, case studies, and links to other sources of mentoring support. The landing page includes a link through to the Growth through Mentoring Programme, as one option alongside a number of other mentoring and support offers. The LEP ran two marketing campaigns, in March and October 2018, aimed at promoting the benefits of mentoring generally to businesses. These campaigns helped to generate leads for the Growth through Mentoring Programme.

⁵ Profile forms for 33 of the 34 mentees were provided to the evaluation team

The evaluation has sought to explore the effectiveness of the marketing, communications, and recruitment activities undertaken by the North East LEP, by asking both mentees and mentors how they first found out about the Programme.

Figure 17: How mentees and mentors found out about the Programme



Source: Consultations with Mentors (12) and Mentees (22)

The **most effective recruitment method, for both mentees and mentors, was a direct approach from the North East LEP**. These approaches were most commonly to people or businesses with whom staff at the LEP had an existing relationship, or who LEP staff had been introduced to at business networking events. LEP staff were actively seeking to identify businesses who they felt could benefit from mentoring, and business leaders who could be effective mentors. In all these cases, there was direct contact between a member of LEP staff with a mentee / mentor, in which the benefits of mentoring, and the role of the mentor were described to them. This suggests that direct and personal communication with individuals may be the most effective method of explaining the benefits of mentoring, and of recruiting both mentees and mentors onto the Programme.

Mentees also reported finding out about the Programme: via **social media** (18%), which prompted them to get in touch with the LEP to enquire about mentoring and find out more about the Programme; via a **personal recommendation** from a colleague or business partner (9%); or a recommendation from their company HR Department (9%). A further 9% were engaged on the Scale-Up North East Programme and referred to mentoring for complementary support with business growth.

A small number of the mentees consulted (10%) were actively looking for business growth support at the time they saw a press release about Growth through Mentoring (5%), or information about the Programme on the North East Growth Hub (5%).

In addition to direct contact from the LEP, one third of **Mentors** found out about the Programme via a **personal recommendation from a friend or business colleague, and 8% found out at an event** they attended, where the Programme was promoted.

None of the mentees or mentors consulted could recall having seen **case studies** about the Programme, prior to getting involved, although two did look at case studies as background research prior to their first mentoring meeting.

Some of the mentors suggested that they would like to see the **marketing of the Programme ramped up** to achieve higher levels of awareness across the business community, and to boost the recruitment of new mentees. Mentors suggested a number of activities to boost recruitment including: increasing engagement with other business support programmes and providers (using mentoring to add value to their offers); wider dissemination of mentee and mentor case studies through the business press and other channels; promoting the mentoring at more business networking events; and an opportunity for the mentors to meet the LEP's recently appointed Business Connectors, who they hope will be able to promote and refer into the Programme.

4.3 Motivations for engaging and support needs

Evaluation feedback indicates that the **motivations** for engaging in mentoring are important and **can influence the effectiveness and benefits of the mentoring provided**. Mentees may seek a mentor to support their business growth ambition, or for personal or career development support, while mentors may be motivated by altruism, or the opportunity to 'get out and see what other businesses are doing'.

4.3.1 Mentee motivations

The majority of the 22 mentees consulted were motivated to work with a mentor mainly to support their business growth ambitions, while a smaller number were driven by their personal and professional development needs.

The majority of mentees had **plans in place to grow their business**, or were experiencing business growth, at the time they first sought a mentor. Some businesses had grown organically, and mentees needed more structure to manage the growth process effectively; some wanted to prepare the business for future growth by developing a business strategy or improving internal processes; some had a growth plan in place with clear targets, which they were following; and some felt pressure to grow the business in order to maintain market position.

Those motivated to work with a mentor by an ambition to grow their businesses, did so for a number of reasons, including:

- **Lack of business experience, skills and background.** Several mentees reported that they lacked the relevant skills and experience to grow the business or were unsure how to respond effectively when their business started to grow. They believed mentoring from an experienced business person would help to develop or improve their business skills and help them manage growth more effectively.
- **Needing independent challenge and a 'fresh pair of eyes'** from someone with relevant experience and knowledge, to discuss or review business growth plans, and to help address key challenges. Mentees reported that their business was already growing, and they needed support from an independent mentor to work through key issues and barriers which were impacting on growth.

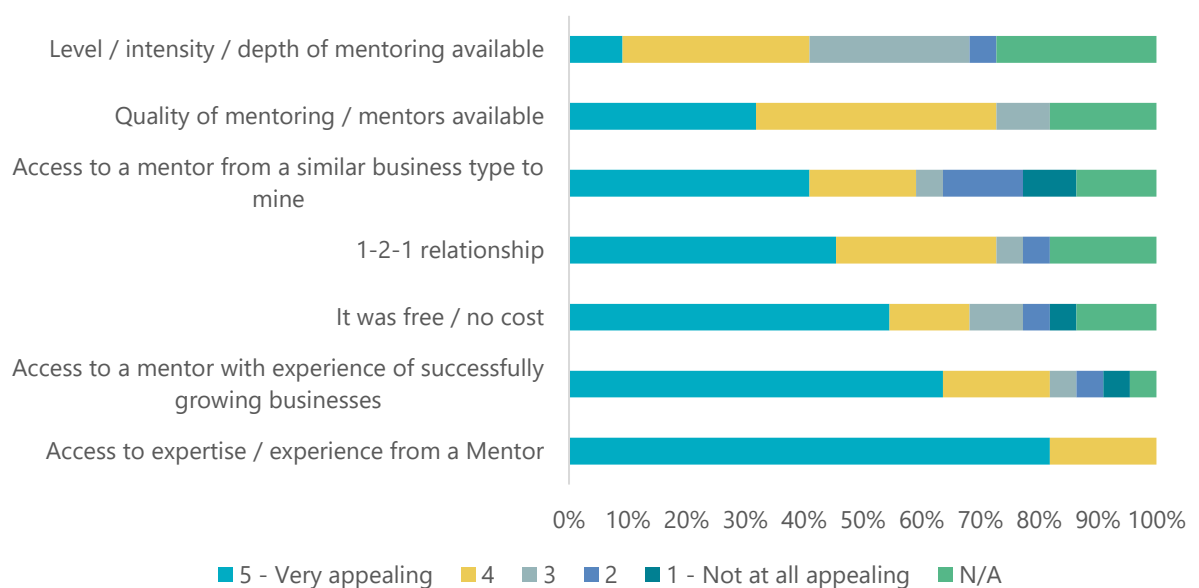
- **Having someone external to the business to talk to in confidence.** Some mentees reported that they often felt isolated running their business, and lacked someone to talk to about key issues, challenges and decisions. In some cases, this was because they were leading a small organisation and there were no other senior colleagues to talk to. In other cases, the issues were challenging or sensitive and they did not feel comfortable discussing them with their senior management team. Mentoring would provide an opportunity to discuss and resolve these issues in a confidential environment.
- **Support with a specific business issue** linked to growth, for example, sales and marketing, internal business operations, HR, or property acquisition. A number of mentees reported that they wanted support from a mentor to talk through and resolve a very specific issue or challenge facing the business that required an element of specialist knowledge or experience.

The Mentees that were motivated by **personal and professional development** needs reported that they wanted a mentor to help think through and **advise on their career progression**, or to enable them to **transition into a more senior role** within the organisation.

Several mentees were motivated to get involved in the Programme because they **already believed in the benefits of mentoring**, having previously worked with a mentor, or they were currently working with another mentor outside the Growth through Mentoring Programme.

Mentees were asked which aspects of the mentoring offer were most appealing to them, using a rating scale of 1-5, with 5 being very appealing, and 1 not at all appealing. The most appealing aspect of the mentoring offer was the **access to expertise and experience** provided by a mentor, with 82% rating this as very appealing. Meanwhile, 64% of mentees rated **access to a mentor with experience of successfully growing a business** as very appealing. The **quality of the mentors / mentoring** on offer was rated highly (4 or 5) by 73% of mentees. For just over half of the mentees consulted, the fact that the support was **free to access** was essential, with several reporting this was the deciding factor in encouraging them to engage.

Figure 18: Which aspects of the mentoring on offer appealed to you most and least?



Source: Consultations with Mentees (22)

Other appealing aspects of the Programme highlighted by mentees, which influenced their decision to engage included:

- The fact that **the mentors were volunteers**, giving up their time and willing to share their experience for no financial return. This indicated to mentees that the mentors genuinely wanted to share their expertise to help the business, rather than for commercial gain. This helped to create trust in the support, and in the independence of the mentors.
- Having access to a **formal, organised mentoring programme**, rather than an informal arrangement they set up themselves. Some mentees reported that they had worked previously on an informal basis with mentors that they had identified themselves. They felt that being part of a more formal programme provided structure and focus to the mentoring, and also offered the opportunity to connect with mentors that they may not otherwise meet.
- Having **access to mentors with very specific niche skills and experience**, for example in a specific technology or market segment. This type of specialist expertise is rarely available via more general business support and advice services and can be the key to unlocking growth in a business.

4.3.2 Mentee support needs

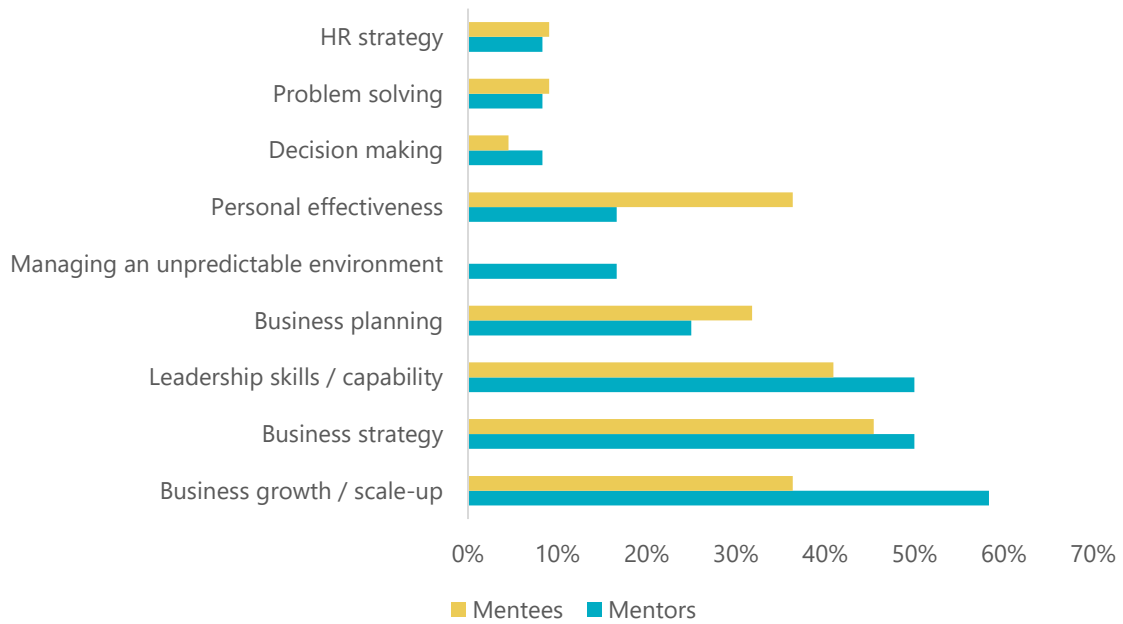
At application stage, all mentees were asked to identify the areas in which they would like support, and mentors were asked to identify what support and expertise they could provide, using the same broad categories. This information was used by the LEP as one element of the process for matching mentees with mentors.

Overall, there was a good match between the support needs of the mentees consulted, and the skills and expertise on offer from the mentors consulted, with all areas of support required by the mentees being available from the pool of mentors.

Of the 22 mentees consulted, the greatest proportion were seeking support with business issues, including 45% that wanted support with **business strategy**, and 36% that were seeking support with **business growth and scale-up**. Several mentees reported that they already had growth plans in place and wanted independent input from a Mentor to provide external challenge, and to 'sense-check' their plans. Mentees also reported needing support with **marketing, sales generation, and winning new customers**, as part of their growth plans.

Some mentees had a very **specific business issue they wanted** to address, for example: how to access investment to grow a tech business; development of an HR and recruitment strategy; or major overhaul of a brand. Others wanted help more generally to learn from someone with experience of growing a business in the same sector, or advice on how to apply business theory to real-life business situations.

Figure 19: Mentee support needs compared to mentor expertise



Source: Consultation with Mentors (12) and Mentees (22)

Mentees were also seeking support from a mentor to meet their **personal development** needs. 41% were seeking support to develop their **leadership skills and capability** (focusing on their personal development as a business leader, or to help their personal career development), while 36% were looking for support with **personal effectiveness**.

4.3.3 Mentor motivations

The Mentors consulted primarily chose to volunteer for **altruistic reasons**. They wanted to help other businesses to grow, to help boost the local economy, and to 'give something back'. This broad motivation was reinforced in a number of cases by very specific reasons, for example:

- At least two mentors have previously benefited from mentoring themselves, while others had benefited from a wide-range of face-to-face advice and support. The mentors recognise the value and importance of having the opportunity to talk face-to-face with an experienced business person and were keen to volunteer for this reason.
- One mentor commented how difficult and lonely it can be running a business, and was motivated to volunteer to provide mentees with 'someone to talk to'.
- Two mentors wanted to work with others outside of their own business environment, to improve their own learning, and to bring a new perspective to their own business
- Three mentors were recently retired or had sold their business but wanted to remain active in the business community. They saw mentoring as a good way to achieve this.
- Two mentors volunteered because they saw the Programme as a good opportunity to build up their own networks, and to build new relationships which would be beneficial to their own business consultancies. These mentors also provide mentoring on a commercial basis.

4.4 Enquiry, application and matching process

The majority of mentees and mentors consulted reported that they found **all aspects of the enquiry and application process very straightforward, efficient and proportionate**. They also commented that the North East LEP was very supportive throughout the enquiry and application process, taking time to get to know each person and business, which helped to facilitate the matching process.

It was also highlighted that the due diligence process to assess mentor skills and motivations is very important, as this helps to build confidence in the quality of the Programme among both mentors and mentees.

All 22 **mentees** consulted as part of the evaluation had been matched with a mentor. At the time of the consultations, 19 mentoring relationships had completed and three were ongoing.

Overall the mentees were happy with the matching process, with several reporting that they had been matched very quickly. Again, they found the process straightforward and efficient. Some mentees had very specific and specialist requirements of a mentor, and reported that these requirements had largely been met. Overall, the mentees were **happy with the quality of the matches made, and the overlap of the mentors' skills and experience with their specific support needs**. Mentees commented that, while in some cases it had taken several months to be matched with a mentor, they felt it was better to take time to find the right match, rather than to rush into a match that may not work.

A small number of mentees felt that they would have benefitted from greater communication from the LEP, particularly when there was long wait between completing an application and being matched.

Nine of the twelve **mentors** interviewed had been matched with a total of 15 mentees. Six had been matched once; one had been matched twice; one had three matches; and one had mentored four businesses. Two of the fifteen matches were still in progress at the time of the evaluation. The remainder had been completed.

Overall, most **mentors** were satisfied with the matching process, and their mentee matches. They **believe their skills and experience were well matched to the needs of the mentees**, and this provided a strong basis for them to make a positive impact through mentoring. However, a small number of issues were highlighted by mentors:

- A small number of mentors indicated they were a little disappointed with **the lack of matches**. For example, one mentor reported having been matched in the early days of the project, but having no matches since; while another reported having volunteered as a mentor over a year ago, but not yet being matched.
- Several mentors suggested that **communication between the North East LEP and mentors could be improved**. Some, particularly those that had not been matched at all or for many months, suggested they would appreciate a regular (perhaps quarterly) update email from the LEP about the progress of the Programme, including the level of business demand for the mentoring, and how many matches have been made, to enable them to understand the likelihood of them being asked to support a mentee. In this way, the LEP is more likely to retain their interest, and ensure they remain engaged in the Programme.

4.5 Quality, relevance and effectiveness of the mentoring

4.5.1 Effectiveness of the mentor / mentee match

Evaluation feedback suggests that the effectiveness of the match between mentor and mentee is **crucial to the success of the mentoring relationship**. The matching process undertaken by the LEP is partly information driven, using data provided by mentees about their support needs, and by mentors about their areas of expertise. For this element of the process to work effectively, mentees need to be very clear about their objectives for the mentoring, and their specific support needs. The process is also part intuition, based on personal meetings between LEP staff and the mentees and mentors, to build up a good understanding of which individuals are likely to get on at a personal level.

Overall, feedback from the **mentees** is positive about their mentor match, and their experience of the mentoring. They were **particularly positive about the time and care taken by the LEP to really understand their needs, and to match them with a mentor with relevant skills and expertise**. In some cases, mentors were matched because they had experience of a particular sector in which the mentee needed specific advice (e.g. technology). In others, the match appears have been made on the basis of the mentors' transferable business skills and knowledge (e.g. scale-up, finance, HR, marketing).

While overall the feedback was very positive, a small number of mentees identified issues with their match, although most were quickly resolved. For example:

- In four cases, **the mentee already knew the mentor** that was initially suggested to them. In three cases this worked well, and the mentee was happy to proceed. In the other case, the mentee was unhappy with the proposed mentor. An alternative mentor was requested and quickly arranged by the LEP.
- One mentee commented that they had to be **matched twice**, but they acknowledged that this was because they had not been sufficiently clear at the outset about their support needs, and this only crystallised after they had met the first mentor. The second match worked well.
- Two mentees reported that, while the skills and experience of their mentor were a good match, they were **not an exact match**, and they would have preferred a mentor with a slightly different skills set.

Mentors were also very positive, with the majority reporting satisfaction with their matches, and **a good overlap between their skills and experience, and the mentees support needs**. They also commented on the skill of the LEP in putting people together effectively, and understanding who would be likely to work well together. A small number of mentors identified issues with a small number of the matches, including:

- Three mentors mentioned that four of the mentee matches they had been involved in had been **less effective** than they could have been because the **mentees were not at the most senior level of management** (i.e. Managing Director, Chief Executive, business owner). As a result, the mentees had limited influence over making and implementing decisions about changes and growth in their business. The mentors felt somewhat constrained in their ability to effect meaningful change through the mentoring, as the mentee was not always in a position to drive forward growth.

- A small number of mentors expressed concern that, in some cases, the **motivations and objectives of mentees** in seeking mentoring were unclear. This impacted on the effectiveness of the meetings, and some mentors reported it was challenging to arrange meetings, as they felt the mentee was not fully committed to the process. Examples included: one mentee that was referred by their HR department rather than being motivated to seek out mentoring themselves; one mentee that wanted someone to help write a business plan for them; and one mentee that appeared more interested in advice about personal wealth rather than business growth.
- A small number of mentors reported that, in some cases, mentees didn't know what type of support they could expect from a mentor. Some wanted to be coached (or told what to do and how), rather than being mentored, while others were looking for a consultant that could do work for them. It was suggested that some mentees may benefit from additional information, at the start of the process, about **the difference between mentoring and coaching**, to ensure they are clear about the type of support they can expect.

The three mentors consulted that have not yet been matched reported that they had received limited communication from the LEP, and they were unsure why they had not yet been matched. In one case, the mentor was unsure if the Programme was still live.

4.5.2 The mentoring sessions

All mentees and mentors consulted reported that the mentoring sessions were **face-to-face meetings**, often with electronic or telephone contact in between.

The majority of mentoring sessions took place in an **informal** setting, often selected by the mentee, in a venue where they would feel comfortable e.g. a coffee shop, away from the mentee's business. However, a small number took place in the mentee's business, to enable the mentor to get a better understanding of the operation.

The frequency of meetings varied according to the availability of the mentee and the mentor, ranging from monthly meetings, to bi-monthly meetings, to one mentee that reported having three meetings over the duration of one year.

The duration of meetings also varied, most commonly from between 1.5 and 3 hours.

The meetings tended to follow a similar format, with the first session being an introductory, 'getting to know you' meeting, to identify the issues and set the agenda, while subsequent meetings reviewed progress and any issues encountered, and identified potential solutions.

In all cases, mentees and mentors reported that the location of the mentee / mentor was not an important factor in the effectiveness of the mentoring meetings. The main challenge, reported by a small number, was in getting meetings arranged in advance, as both mentees and mentors tend to be busy, with limited available time.

Evaluation feedback suggests that the mentoring sessions were most effective when there was **a structured approach, with an agenda / focus agreed between both parties, and identified tasks to be completed in-between sessions.**

4.5.3 Intensity and duration of support

The mentoring offer was for three meetings over a minimum period of three months. When developing the Growth through Mentoring Programme, the North East LEP consulted businesses to determine what would be appropriate in terms of time. Business feedback suggested that there should be a fixed period of time, with both mentors and mentees able to step away at the end of the Programme, and that the time period shouldn't be too long to avoid creating dependency. The LEP also felt that they wanted to make the Programme manageable for the mentors, who were giving up their time voluntarily, and that having a fixed number of sessions would help to manage mentee expectations. The LEP role is to facilitate the mentoring process, it is then up to the individual mentors and mentees to decide whether they wish to continue to meet on completion of the three sessions, and whether this should be on a voluntary or commercial basis.

While the formal offer is for three meetings over three months, in reality both mentees and mentors reported that **meetings often took place over a longer period**, due primarily to the availability of both the mentee and mentor, and what would work best for them.

For 10 of the 22 mentees consulted, three meetings with their mentor was enough to address their specific or main issue. However, six of these mentees suggested that **three sessions is the minimum required**, and more (e.g. one or two further sessions, or a follow-on meeting after a few months), would have been helpful, enabling them to explore challenges in more depth, or to address a broader range of business issues.

For 12 of the 22 mentees consulted, three meetings were insufficient to fully meet their needs, with one commenting that it felt like a taster session rather than a full mentoring programme, and others suggesting they only had two mentoring sessions, as the first meeting was more of an introduction. Mentees suggested they would have preferred three longer meetings; more regular contact over a longer period (six meetings over 12 months); a number of follow-up sessions (after three or six months) to review progress and discuss any further issues or challenges; or four meetings, with the first one being an introduction, followed by three full mentoring sessions.

Eleven of the 19 mentees consulted that have completed their three mentoring sessions, have continued to meet with their mentor. Five meet on an informal voluntary basis; four meet on a commercial basis; and two started off on a voluntary basis, but are now on a more formal commercial basis, in one case with the mentor being an investor in the business.

Of the nine **mentors** consulted that had been matched with mentees, two reported that the three sessions worked well, and provided enough time to get through the work agreed at the outset. However, **the majority of mentors consulted felt that three sessions is not enough**, with one commenting that finishing after three sessions feels abrupt, and there is often more that could be achieved if there were additional sessions. For example, mentors suggested:

- As a minimum, there should be four sessions: an introductory meeting, followed by three mentoring sessions. At least two mentors already take this approach, while another agreed with their mentee to have six slightly shorter sessions, including an initial introductory session.
- Introducing two follow-up / review sessions (at six and 12 months) would add value to the process and help the mentee to maintain momentum.

The majority of the mentors have offered to continue to meet with their mentee/s on either a commercial or voluntary basis, and four have continued to do so. Two have continued to meet on a voluntary, informal basis, while two have continued to meet on a more formal, commercial basis.

4.5.4 Quality of the mentoring

Mentees reported that, overall, **mentors developed a good understanding of their personal development needs and / or business goals very quickly**. In most cases, the first meeting between mentee and mentor was a 'getting to know you' session, with mentors working to understand the mentee's business and their support needs. Mentors drew on their own personal experience to offer relevant practical advice and suggestions, propose alternative options for consideration, and provide a fresh perspective, all of which helped mentees to make better informed decisions, and to improve their business / personal professional skills.

However, two mentees were slightly less positive about their mentor, but for different reasons. One felt that their mentor's understanding of their mentoring needs was fairly superficial, and while it was sufficient to discuss high level issues over three meetings, it was not sufficient to continue with the mentoring sessions, or to delve more deeply into specific business issues. Meanwhile, one mentee reported that the mentor lacked good listening skills, and didn't spend much time at the start trying to understand their needs. As a consequence, the three mentoring sessions were unstructured, lacked focus, and weren't as effective as they could have been.

Overall, **mentees rated the skills, understanding and attributes of their mentor highly, with 100% rating their professionalism, credibility, understanding of leadership and management, understanding of business growth, and strategic understanding as good or excellent**. The area which received the lowest rating overall was market knowledge, which may be expected as most mentors did not work in the same sector or market as their mentee.

Figure 20: How would you rate the skills, understanding and attributes of your Mentor?



Source: Consultation with Mentees (22)

Mentees highlighted particular attributes of their mentor which they valued, and which contributed towards the effectiveness of the mentoring. While each person had a slightly different experience according to their mentoring needs and the nature of the match, the most commonly identified mentor attributes which mentees valued include:

- **Good listening and communication skills.** Mentees appreciated the fact that the mentor really listened to them, which meant the advice and suggestions made were appropriate and relevant.
- **Inspiring trust,** which encouraged open and honest discussion. Mentees reported that the mentor’s positive attitude, open outlook, and discretion, all helped to inspire trust, which is an important feature of any mentoring relationship.
- Providing a combination of **encouragement and constructive challenge,** which mentees reported helped them to make better decisions.
- Providing an **independent, objective, and often fresh perspective,** which enabled mentees to consider their business challenges and opportunities from a different point of view.
- Being **insightful and clear-minded,** which enabled the mentor to quickly understand the business challenge and identify options to address it.
- **Specific business knowledge or skills,** which were particularly relevant to the current business or personal development situation of the mentee.

Mentees reported that **what worked for them,** and was particularly beneficial was:

- Discussing key business issues in a **practical,** open way with an experienced business person, which helped to clarify thinking, provide a structured approach, and identify solutions which were relevant and appropriate.

- **Personal support**, on a one-to-one basis, which helped to build confidence, develop skills, and improve understanding of business issues. It also provided a fresh perspective, enabling mentees to look at challenges in a different way.
- Taking **time out from the business**, by meeting the mentor off-site, helped mentees to reflect on their business and to refresh their thinking.
- **Independent confirmation and validation** that their approach to growing their business was the right approach for them. Many mentees already had business growth plans in place. Discussing their plans with an independent mentor, with relevant experience helped to confirm that they were on the right track, and in some cases, to make improvements to their growth plans.
- The opportunity to discuss business challenges, with someone external to their business, in an **open, honest and 'safe' environment**, helped to get to the root of the issue, and to clarify the way forward.

Mentors offered a similar perspective, suggesting that the aspects of mentoring that worked well for the mentees are:

- A **fresh perspective and independent view**, which allows the mentee to consider alternative approaches to improve their business.
- Having an **open and honest conversation** with another business person, often about quite sensitive issues, can be hugely beneficial. It can help to identify what the mentee needs to know and how to find out, reduce isolation, and can offer alternative solutions to difficult challenges.
- The **opportunity to be challenged**, with the mentor able to ask difficult questions to get to the real underlying issues. This approach can enable the mentee to derive real benefit from mentoring.

However, a small number of mentees and mentors mentioned that, in some cases, there was a **lack of clarity about the difference between coaching and mentoring**. Mentors suggested that a number of their mentees did not know what to expect from a mentor, and as a result did not always get the support they needed. One mentee reported that the mentoring helped them to realise that coaching is more appropriate for them, and they are now working with a business coach; and two mentees reported that they felt they had worked with a consultant / business coach, rather than a mentor. While the support was still useful to them, it wasn't what they expected from the Programme, or what they needed.

4.5.5 Meeting mentee needs

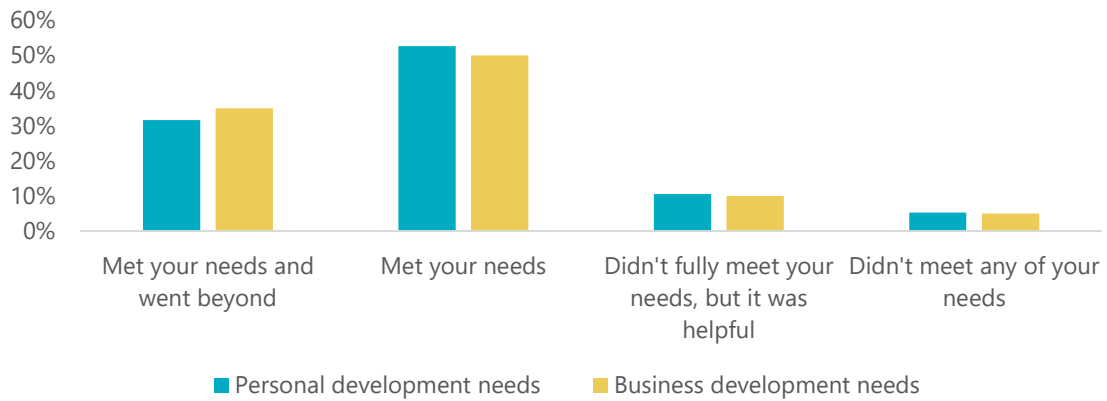
The majority of mentees reported high levels of satisfaction with the mentoring they received.

20 mentees provided feedback on business development needs, with 85% reporting that the mentoring met or exceeded their needs. 19 mentees provided feedback on personal development needs, with 85% reporting that the mentoring met or exceeded their needs. One mentee commented **'I got much more out of it than I expected'**, and the support has helped them to decide how to move forward with their business.

13% reported that the support didn't fully meet their personal or business needs, but it was helpful. It only partially met their needs because they **"need more than the three sessions offered"** or because the mentee is not involved in business growth decisions, but they are now **"more effective at my job"**.

One mentee reported that the mentoring did not meet any of their personal or business development needs. This was because the mentee was not clear at the start of the process about their objectives and what they wanted to get out of it.

Figure 21: To what extent did the mentoring meeting your personal and your business development needs?



Source: Consultation with Mentees

4.5.6 Mentor workshops

The North East LEP brings mentors together twice per annum to discuss the programme, identify potential improvements and highlight lessons learned.

Seven of the twelve mentors consulted have attended at least one of the mentor meetings / workshops. In general, the mentors were positive about the sessions, reporting that it was good to meet other mentors, and the meetings make them **feel part of a wider initiative** or formal LEP Programme. Several mentors suggested that the LEP needs to maintain regular contact with the mentors, and more regular networking meetings would be of benefit.

Without the meetings, a small number reported they would feel quite isolated and separate from the LEP and the Growth through Mentoring Programme

Those that have not been able to attend to date reported that the meetings tend to take place during the working day, are arranged at short notice (two weeks), and often overlap with other work commitments.

4.5.7 Opportunities for improvement

Both mentees and mentors suggested a small number of potential improvements to the Programme, as follows.

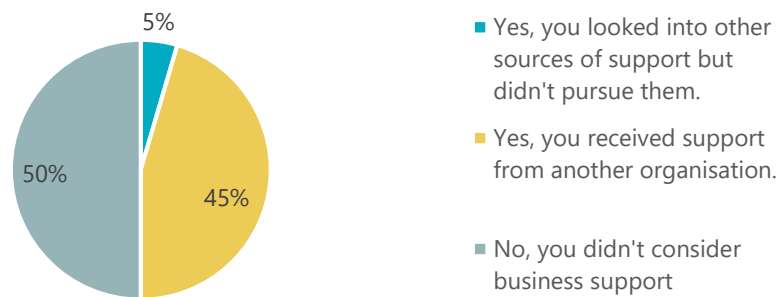
Diagnostic of mentee needs	Mentees and mentors suggested that a diagnostic of mentee needs would help to ensure that the mentee focused on the most appropriate issues, and that mentoring is the most appropriate approach for them. This could be achieved by refining the mentee profile form, and through a more detailed initial conversation with the mentee.
Intensity of the support	Both mentors and mentees suggested that three mentoring sessions is not enough, and a small increase in the offer would add real value e.g. one session per month over six or twelve months; a follow-up session to review progress and discuss any issues arising; or perhaps a range of between three and six meetings depending on mentee needs.
Networking	Several mentees would like the opportunity to meet with other mentees, who are going through a business growth process, to share good practice and to discuss key issues. Mentors reported that they may be able to attend the networking sessions if there was more notice, and if they were arranged outside of working hours e.g. at the end of the working day / early evening.
Progression	Mentees would like greater clarity at the start of the process about what happens at the end of the three mentoring sessions. For example, some mentees suggested they would have liked information about other mentoring or business support programmes they could progress onto on completion of the mentoring. Others reported being surprised their mentor offered to continue meeting, but on a commercial rather than a voluntary basis. Greater clarity about what to expect, and their options at the start, would be of benefit.
The matching process	A small number of mentors suggested that involving them in the matching process could help to improve the quality of the matches. For example, mentors could identify which mentees they think they can best help, or they could discuss potential matches with the LEP before an introduction is made.
Communication	Mentors would like more regular information or updates from the North East LEP about how the Programme is progressing e.g. business demand, the number of matches per month etc.
Feedback	Mentors suggested that there should be a process to provide feedback to the North East LEP about the mentoring and how it worked, and also to get feedback in return from the mentees. This will help mentors to improve their mentoring skills, and also enable the LEP to make improvements to the Programme.

4.6 Fit in the wider landscape

The Growth through Mentoring Programme was designed to add value to, or to integrate with, other business support schemes operating in the region. It is one part of the wider offer available through the North East Growth Hub. There was an expectation that mentoring would not be delivered in isolation, and that businesses would also benefit from other programmes to support their growth.

The interim evaluation explored whether the mentees supported by the Programme had considered other sources of support to grow their business or support their personal development needs.

Figure 22: Did you consider other business support programmes?



Source: Mentees interviews

Half of the 22 mentees consulted reported that they had only considered the Growth through Mentoring Programme to support their business growth or personal development needs, and had not looked into other potential sources of support. The main reasons given were that they were specifically looking for a mentor and weren't interested in any other type of support at the time; or that they weren't actively looking for support but the opportunity for mentoring presented itself to them, and they were happy to take it.

45% of the mentees received support from another organisation. Examples include: the North East LEP's Scale-Up North East Programme; a paid for Barclays Bank Scale-Up Programme, which involves academics from Cambridge University going into the business to discuss specific aspects; the Generator NE Scale-Up Programme; Creative Fuse; Innovate to Succeed; or other mentors sourced independently by the mentees themselves on a more informal basis.

4.7 Management and governance

A dedicated Mentoring Co-ordinator (now the Mentoring and Brokerage Manager) was appointed to manage and deliver Growth through Mentoring in October 2016. The post is able to draw on support from the North East LEP's Communications Team to promote and raise awareness of the programme, and on administrative support from within the LEP.

During the first three months of the project, the focus of staff resource was on setting up and launching the Programme. Since early 2017, the focus has been on generating demand, engaging mentors, and making effective matches. However, in more recent months, the dedicated staff resource has been somewhat reduced, with the loss of the administrative support, and the involvement of the Mentoring and Brokerage Manager in setting up the 'Be the Business' mentoring Programme.

The North East LEP has recently appointed three Growth Connectors, whose role is to meet businesses and connect them to appropriate business support programmes, including Growth through Mentoring. Should this generate an increase in demand for the Programme, additional staff resource may be required to manage Growth through Mentoring.

4.8 Summary

Overall, Growth through Mentoring is proving to be an effective programme. Evaluation feedback suggests that overall the delivery model works well and is effective at supporting the mentoring needs of mentees and their business. Mentees and mentors were positive about the matching process, in terms of the quality of the match, and the time and care taken by the LEP to understand and match mentee support needs with mentor areas of expertise. The quality of the mentors is highly rated by mentees, with 100% rating the mentor's professionalism, credibility, understanding of leadership and management, understanding of business growth, and strategic understanding as good or excellent.

Evaluation feedback suggests that mentoring meetings tend to be face-to-face, informal, and follow a similar format i.e. with the first meeting being an introduction, and subsequent meetings being used to review progress, discuss key issues, and identify potential solutions. The frequency and duration of meetings tends to vary, depending on mentor and mentee availability and needs. However, the majority of mentors and mentees suggested that three mentoring sessions is insufficient, and it would be preferable to have, for example, one or two further sessions; or a follow-on meeting after a few months to explore challenges in more depth, or to address a broader range of business issues.

Mentor attributes that contribute towards the effectiveness of the mentoring sessions, and which are particularly valued by mentees, include: good listening and communication skills; the ability to inspire trust quickly; a combination of encouragement and constructive challenge; providing an independent, objective and fresh perspective; and being insightful and clear-minded.

Overall, evaluation feedback suggests that the programme is meeting the mentoring needs of mentees and their businesses. However, a small number of improvements were suggested by both mentees and mentors, which could enhance future programme delivery. These include: increasing the number of mentoring sessions offered by the programme; providing progression information to mentees to enable them to move on to other scale-up or business growth programmes that will support their growth ambitions; more regular communication between the LEP Mentoring Team and the mentors and mentees; and a diagnostic of mentee needs, undertaken at the start of the process, to help clarify mentee support needs and confirm mentoring is the most appropriate form of support (as opposed to coaching or consultancy advice). In addition, some of the mentors suggested they would like to see the marketing of the Programme ramped up, to achieve higher levels of awareness across the business community, and to boost the recruitment of new mentees.

5 Benefits and impacts

5.1 Introduction

This section of the report considers the extent to which the mentoring impacted on the mentee's personal development, on their business, and on their business growth in terms of increased turnover and employment. It also considers the extent to which any business growth can be attributed to the mentoring support.

This section of the report draws on evidence from the following sources:

- Information collected from the mentees consulted as part of the application process, providing baseline information on turnover and employment for the most recent financial year before joining the Growth through Mentoring programme.
- Feedback from mentees about the impact of the mentoring on their personal development, and on their business. Mentees also provided updated information about current business turnover and employment, to measure business growth.
- Feedback from the mentors about the impact of the mentoring on mentees, and on themselves.

5.2 Personal development impacts

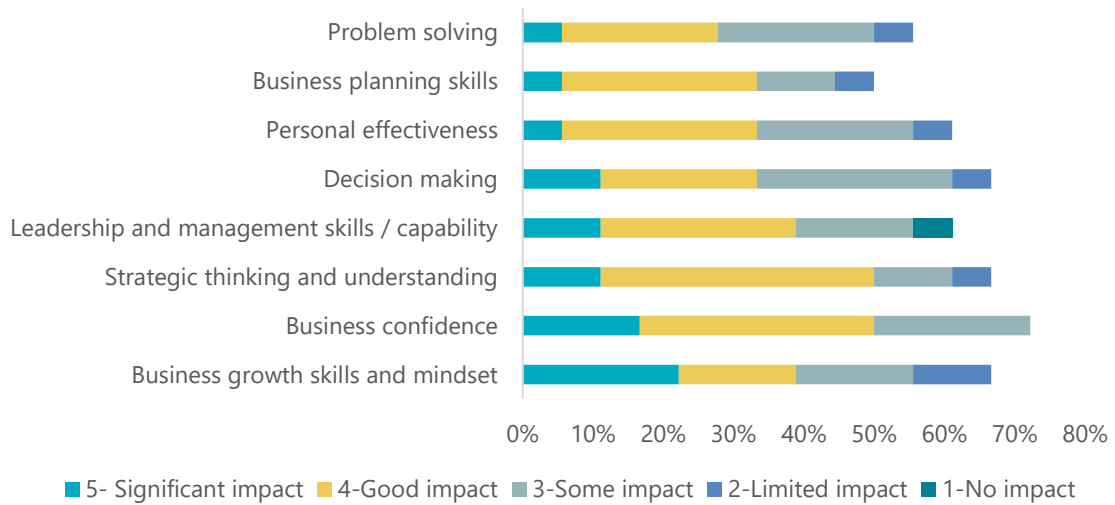
Overall, 18⁶ of the 22 mentees consulted reported that mentoring has had a positive impact on their personal development, with the greatest impact being on strategic thinking and understanding, and on business confidence.

One mentee commented that mentoring has '*equipped me with the skills and techniques to be a much more effective business leader*'; while another said mentoring had helped '*with my strategic thinking, and how I think about the future growth strategy*'.

As each mentee sought mentoring support for different reasons, not every development area shown in Figure 23 was applicable or relevant to each mentee consulted.

⁶ Three mentees did not seek mentoring support for personal development needs, and one has not yet completed three mentoring sessions

Figure 23: Which aspects of your personal skills, knowledge and abilities have been impacted most by the mentoring



Source: Evaluation feedback from 18 mentees

As well as improvements in strategic thinking and business confidence, mentees reported the following main areas of improvement:

- **Increased confidence and motivation** to drive forward change, or to pursue a more aggressive growth strategy.
- **Personal effectiveness**, including better leadership skills and greater clarity of thought leading to better decision making.

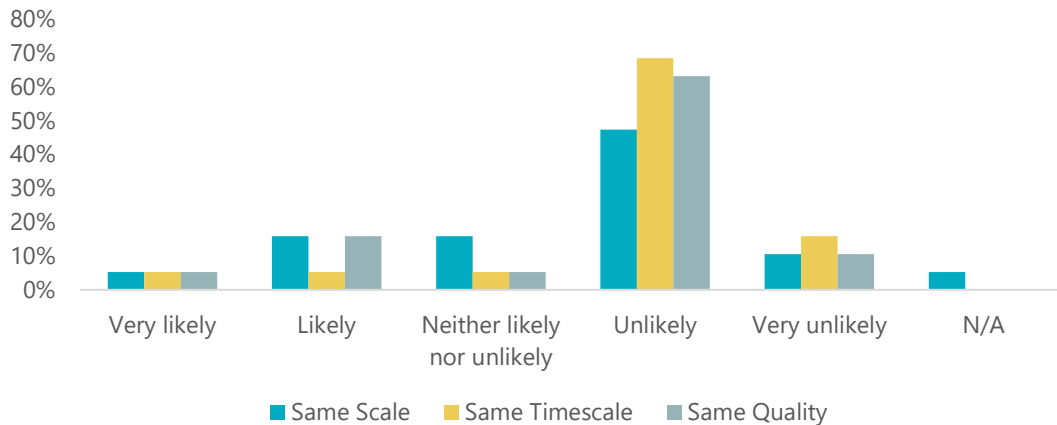
One mentee reported that they initially sought mentoring support to focus on their business scale-up needs. However, the mentoring actually focused on developing business leadership skills, which in reality was exactly what they needed, and is now feeding through into their business scale-up plans.

Mentees also identified a small number of **tangible benefits and changes** which have occurred as a direct result of mentoring, including:

- Joining the board of directors of an external company, which the mentee would not have had the confidence to do beforehand.
- Working with other mentors to continue their personal and professional development.
- Deciding how to restructure the business to support future growth plans.
- Employing an operations manager for the day-to-day management of the business, enabling the mentee to really focus on business growth.

The majority of mentees consulted, reported that it was unlikely that the changes in their personal development would have happened on the same scale, timescale or quality in the absence of mentoring.

Figure 24: In the absence of the mentoring, how likely is it that the changes would have occurred on the same scale, same quality, or same timescale?

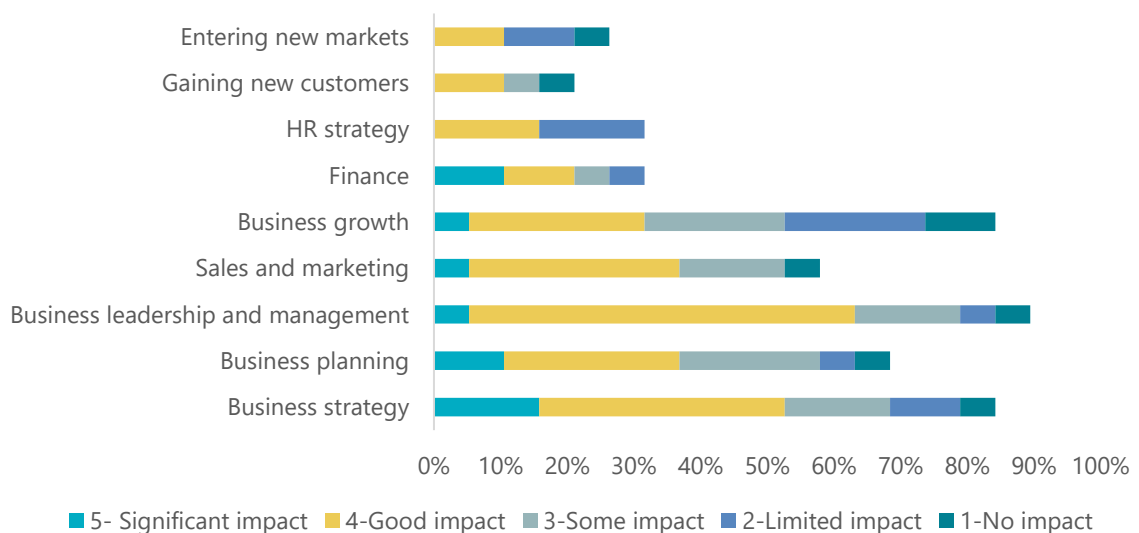


5.3 Business impacts

Overall, 19⁷ of the mentees consulted reported that mentoring has had a positive impact on their business. The greatest impacts to date has been on business leadership and management, with 63% reporting a significant or good impact in this area. This is followed by business strategy (53% reporting a significant or good impact); business planning (37%) and sales and marketing (37%).

As with personal development impacts, mentees sought mentoring support for different reasons, some of which were generic, while others were very specific (for example to develop an HR strategy). Therefore, not every business theme in Figure 25 below, was applicable or relevant to every mentee.

Figure 25: Which aspects of your business have been impacted most and least by the mentoring?



Source: Evaluation feedback from 19 mentees

⁷ Two did not seek a mentor to support their business, and one has not yet completed three mentoring sessions.

While recognising that it can take some time for the benefits to be fully realised, mentees have already noticed positive changes in their business. This includes, for example:

- A **better understanding of business skills and business planning**, leading to a clearer understanding about how to put the basic building blocks in place to support sustainable business growth. Without mentoring, mentees reported that their business would have grown, but in a less structured and sustainable way.
- **Accelerated the pace of growth**. Mentoring helped mentees focus on the most important issues, make better and more timely decisions, remove barriers, and helped to facilitate the growth process, all of which has helped businesses to grow faster than planned.
- **Improved business leadership**. In at least three companies, all directors are engaged in mentoring, helping to improve the quality of leadership overall.
- Developing a **better, more sustainable business model**, ensuring mentee businesses are in a better position from which to grow in future, supported by more realistic, detailed, and achievable growth plans.

Mentees reported that focusing on a particular business issue has already helped to introduce change and make improvements, resulting in clear and **tangible benefits**. For example, as a result of the mentoring support, mentees have:

- Set up a commercial sales and marketing function with eight staff, with potential to increase to 20 staff during 2019. Mentoring helped to do this more quickly, and to achieve a higher quality result.
- Made connections with potential investors for the business.
- Developed a CRM and an account management approach for the business.
- Set financial targets for the business, which have been exceeded. This has helped to create focus for the business and to motivate the staff team.
- Developed a new website and improved their use of social media to generate leads for the business.
- Developed a more realistic, but ambitious, growth strategy, which is genuinely capable of national roll-out.

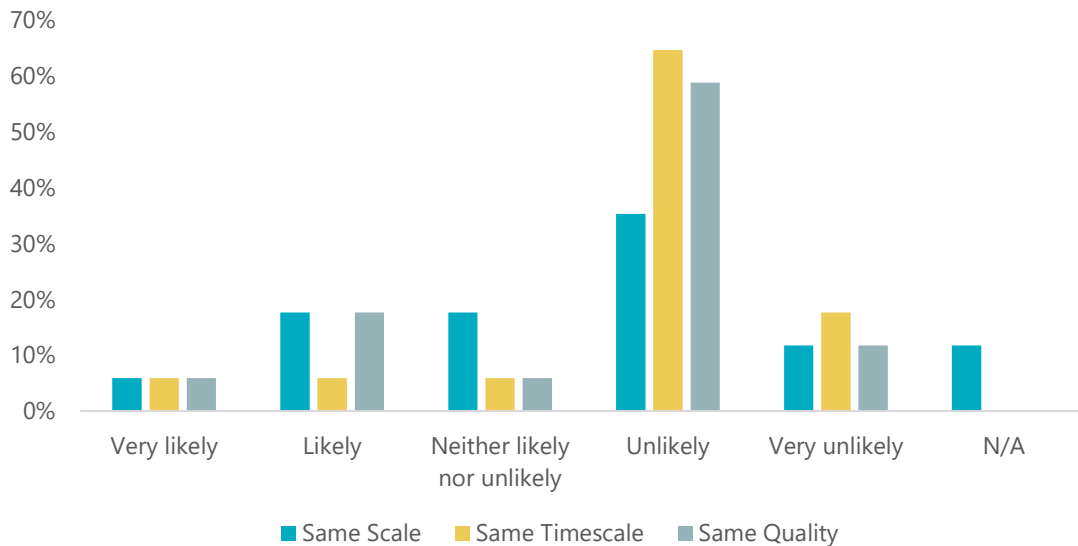
Twelve (54%) of the mentees consulted also commented on the impact of the mentoring on their **growth ambitions** for their business:

- Four (33%) reported that mentoring had made them feel more ambitious, helping to remove barriers to growth and clarify their thinking.
- Three (25%) said it had helped to scale back their growth ambition, making them more realistic, manageable and achievable.
- While five (42%) reported that mentoring hadn't impacted on their growth ambition, but it had provided them with a clearer path to achieve their goals, or had given them other options to consider, for example acquisition or partnership with another company

As with personal development impacts, mentees reported that it is unlikely that the business changes would have been achieved on the same scale, in the same timescale, or at the same quality without the mentoring support.

One mentee commented that without the mentoring, it is **'unlikely we would have changed and improved the business strategy in the way we have. The mentoring has had a big impact on our future strategy. Its more realistic and focused'**.

Figure 26: In the absence of the mentoring, how likely is it that the changes would have occurred on the same scale, same quality, or same timescale?



5.4 Growth impacts

5.4.1 Turnover

Prior to receiving mentoring support, the 20 mentee businesses consulted had a collective annual turnover of **£41.2m**. This was forecast to grow to **£57m**, an increase of **£15.8m**.

The interim evaluation sought to explore the extent to which the forecast growth in turnover is being achieved.

Of the 20 mentee businesses consulted, ten (50%) reported having already achieved an increase in turnover by a total of **£4.76m**. A further two companies reported they expect to achieve their growth targets by mid-2019, a projected increase of **£2.6m**; while two companies are confident about their growth prospects, but had only recently completed their three mentoring sessions and felt it was too early to comment on what the growth in turnover may be. Meanwhile, five companies reported that their business had not experienced any growth in turnover, and one company was unable to report on turnover growth.

In summary, 50% of businesses consulted had already increased turnover by a total £4.76m, and a further 10% were on track to achieve an increase of £2.6m by mid-2019.

5.4.2 Employment

Prior to receiving support, the 20 mentee businesses consulted employed a total of **469.5** full-time equivalent (FTE) staff. This was forecast to grow to a total of **498.5** FTE jobs, an increase of **94** new FTE jobs.

The interim evaluation sought to explore the extent to which the forecast growth in employment is being achieved.

Of the 20 businesses consulted, 11 (55%) reported having already created new FTE jobs, five of whom plan to create further new FTE jobs in the next five years. A further four businesses plan to create new FTE jobs in their next financial year.

Four companies have not created new jobs, and have no plans to do so in future, while one company was unable to report on employment growth.

Collectively, 11 companies consulted have created a total of 58.5 new FTE jobs (gross), with a further 57 FTE jobs (gross) forecast in the next 5 years by 15 of the business consulted.

Better Jobs Created

A key objective of the North East LEP's Strategic Economic Plan is to create 'more and better jobs'.

Of the 58.5 FTE jobs created to date, at least **27.5 (47%) are better jobs⁸**, while at least 26 (46%) of the 57 forecast jobs will be better jobs. The actual figure is likely to be higher as not all businesses consulted provided details of actual or planned job roles.

5.4.3 Impact on GVA

An important measure of an economy's wealth is GVA. The impact of the Growth through Mentoring Programme on GVA can be estimated based on the number of gross FTE jobs created (58.5), and the average GVA per workforce job in the North East (which is £43,609⁹).

On this basis, **the total annual GVA (gross) created by the project to date is £2.551m.**

5.5 Mentor impacts

Mentors also reported **positive impacts** from being involved in the programme. This includes:

- **Improving mentoring skills.** Mentors state that participating in the programme has been an enjoyable and rewarding experience, which has helped to improve their mentoring skills. For example, learning to adopt different approaches for different people; and helping to build their confidence as a mentor.
- **Developing a fresh perspective for their own business,** as a result of experiencing a different business environment, or having their own ideas challenged as part of the mentoring process. This has enabled some mentors to review and improve their own business operation.

⁸ Defined as Standard Occupational Classifications Major Groups 1-3

⁹ This is based on the total GVA for the North East area in 2016 which was reported to be £50.674 million and the average number of workforce jobs in the North East in Dec 2016 (1.162 million) reported by ONS.

5.6 Net additional impacts

Public sector investment should bring about change that would not otherwise happen or which would only happen on a smaller scale, or take longer to achieve. This is referred to as net additional impact (or additionality).

There are a number of factors that affect the additionality of an intervention:

- **Leakage effects:** This refers to the extent to which any outputs or outcomes generated by the programme are lost outside of the North East LEP target area, or where ineligible businesses are supported.
- **Displacement effects:** This refers to the proportion of programme outputs / outcomes that reduce outputs / outcomes elsewhere within the target area. For example, if by supporting one group of businesses to grow, the Programme results in other businesses in the North East LEP area losing market share.
- **Multiplier effects.** Public investment may lead to further economic activity, for example, as local businesses spend money with local suppliers and employees spend wages in the local economy.
- **Deadweight effects.** This refers to the proportion of outputs / outcomes that would have happened anyway, even without the public investment.

5.6.1 Leakage effects

Analysis of the characteristics of the businesses supported by the programme demonstrates that all 33 are based in the North East LEP area. The majority of businesses are independent SMEs, owned and operating in the North East LEP area, and all new jobs created are taken by residents of the North East LEP area. Therefore, leakage of programme outputs and outcomes outside the North East LEP area is expected to be low.

However, evaluation evidence suggests that there are likely to be some leakage effects, as at least two of the businesses supported are part of a group structure, with headquarters elsewhere in the UK or overseas. An element of any turnover, profits and GVA benefits generated by these businesses may therefore flow outside of the North East LEP area.

Taking these factors into account, we suggest that leakage effects for the Growth through Mentoring Programme are likely to be at the low end of the scale. We have, therefore, applied a leakage rate of 5% to the outcomes reported by the beneficiary businesses (new FTE jobs created, increase in turnover and GVA). This is the median average leakage factor recommended by BIS¹⁰ for individual enterprise support projects delivered at the regional level.

5.6.2 Displacement effects

Evaluation evidence suggests that there are likely to be some limited displacement effects as the businesses supported operate partly in local and regional markets, as well as wider UK and international markets. Businesses were asked to estimate the proportion of their sales that were to customers based within the North East LEP area (County Durham, Northumberland, and Tyne & Wear). The median average range reported by consultees was 41% to 50% of sales being to customers based in the North East LEP area, meaning that 50% or more of sales are outside the North East LEP area.

¹⁰ BIS Research to Improve the Assessment of Additionality 2009

Meanwhile, the businesses consulted report that, on average, 21% to 30% of their main competitors are based within the North East LEP area. Therefore, as the SMEs supported by the Programme grow their turnover, there is a risk that this may be partly at the expense of the 21% to 30% of competitors based in the North East LEP area.

Overall, as the proportion of competitors based locally is relatively low, and at least half of sales are to customers outside of the region, the displacement effects of the Programme are likely to be low. Therefore, we have applied a displacement factor of 25% to the Programme impacts, which is at the lower end of displacement factors recommended by BIS¹¹ for business development and competitiveness projects delivered at the regional level.

5.6.3 Multiplier effects

The Programme will lead to knock-on effects in the regional economy as the businesses that have been supported to grow increase their spending with local suppliers, and employees in the new jobs created spend wages on goods and services regionally.

Feedback from the 20 businesses consulted suggest there are reasonable supply chains in place. The median average range reported is between 61% and 70% of business expenditure is with regional suppliers.

Meanwhile, the project is having a reasonable local employment impact, with a total of 58.5 FTE jobs already created, and a further 57 planned during the next 5 years in the North East LEP area. These employees will go on to spend some of their wages in the regional economy. This suggests that income multiplier effects may also be relatively strong.

As a result, we suggest that the combined multiplier effect is likely to be mid-range. Therefore, we have applied a combined multiplier effect of 1.50, which BIS suggests is the median average combined multiplier for business development and competitiveness projects at the regional level¹².

5.6.4 Deadweight

The mentees were asked to estimate the extent to which any growth in turnover or employment experienced by their business could be attributed to the mentoring support.

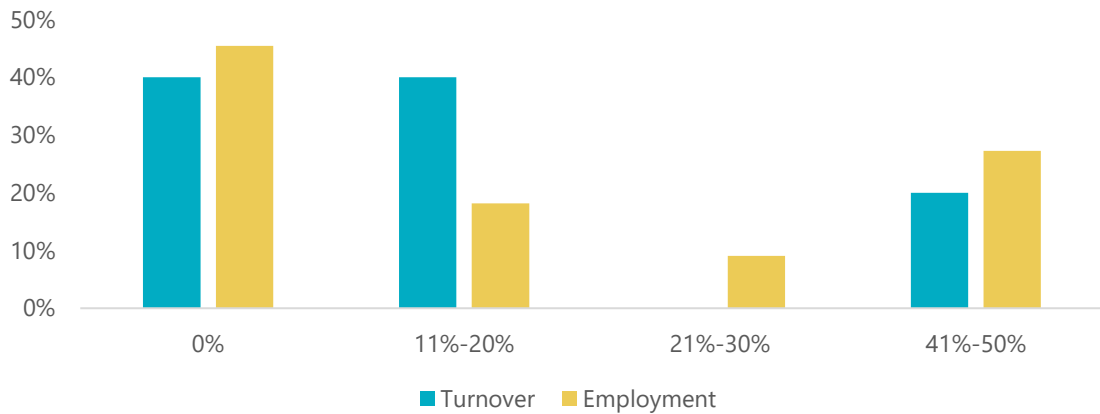
40% of businesses said that none of the turnover impacts were attributable to the mentoring, and 45% of businesses said that none of the employment impacts were attributable.

However, taking the average across all businesses consulted, between 11% and 20% of the growth impacts can be attributed to the Growth through Mentoring Programme.

¹¹ BIS Research to Improve the Assessment of Additionality 2009

¹² BIS Research to Improve the Assessment of Additionality 2009

Figure 27: Attribution of business impacts to Growth through Mentoring



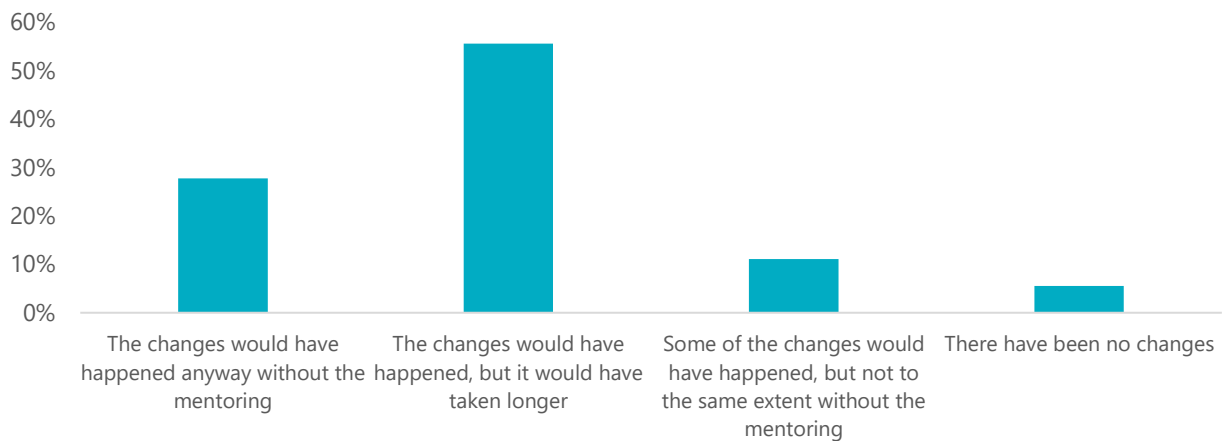
There are a number of reasons for this:

- All of the businesses were already growing at the time of applying for mentoring, as a result of existing plans, activities and investments (i.e. the cause of the business growth pre-dates the mentoring).
- The amount of mentoring support provided (three meetings over a period of three months) is so small that it's difficult for mentees to attribute their business growth to this support, particularly as in many cases they are undertaking other activities themselves to grow the business.
- Growth is being driven primarily by underlying market factors, rather than any particular mentoring advice or support.
- Some mentees were receiving growth support from other sources at the same time as the mentoring (e.g. the North East LEP's Scale-Up Programme; Barclays Bank and Cambridge University Scale-Up programme; Generator NE Scale-Up). Consequently, mentees found it difficult to attribute their business growth to the mentoring support provided.

Mentees were also asked to indicate the extent to which the growth in turnover and employment would have happened anyway, in the absence of mentoring.

6% of mentees reported that their business had not grown; 28% said that the business would have grown anyway without the support; and 67% said their business would have grown anyway, but it would have taken longer, or been smaller, without the mentoring support.

Figure 28: To what extent would the changes in employment and turnover have occurred anyway, without the mentoring?



Source: Evaluation feedback from 18 mentees

In general, the feedback from most businesses was that the mentoring support was valuable and important, but that it had not had a significant impact on the growth of the business.

The low average level of attribution (11%-20%) is both reasonable, and to be expected, given the limited amount of support provided to mentees by the Programme, and the fact that the majority of mentee businesses were growing prior to accessing mentoring.

Overall, the analysis suggests that deadweight effects are likely to be high for the mentee businesses assisted by the Programme. Therefore, we have applied a deadweight factor of 80% to the impacts generated by the programme (new FTE jobs created, increase in turnover and GVA).

5.6.5 Total net additional impact

Applying the above additionality components to the gross performance results reported by the Programme to date results in an overall net additionality ratio of **21.3%**.

The table on page 50 demonstrates how the gross results of the Growth through Mentoring Programme to date¹³ have been adjusted to take account of the factors of net additionality. The results are as follows:

- The 58.5 gross new FTE jobs created is adjusted to **12.5 net new FTE jobs created**.
- The £4.67m gross increase in turnover is adjusted to a **net turnover increase of £0.998m**.
- The £2.551m gross increase in GVA is adjusted to a **net GVA increase of £0.556m**.

¹³ As reported in BE Group's MGP Impacts Report (November 2017)

As this is an interim evaluation, and the Growth through Mentoring programme will continue, it is important to note that the gross and net impacts are likely to change in future. The mentee businesses supported to date, including those consulted, may continue to grow, and additional mentees may benefit from mentoring to support their business growth, creating additional new FTE jobs and growing business turnover.

Table 1: Net additional impact calculations

Indicator	Gross impacts	Deadweight	Displacement effects	Leakage effects	Multiplier effects	Net Additional Impact	
						Number	%
FTE jobs created	58.5	11.7	8.8	8.3	12.5	12.5	21.3
Increase in turnover	£4,762,859	£934,572	£700,929	£665,882	£998,824	£998,824	21.3
Increase in GVA	£2,551,144	£510,229	£382,762	£371,191	£556,787	£556,787	21.8

5.7 Value for money

It is good practice to measure the value for money of public sector investment in terms of:

- Cost effectiveness as measured by costs per net outputs; and
- The return on investment (ROI).

As of September 2018, total public sector expenditure on the Growth through Mentoring Programme totalled £86,138. This includes salary costs for the Mentoring and Brokerage Manager, plus a small amount for marketing and communications, and staff training.

5.7.1 Cost effectiveness

To estimate the cost effectiveness of the project, the cost per net job created has been calculated by dividing the total public sector expenditure defrayed by September 2018 (£86,138) by the number of net additional jobs created (12.5 FTEs).

Figure 29: Cost per net output

Output	Growth through Mentoring (cost per net outcome)	RDA business development and competitiveness interventions¹⁴
Jobs created	£6,889	£14,221

This is likely to overstate the true cost per net job created because the total number of jobs created (58.5 FTEs gross) is based on information provided by the 20 mentee businesses consulted. However, a total of 30 unique businesses had been supported by the end of September 2018, and it is likely that some of the businesses that were not consulted will also have created jobs. This would have the effect of increasing the total number of jobs created and reducing the cost per job created.

5.7.2 Return on investment

In accordance with government guidance, the return on investment (ROI) delivered by the Growth through Mentoring Programme by the end of September 2018, is estimated based on the net additional GVA impact (£0.556m) divided by the total public sector expenditure defrayed (£86,138).

The outturn to date in terms of return on investment is 6.5:1 i.e. for every £1 of public sector investment, £6.50 of net GVA has been generated. However, this may change, as the project continues delivery and further public sector expenditure is defrayed, and additional GVA is generated.

¹⁴ Impact of RDA Spending, BIS (2008)

5.8 Summary

The evaluation evidence demonstrates that the majority of mentees and their businesses supported by mentoring have experienced positive impacts and benefits.

At least half of those consulted have achieved growth in turnover, employment and GVA, while others are forecasting further growth in future years. In addition, the majority reported positive impacts on their own professional development and on their business, with some improvements already resulting in tangible benefits such as restructuring the business to support growth; appointing an operations manager; setting up a commercial sales and marketing function; or developing a more realistic but ambitious growth strategy.

It is important to highlight that the impacts and benefits identified above only relate to the companies consulted, rather than all businesses supported. Therefore, the benefits are likely to be understated, and are also likely to change in future as the businesses supported by mentoring continue to grow, and additional businesses benefit from mentoring through the continued delivery of the Growth through Mentoring Programme.

Evaluation evidence indicates that the project has been well targeted, with minimal leakage effects, and with displacement and multiplier effects that reflect the lower range of BIS averages for regional business development and competitiveness projects. However, deadweight effects are higher, with the businesses consulted reporting that, on average, 20% of business growth can be attributed to the mentoring support.

6 Key findings and lessons

The interim evaluation research has identified a number of key findings and lessons, which could help inform the design and delivery of future mentoring programmes focused on business growth.

6.1 Progress towards Programme objectives

- There is evidence that the objectives of the Growth through Mentoring Programme are in the process of being achieved. For example, there is some evidence of **progress in supporting businesses to achieve growth**, with 50% of businesses consulted already achieving growth in turnover and / or employment, and more expected to in future. However, growth is attributable to a range of factors, not only mentoring.
- The objective of bringing **growth potential businesses together with experienced business people** who have successfully scaled a business has been achieved.
- There has also been progress towards supporting the development of **leadership capacity and strategic thinking**. The greatest impact of the mentoring in terms of personal development has been on mentees' strategic thinking and understanding, and business confidence, with 50% reporting a significant or good impact in both of these areas. 39% reported a significant or strong impact on leadership skills.
- The direct engagement strategy has worked well, proving an effective means of engaging both mentors and mentees. However, there is fairly limited recognition of the **communications campaign**. There is lower than expected take-up of the programme so far, based on the initial anticipated take-up of 50 mentees per annum (NB: this was revised subsequently to a target of 30, reflecting a conscious decision by the North East LEP to focus on delivering high quality matches). The activity to date has demonstrated the benefits of mentoring, but there is little evidence to date that these messages have been picked up in the wider business community, for example there is no recognition of the case studies.
- One issue which may impact on the achievement of Programme objectives is the **selection of mentees**. Not all mentees are business leaders, and not all mentee businesses are potential high growth companies (although they all do have a growth ambition). Some mentees are not in a sufficiently senior position in their company to influence business growth; while some are managing a subsidiary business of a larger corporate entity. While they can influence growth within their branch or subsidiary, there are often larger corporate issues impacting on growth over which they have little influence.

6.2 Business engagement, targeting and demand

- Overall, the Programme has been **well targeted** on the intended group of business leaders and growth businesses. 80%-90% of **mentee businesses** fit the eligibility criteria, with those that don't demonstrating growth ambition and potential. However, there are a small proportion of mentees that are not business owners / leaders, and who are unable to influence growth in their business. Similarly, the **mentors** fit the expected profile, with most being senior business leaders with experience of business growth and scale-up, participating in the Programme for mainly altruistic reasons.

- Most of the **businesses supported to date are concentrated in Newcastle and Gateshead**. There is significant potential to extend the reach of the Programme beyond Newcastle and Gateshead into other parts of the North East LEP area.
- **Personal contact from the LEP is the most effective way of engaging businesses / mentees and mentors onto the programme**. For mentors the next most effective way is via word-of-mouth, while for mentees the next most effective ways are via social media, word-of-mouth, or a recommendation from their company HR dept. However, there is limited resource within the LEP to be able to rely on personal engagement, unless more resource can be made available, e.g. the three recently appointed Business Connectors.
- Mentors believe there is a need to **raise the profile of mentoring support** to increase levels of demand from growth potential businesses. Better use of existing business support programmes (e.g. Scale-Up), contacts and networks could help to generate mentee referrals onto the Programme.
- **Mentees are primarily motivated to seek a mentor to support business growth**, while a smaller number were driven by their personal and professional development needs e.g. improved business skills, career progression, or transition to a more senior job. **Mentors were primarily motivated to volunteer for altruistic reasons**, wanting to 'give something back'. A small number also wanted to learn from what's happening in the business community, and to build new networks.
- To date, there have been **relatively low levels of demand** for mentoring from growth potential businesses compared to initial LEP expectations. One reason for this may be the prevalence of other business growth and scale-up programmes available in the North East LEP area, which may be impacting on demand.

6.3 Matching process

- The **effectiveness of the match between mentor and mentee is crucial to the success of the mentoring** relationship. Evaluation feedback suggests that this process has worked well so far, with mentors and mentees recognising that this is largely attributable to the skill of the Mentoring and Brokerage Manager.
- Mentees and mentors appreciate the **time and care taken by the LEP** to talk to each person, to really understand their needs / areas of expertise, and to make the most appropriate match.
- The **majority of matches have worked well**. Where the match has worked less well, this is either due to the mentee being unclear about their requirements and what support they need from a mentor; or a lack of mentoring skills and experience.
- A minority of those consulted commented on the time taken to match mentors and mentees. While both mentees and mentors recognise that achieving a quality match is important, and that this may take time, they suggested that **more frequent communication** from the LEP about progress would be helpful.

6.4 Delivery model and effectiveness

- The **quality of the mentoring and the mentors is rated highly** by the majority of mentees. All of the mentees consulted rated the professionalism, credibility, understanding of leadership and management, understanding of business growth, and strategic

understanding of the mentors as good or excellent. This is seen as a high-quality programme.

- Evaluation feedback indicates that mentee support needs are well matched to the expertise on offer from the mentors. All mentees felt that the mentor offered the skills and expertise they needed and, for the majority of **mentees**, the **mentoring met or exceeded their needs**.
- Three mentoring sessions over three months worked well for many mentors and mentees. But **there are distinct variations in how these sessions are delivered** for example, meetings last between 1.5 and 3 hours; the frequency of meetings varies from monthly to bi-monthly; and some mentors hold an introductory meeting followed by three mentoring sessions, while others stick to three meetings.
- Most **mentees** felt that **three sessions are not enough**. While they appreciate that the mentors are volunteers, more time would be preferable as it would allow them to explore more business issues, or to explore issues in more detail. Suggestions include having longer meetings; four sessions including an introductory meeting followed by three mentoring sessions; a follow-up session a few months later to review progress; or perhaps six meetings over six months. Most **mentors** also felt that **three sessions are insufficient**, and there appears to be some willingness on the part of mentors to do more.
- Some mentors and mentees have **continued to meet** following the end of the three sessions. Some meet on a voluntary basis, while others meet on a commercial basis.
- Most meetings were informal, taking place off-site, often in a venue selected by the mentee, where they feel comfortable. Evaluation feedback suggests that **what works best** in the mentoring meetings is having **a structured approach** i.e. having an agenda, agreeing the focus of the discussion, preparatory work, progress reviews, and completing agreed tasks in-between sessions. Good **mentor listening and communication skills** are important, as is providing encouragement alongside constructive challenge, an independent or fresh perspective, an ability to inspire trust, and being insightful and clear minded.
- The most **beneficial aspects of the mentoring** are building confidence; developing skills; improving understanding of business issues; practical problem solving; taking time out from the business; independent confirmation and validation of the mentee's approach; and the ability to discuss business issues with someone external to the business.
- Mentees and mentors suggested **a small number of improvements** to the programme, including: a more in-depth mentee diagnostic to clarify needs and confirm mentoring is the most appropriate approach; more mentoring time; networking meetings for mentees; more advance notice of mentor workshops, or holding early evening meetings; information about what happens at the end of the mentoring sessions, including progression information and clarification of ongoing meetings with the mentor; more regular communication with the LEP about overall Programme progress and levels of demand; and feedback from mentees to mentors.
- Evaluation evidence suggests there is a lack of clarity from some mentors and mentees about **the difference between mentoring and coaching**. For example, mentors reported some mentees expected the mentor to write a business plan; or to tell them what to do, rather than to talk through ideas and suggest different ways to approach an issue. It may be beneficial to have more information available at the start of the process about the role of a mentor, and how it differs from coaching.

- 45% of mentees are **also involved in other business growth and scale-up programmes**. Growth through Mentoring was designed to add value to other support programmes, providing an additional layer of one-to-one support to facilitate business growth. It is apparent that there is a lot of other mentoring and business support available in the North East LEP area, some of which is free to access and some of which is paid for.

6.5 Benefits and impacts

- The mentees consulted reported both personal development impacts (e.g. **strategic thinking and understanding, business confidence, and leadership capability**), and business impacts (e.g. **business planning, business strategy**) as a result of the mentoring. In some cases, these improvements have already led to tangible benefits for the mentee and / or their business.
- Of the 20 companies consulted, half have already increased turnover by **£4.76m** (gross), and 11 have already increased FTE employment by **58.5** new FTE jobs (gross). Other businesses are expecting an increase in turnover and / or employment in future.
- The total annual **GVA (gross)** created by the project to date is **£2.551m**.
- Evaluation evidence indicates that the project has been **well targeted**, with minimal leakage effects, and with displacement and multiplier effects that reflect the lower range of BIS averages for regional business development and competitiveness projects.
- However, deadweight effects are higher, with **attribution of impacts to the mentoring support being quite low**. There are a number of reasons for this, including: mentee businesses were already growing at the point when they sought a mentor; growth is being generated by market conditions; a proportion of mentees are getting help from other sources (including Scale-Up North East); and the Programme provides a fairly light touch intervention.
- **Turnover and employment impacts are likely to be understated**, as they are based on feedback from 20 businesses, rather than the full cohort of 33. In addition, it can take some time for impacts to be realised; some of the businesses consulted have yet to complete their mentoring sessions; the businesses supported may continue to grow in future; and there is potential for additional businesses to benefit from mentoring through the Growth through Mentoring Programme.

6.6 Lessons for mentoring programmes

The interim evaluation has identified a small number of key lessons which could help to inform the ongoing delivery of the Growth through Mentoring Programme, as well as the development and delivery of future mentoring programmes.

- **Mentee motivation is an important factor in the overall success of mentoring.** Evaluation feedback has highlighted that mentoring is most effective when mentees are self-motivated; clear about their objectives and the support they need from a mentor; and are in a sufficiently senior position within their business to be able to influence growth. In future, an initial diagnostic or assessment at the start of the process, to clarify mentee motivations, objectives and job role, could help to ensure the mentoring process is effective and worthwhile for both the mentee and their mentor.

- The **focus on quality is positive and has been welcomed** by both mentees and mentors. This approach sends a clear message to the market about the calibre and motivations of the mentors, and of the potential quality of the mentoring available. This focus on quality should be continued throughout the ongoing delivery of the Growth through Mentoring Programme, and in the delivery of future mentoring programmes.
- **Having a clearly defined mentoring offer is the right approach**, ensuring that both parties are clear at the start of the process about what to expect. This approach helps to manage mentee expectations, while ensuring that mentors do not feel that their goodwill is being taken advantage of. However, evaluation feedback suggests that there are currently some variations in how the core offer is delivered, and that three sessions have proved insufficient to meet many mentee needs. In future, it may be preferable to have a range of support available, depending on mentee needs and mentor availability. For example, this could range from three sessions of three hours each, to six sessions of 1.5 hours each. This could be another factor in the matching process.
- **The matching process works well.** However, it is highly dependent on personal relationships and knowledge, which requires dedicated resources. Current LEP resources may be insufficient to undertake this detailed process effectively, which may impact on the quality of the matches being made, the frequency of matches, or the level of demand for mentoring support.

Appendix A: Acknowledgements

New Skills Consulting would like to thank the following for their input to the interim evaluation:

Name	Role	Organisation
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