

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

11 AUGUST 2023



CONTENTS

1	Executive summary	5
1.1	Background	5
1.2	Evaluation framework and methodology	6
1.3	Findings	7
1.3.1	Logic model components - outputs, outcomes and impacts of Innovate UK EDGE COVID-19 support	7
1.3.2	Heterogeneity	10
1.3.3	External factors	11
1.3.4	Value for money	13
1.3.5	Lessons learnt	13
2	Introduction	15
3	Innovate UK EDGE and the Fast Response COVID-19 advisory support	16
3.1	Innovate UK EDGE COVID-19 support	16
3.2	Context in which the intervention was delivered	19
3.2.1	Other advisory support available	22
4	Theory of Change and Logic Model	24
5	Evaluation questions and methodology	26
5.1	Evaluation questions	26
5.2	Evaluation methodology	27
5.2.1	Defining the counterfactual	28
5.3	Secondary analysis (analysis of existing data)	30
5.3.1	CRM data on beneficiaries	30
5.3.2	Secondary quantitative analysis	33
5.4	Primary data collection	37
5.4.1	Beneficiary survey	37

5.4.2	Qualitative research	38
5.5	Mapping evaluation questions to methodologies	39
6	Detailed findings by evaluation question	41
6.1	Theme 1 – logic model components	41
6.1.1	Short-term business survival rates	41
6.1.2	Stabilisation of medium-term business operations and finances	44
6.1.3	Ability of businesses to grow, scale and pivot towards new opportunities	48
6.1.4	Contribution to business outcomes	52
6.1.5	Investment, funding, leverage, IP and products	57
6.1.6	Enhanced innovation culture	63
6.1.7	Wider UK economic performance	65
6.1.8	Societal outcomes	65
6.1.9	Knowledge sharing and collaboration	65
6.2	Theme 2 – Heterogeneity	66
6.2.1	Variation by COVID-19 persona	66
6.2.2	Variation by other business characteristics	70
6.3	Theme 3 – External factors	73
6.3.1	Interaction with other support	73
6.3.2	Awareness of other innovation-related support	78
6.3.3	Impact on non-EDGE beneficiaries	81
6.3.4	External factors enabling or hindering delivery	81
6.4	Theme 4 – Value for Money	83
6.4.1	Did the COVID-19 support activities deliver value for money?	83
6.5	Theme 5 – Lessons learnt	85
6.5.1	Evaluation question 11 – What lessons and insights are learned as a result of the programme of support?	85
7	Conclusions	88
	Annex A – Theory of change	91
A.1	Methodology used to develop the theory of change	91
A.2	Key narrative elements of the theory of change	91

Annex B –Survey methodology	98
B.1 Composition	98
B.2 Survey methodology	100
B.3 Survey questionnaire	100
Annex C – Qualitative interview topic guide	121
C.1 Interviewer instructions	121
C.2 Interviewer introduction	121
C.3 Interviewee profile	122
C.4 Engagement with Innovate UK	123
C.5 Other forms of support	124
C.6 Outcomes of the engagement	125
Annex D – Funding and finance raised by EDGE beneficiaries	129
Annex E – Further analysis of survey results (descriptive charts)	132
E.1 New markets	132
E.2 Business growth	133
E.3 Strategic decision making	134
E.4 Profitability	135
E.5 Investment, funding, leverage, IP and products	136

1 Executive summary

This report was prepared by Frontier Economics and BMG Research for UK Research and Innovation (UKRI) to provide an impact evaluation of the Innovate UK EDGE element of the Innovate UK Fast Response COVID-19 support between April 2020 and March 2022. We refer to these services as Innovate UK EDGE COVID-19 support.

The aim of this evaluation is to deliver robust evidence on the impact of the Innovate UK EDGE COVID-19 support including an assessment of value for money. This evaluation attempts to assess not just what the Innovate UK EDGE COVID-19 support delivered, but how and why benefits were (or were not) realised.

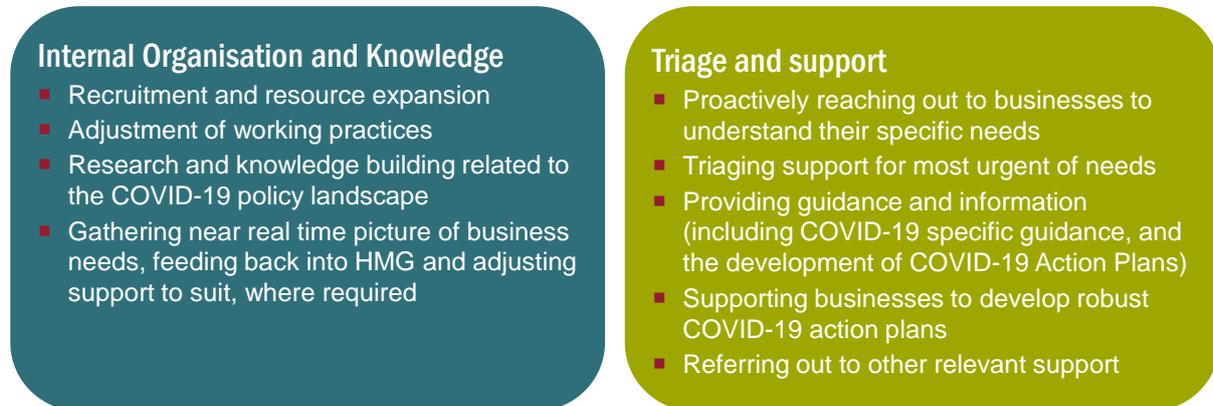
1.1 Background

Innovate UK (IUK) EDGE is a programme of wrap-around business advisory support available to high potential small- and medium-sized innovation-driven companies. EDGE support is delivered across the UK through a network of 20 local delivery partners, such as universities, chambers of commerce and private companies. These partners leverage a network of expert advisors and over 300 specialists to deliver support to businesses in their area.

In response to the COVID-19 pandemic, Innovate UK received an injection of funding from the Government to expand its business innovation and growth advisory support for scaling (and potentially scaling) businesses. This was a part of the Government's investment to support businesses through the pandemic and ensure innovative UK businesses had the support needed to meet the immediate needs of businesses which were clearly suddenly very different to what they had been pre-COVID.

Innovate UK EDGE was allocated an additional £39 million to its COVID-19 Fast Response business innovation and growth advisory services offer. Around £22 million was apportioned to deliver Fast Response COVID-19 advisory support for up to 6,000 businesses across England, Northern Ireland and Wales. The types of activities delivered with the funding are summarised in Figure 1.

Figure 1 Business innovation support activities delivered by Innovate UK EDGE local delivery partners



Source: Frontier Economics

Business 'health personas' – Survive, Stabilise and Grow – were used to classify businesses and contextualise the support they needed. Business 'life-stage personas' were also used to further classify businesses and their needs at each stage of their life cycle, and to tailor the support offered. There were five life-stage personas: Pre-seed, Seed, Early Stage, Growth, and Scale.

1.2 Evaluation framework and methodology

We developed and implemented a 'theory-based' evaluation (Contribution Analysis) of the Innovate UK EDGE COVID-19 support, reflecting the complex landscape and many uncertainties businesses had to navigate during the pandemic, the range of intended outcomes and impacts of EDGE, and the wide set of other business support policies available throughout the COVID-19 pandemic.

The evaluation is structured around eleven Evaluation Questions (EQs) identified from the underlying theory of change (see Figure 5 of the main report). The EQs were further grouped into five over-arching themes:

1. *Logic model components* – outputs, outcomes and impacts of Innovate UK EDGE COVID-19 support
2. *Heterogeneity* – how impact varied by support type and business type
3. *External factors* – barriers and enablers affecting impact
4. *Value for money* – evidence on whether the benefits attributable to the support exceed the costs of providing support
5. *Lessons learnt* – implications of the support going forward

Our understanding of the counterfactual – what would have happened absent the support – was based on triangulating across three main evidence sources:

- A primary **beneficiary survey**, of 633 businesses who received the Innovate UK EDGE COVID-19 support. Survey responses were collected both via an online survey (529 businesses) and by telephone (104 businesses), collecting self-reported views on the additionality and impact of the support across a range of EQs and indicators. Survey fieldwork took place between December 2022 and January 2023. The overall survey response rate was 11% for supported businesses.
- **Qualitative insights drawing on 33 in-depth stakeholder interviews** with beneficiaries, and insights from a workshop where we presented and tested findings with delivery partners;
- **Secondary data analysis** including (1) analysis of internal monitoring Customer Relationship Management (CRM) data on beneficiaries to understand activities, outputs and short-term outcomes of the Innovate UK EDGE COVID-19 support; and (2) linking this CRM data with publicly available data on the UK business population to help evaluate select economic impacts, benchmarked against a wider group of non-supported firms.

1.3 Findings

We summarise our findings below for each theme.

1.3.1 Logic model components - outputs, outcomes and impacts of Innovate UK EDGE COVID-19 support

The evidence indicates the support has been beneficial across a number of areas. Survey findings show respondents positively rating the influence of the support summarised in the table below. Where respondents did not report a positive impact, they almost always reported a neutral, rather than negative, impact of the support.

Table 1 Innovate UK EDGE COVID-19 support impact by area, as perceived by survey respondents

	% reporting positive impact in this area
Pivot and grow or scale to new market opportunities	72%
Entering new markets	68%
Knowledge of how to access funding and finance	67%

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

	% reporting positive impact in this area
Strategic decision making about the market position of the organisation	67%
Knowledge of the market in which my organisation operates or would like to operate	62%
Gaining new/additional IP	60%
The growth of my organisation	57%
The investment readiness of my organisation	55%
Maintaining jobs	52%
Access to funding and finance	52%
Management of innovation in my organisation	51%
Knowledge sharing and collaboration with other organisations	51%
Turnover	51%
Capability to develop new products or services	50%
Spending on RD&I	50%
Knowledge of regulations and standards relevant to my organisation	47%
Business processes in my organisation	47%
The productivity and/or efficiency of my organisation	45%
Culture of innovation in my organisation	45%
Creating new jobs	44%
Quality of jobs created	44%
The profitability of my organisation	40%

Source: Analysis of survey results by Frontier Economics and BMG

Note: Base sizes vary (see section 6 for further detail).

The most positive findings were that the Innovate UK EDGE COVID-19 support was seen as an important contributor to stabilising medium-term operations and finances. In particular, the support has positively impacted firms' ability to continue producing goods and services throughout the pandemic with 81% of respondents reporting the support was important for this outcome. Our benchmarking analysis also found that beneficiaries were more likely to survive compared with a control group roughly matched by sector and region.

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

The evaluation highlighted that other COVID-19 and non-COVID support has also driven these benefits. Survey respondents, for example, cited public financial support was important in ensuring they were able to deliver goods and services throughout the pandemic (83% of respondents). Private financial support (71%) and other forms of advisory support than Innovate UK EDGE COVID-19 support (72%) were considered relatively less important in driving this outcome.

In-depth interviews also indicated that the support had a positive impact on increasing business resilience for the majority of the businesses interviewed who were negatively impacted by COVID-19. The support played an instrumental role in helping businesses deal with a variety of challenges faced over the period, contributing to the stabilisation of medium-term business operations and finances. This included helping businesses develop strategies to operate in a more sustainable way, giving them “the confidence to want to keep going” by providing valuable ongoing advice and support, providing key market intelligence and helping identify ways to reduce outgoings.

"It [focus of the support] was about building a sustainable and robust business that would work pandemic or no pandemic...our whole offering is now done online."

The few businesses who struggled to identify any tangible positive impact of the Innovate UK EDGE COVID-19 support in this regard tended to be more specialised businesses who required relatively more tailored support (e.g. help to optimise the design of a trial of new product to be launched, and tailoring this to the pandemic environment).

A majority of survey respondents stated they had entered new markets (geographical and product) since the start of the pandemic. Of these, 68% consider that the Innovate UK EDGE COVID-19 support had a positive impact. 72% of those who had entered new markets also reported that the support they received had positively impacted growth/scaling and pivoting to new opportunities.

Our in-depth interviews also revealed a positive impact of the support on the ability of businesses to grow and scale operations. Interviewees that had experienced growth as a result of the support provided examples of what this looked like in their business. This ranged from support with developing business strategy including evolving their technology further to grow the business, determining the right pricing strategy and even support and advice that helped in bring in sales.

"It [Innovate UK EDGE COVID-19 support] helped us progress our road map for evolution of our of our software, but it also helped us focus on a specific project that might help us grow the business."

Responses on the impact of the support on businesses' ability to access funding or finance was more mixed with 52% reporting the support had a positive impact on this and 42% stating no impact at all. This is also reflected in the in-depth interviews with some businesses reporting this support was very useful in helping attract new investment and/or funding, while others

expressing disappointment that the support was “less effective” than they had hoped in this regard and as such “didn’t funnel into additional investment”.

Of the businesses which found the support helpful, one attributed both an IP grant and Catapult support (part of the EDGE Growth support account) subsequently won to the EDGE support and its role in making them aware of these options – highlighting benefits of the integrated system of broader EDGE support (“100% through the UK EDGE Support system. Yeah, we wouldn’t have got that otherwise”). Others discussed the critical role of the EDGE partner in reviewing pitch documents and other business material which ultimately contributed to winning funding and investment.

“The help with going through the pitch deck and not having it just me and my co-founder...was immeasurably helpful...helped attract private investment of £625k, prior to pandemic in February 2020 [we] had been planning to try to raise £250k”

The role of the support in ensuring staff wages are paid was thought to be comparatively less significant (as might be expected given that the support was not in itself providing finance to firms) with 51% of respondents rating the support as important in this context.

The lowest positive ratings were on the impact of the support on financial outcomes like maintaining jobs, job quality, job creation and profitability. This is not surprising given, as mentioned above, the support was advisory in nature and so not in itself providing finance to firms. The lack of positive ratings here may also possibly reflect the longer timeframes for these types of impacts to materialise.

1.3.2 Heterogeneity

Drawing on the large number of survey respondents, we explored whether any of the reported impacts varied by COVID persona (Survive, Stabilise, Grow). We found no strong evidence of systematically different responses between the groups.

Where statistically significant differences did occur, they indicated that the Innovate UK EDGE COVID-19 support was slightly more valuable for ‘Survive’ businesses in certain areas. Namely, a higher proportion of ‘Survive’ businesses have said that the support they received positively impacted their ability to grow/scale and pivot towards new market opportunities (85%), enter new markets (82%) and gain new/additional IP (72%). ‘Survive’ businesses have also placed a higher importance on the advisory support for paying staff wages (62% compared to the 51% average response).

In-depth interviews have also indicated that ‘Survive’ businesses, and to some extent ‘Stabilise’ businesses, tended to find certain aspects of the support more valuable. This might be because ‘Survive’ businesses tended to be younger and more heavily impacted by COVID-19. ‘Grow’ businesses tended to be well established prior to the pandemic, and subsequently were much less impacted by the pandemic, if at all. These businesses found the support

helpful to some extent but most qualitative respondents in this group indicated that the benefits identified would have been similar absent the support.

We found more striking differences in terms of the intensity of support received. Where more days of support are provided, the businesses tended to report a higher positive impact on outcomes. This is evident from the impact businesses reported on innovation-related aspects and further key metrics of the survey, where respondents who received up to 3 days of support were significantly less likely than average to rate the support as positive, while respondents who received 5 or more days of support were significantly more likely to state that the support had a positive impact.

We note that this observed correlation between days of support received and perceived positive impact might also be due to reverse causation. Firms that were more likely to benefit from the support may have received it for longer, while firms which required less support or found it less beneficial may have taken fewer days.

1.3.3 External factors

We find some, albeit limited, evidence of complementarities between Innovate UK EDGE COVID-19 support and other support received by businesses over the same period.

Survey evidence indicated that, in addition to the Innovate UK EDGE COVID-19 support, the majority of the businesses had also accessed other forms of supported during COVID-19. The key type of support received by businesses over this period was some form of external finance (78% of respondents). Just over a quarter of respondents (26%) stated they had received another form of advisory support in addition to this support.

This is in line with interview findings which suggested the majority of the businesses interviewed had received other forms of COVID-19 support, including broader innovation related support. Some of the businesses interviewed discussed certain complementarities between the Innovate UK EDGE COVID-19 support and other forms of COVID-19 support, however the majority of businesses indicated there was no interaction between the different types of support.

Examples of complementarities between Innovate UK EDGE COVID-19 support and other forms of support discussed by businesses include the following:

- complementarities identified between (both IUK and other) grants won and Innovate UK EDGE COVID-19 support, as the grant provided the resources to market products in a new market and the EDGE partner provided advisory support in this area.
- complementarities identified between the other broader business advisory support and Innovate UK EDGE COVID-19 support with a business stating that ultimately these different forms of support were “*complementary because they give support in different areas*”.

We also find some evidence that the support increased awareness of other types of innovation support with over half (53%) of survey respondents stating their EDGE partner made them aware of other innovation support. Interviews also revealed some mixed evidence of impact of the Innovate UK EDGE COVID-19 support in increasing awareness of other support. Some businesses reported no impact of the support on increasing awareness of other support available, or instances of being pointed to support that they were not suitable for (*“He [EDGE advisor] suggested we look into an R&D grant but turns out we weren’t eligible in the first place and wasted our time”*) Others stated the support had been helpful in generating awareness of other options and support available to them at this time including contributing to the awareness of grants available, more specialised support needed by some of the businesses, and other specific IUK support (e.g. IUK’s Global Business Innovation Programme).

“Our [EDGE] advisor gets the credit for the IP grant and that has been an immense help – wouldn’t have known about it without her”

Survey respondents were also asked about factors related to COVID-19 which may have enabled or hindered innovation in their organisation. The most important factors that enabled innovation include the Innovate UK EDGE COVID-19 support (55%), and public financial support (55%). The key barrier to innovation was seen to be the COVID-19 lockdowns and associated facility closures (49%).

The findings from the in-depth interviews were consistent with the survey results. The lockdowns were found to be the main barrier to the delivery of planned outputs, innovation and growth. Businesses were not prepared for the impacts of the lockdowns including a significant fall in revenue, lack of availability of collaborators and other partners, and the need to furlough employees.

Another barrier identified was the dip in availability of private investment and other financing options, especially at the outset of the pandemic with the uncertainty of COVID-19 leading to financial institutions and private investors to re-evaluate their plans for intended funding.

“I’d actually just gone to various pitch events to seek investments into the company, and we were in the middle of that as the pandemic hit. Suddenly everything dried up. People just weren’t wanting to invest at that point, understandably.”

The businesses interviewed found that the most important enablers to delivery of outputs, innovation and growth were the support they received from public bodies, including the Innovate UK EDGE COVID-19 support and other forms of IUK support.

Finally, there was mixed evidence on the impact of the remote nature of the support, with some businesses being happy with this, commenting that *“The online actually worked well because you had more time.”* However, others found that there were limitations that came with remote work, such as the inability to attend events in person or show trials to the EDGE partner in person, which would have been more effective.

1.3.4 Value for money

A quantitative comparison of monetised benefits and costs is difficult as the evidence available and nature of some of the benefits of the support make it hard to precisely quantify the attribution of the Innovate UK EDGE COVID-19 support to various outcomes and impacts. However, there are a number of factors that point to the positive impact of the support for businesses which are suggestive of value for money against the relatively modest programme costs.

- **Stabilising operations and growth.** The survey and qualitative findings suggest stronger benefits in terms of stabilising business operations, increasing business resilience, supporting innovation and ultimately helping businesses grow.
- **Higher survival rate for supported businesses.** The survival rate benchmarking analysis is consistent with this broader impact on business resilience. While full attribution to EDGE is difficult, even if the programme helped only some of the supported firms to survive who otherwise would not, this is likely to have generated significant benefits in terms of reduced unemployment costs.
- **Funding and financing received.** Analysis of the CRM data indicated that, overall, EDGE beneficiaries raised c. £160 million in funding and c. £385 million in financing. The wider evidence suggests beneficiaries felt this was partly attributable to the Innovate UK EDGE COVID-19 support. Even if only 5% of this additional funding could be attributed to the support, it would substantially offset the £22 million of public investment to expand the advisory services through the pandemic assuming that the value of investments is at least equal to the ultimate economic value.
- **Positive wider business impacts.** Our findings show that firms did attribute some business impacts such as employment retained and expanded, and quality of employment, to the Innovate UK EDGE COVID-19 support, while recognising that other factors such as public and private funding were also critical. We also find evidence that firms were helped in some cases to access these other mechanisms. Again while it is hard to value these impacts, together with the evidence on financing the evaluation evidence does suggest that positive business impacts can be attributed in part to the advisory support.

1.3.5 Lessons learnt

Finally, there are a number of insights offered by this evaluation of the Innovate UK EDGE COVID-19 business support programme, which may be useful to consider for delivery of other support services going forward:

- The support was targeted towards a particular role of businesses, more impactful on innovation than broader financial performance but this reflects the nature of support. This may be driven to some extent by the needs of the mix of businesses that received the

support which (while impacted by the pandemic) tended to be largely focused on innovation and growth.

- There is some evidence that more intensive support was associated with larger impacts although the causality is unclear. However this could justify change in the broader EDGE programme towards more intensive support. The effectiveness of the support did not appear to vary significantly across the different personas.
- The personalised nature of the support was valued by businesses as a strength of the programme, and unique to EDGE. Businesses added that they felt the positive impacts would have been enhanced further by a more action-oriented approach, as well as the ability to tailor support better to particular sector needs or to help signpost other support. At the same time businesses also acknowledged the immense pressure the advisors were under themselves over this period, managing challenges on multiple fronts, and commended them on the support provided at this uncertain time.

2 Introduction

A consortium of Frontier Economics and BMG Research was commissioned by UK Research and Innovation (UKRI) to undertake an impact evaluation of the Fast Response COVID-19 advisory support between April 2020 and March 2022. We refer to these services as Innovate UK EDGE COVID-19 support.

The aim of this evaluation is to deliver robust evidence on the impact of Innovate UK EDGE COVID-19 support including an assessment of value for money. This evaluation attempts to assess not just what the support delivered, but how and why benefits were (or were not) realised. The extent to which different elements of the delivery of these services generated benefits, and whether benefits were felt differently for different groups were also considered as part of the evaluation.

The evaluation draws on the following main sources of evidence:

- A primary **beneficiary survey**, of 633 businesses who received the Innovate UK EDGE COVID-19 support, including both responses collected via an online survey (533 businesses) and by telephone (104 businesses);
- **Qualitative insights drawing on 33 in-depth stakeholder interviews** with beneficiaries, and insights from a workshop held to discuss and test findings with delivery partners; and
- **Secondary data analysis** including (1) analysis of internal monitoring CRM data on beneficiaries to understand activities and range of outputs and short-term outcomes of the support; and (2) linking this CRM data with publicly available data on the UK business population to help evaluate economic impacts, relative to a 'control' group.

The remainder of the report is structured as follows:

- Section 3 describes the context of this evaluation, providing a brief history and summary of EDGE as well as the business support delivered in response to the COVID-19 pandemic.
- Section 4 summarises the theory of change and logic model for Innovate UK EDGE COVID-19 support developed for this evaluation.
- Section 5 sets out the evaluation questions and describes our evaluation methodology.
- Section 6 sets out our detailed findings against each of the evaluation questions.
- Section 7 provides an overall summary of the evaluation evidence and conclusions.

3 Innovate UK EDGE and the Fast Response COVID-19 advisory support

3.1 Innovate UK EDGE COVID-19 support

This evaluation focuses on COVID-19 support delivered by Innovate UK EDGE between April 2020 and March 2022. This activity represented a significant expansion of the broader Innovate UK EDGE support (see below), delivered through a £22 million investment secured by Innovate UK to deliver Fast Response COVID-19 advisory support for up to 6,000 businesses. The rapid deployment of the funding after the start of the pandemic reflected the need to support the changing immediate needs of businesses, and to sustain and enhance innovation by supporting the UK's innovation-intensive SMEs. Innovative high-growth-potential, high-growth and scaling SMEs were targeted according to these groups:

- SME's currently receiving Innovate UK and EEN support (including Global Business Innovation Programmes, Women in Innovation, Young Innovators);
- Innovate UK funding beneficiaries which are not receiving EEN support, excluding those receiving other Innovate UK COVID-19 support;
- Innovate UK funding beneficiaries which are newly supported through other interventions as part of Innovate UK's COVID-19 response package;
- Innovate UK EDGE Business Growth Adviser clients and high-growth SMEs in receipt of EU Horizon 2020, SME instrument and European Innovation Council (EIC) funding;
- Innovate UK EDGE SME growth clients, assuming they are not in the groups above; and
- New high growth potential clients, including referrals from Growth Hubs and other organisations.

Context: the broader Innovate UK EDGE programme

Innovate UK EDGE is Innovate UK's wrap-around business support service available to high potential small- and medium-sized innovation-driven companies. Previously known as the Europe Enterprise Network (EEN), Innovate UK EDGE support is delivered in England, Wales and Northern Ireland by a network of 20 local delivery partners led by Innovate UK (IUK), such as universities, chambers of commerce and private companies. These partners leverage a network of over 300 specialist expert advisors to delivery support to businesses in their area.

Innovate UK EDGE operates in a complex environment of business support, specialising in innovation and growth. Under the 'no-wrong door' principle, partners act to refer prospective beneficiaries to other organisations that can provide services not delivered by Innovate UK EDGE, if these are the most relevant support to be given. Referrals to Innovate UK EDGE come directly from either local Growth Hubs, or through their own National Enquiry Gateway. This is a service set up to triage business support requests to either consortium partners or other stakeholders which could offer business support.

Activities delivered by partners to support businesses under Innovate UK EDGE include:

- Providing information, advice and guidance tailored to individual business need, including around regulation, standards, market access, IP, etc.
- Support for partnerships and collaborations drawing on global partnership networks, partnering events to broker relationships, and specific initiatives such as the Innovate UK Global Business Innovation Programmes (GBIPs) and associated support.
- Targeted schemes focused on finance including funding at national, European, and international level, and support for pitching to help SMEs hone skills.
- Intensive coaching around innovation from experts, with face-to-face support helping businesses to address challenges around successful exploitation of innovation. A small number of high potential SMEs receive more intensive support for scaling up.
- Targeted support for underrepresented groups including Women in Innovation and Young Innovators, providing tailored advisory services.

Business health 'personas' were used to classify businesses and contextualise the support that they needed. An advisor would evaluate the business and designate one of the following three COVID-19 personas: Survive, Stabilise and Grow. Guidance was provided to partners around identifying these personas, as summarised below.

Table 2 COVID-19 Business Health Personas

Persona	Description
Survive	Focused on survival and keeping businesses alive. This support addresses short-term challenges (0 to 2 months) faced by the business, both survival and rapid growth.
Stabilise	Focus on businesses currently under control and looking at maintaining situation or options to move business forward. This support ensures medium-term stability of the business and to build resilience and plan for growth.
Grow	Focus on companies facing rapid growth and helping manage the new opportunity. This support ensures longer-term support getting the business back on track to realise their longer-term growth ambitions.

Source: Innovate UK Business Growth Team, Innovate UK (UKRI)

In developing our evaluation framework, we identified and agreed the following two broad categories to group different activities delivered:

- **Internal organisation and knowledge:** Including recruitment and resource expansion, adjustment of working practices, research and knowledge building related to the COVID-19 policy landscape, and gathering near real time picture of business needs, feeding back into HMG and adjusting support to suit where required.
- **Triage and support:** Including proactively reaching out to businesses to understand their specific needs, triaging support for most urgent of needs, providing guidance and information (including COVID-19 specific guidance), - supporting businesses to develop robust COVID-19 action plans, and referring out to other relevant support.

As part of the support, there were several activities which were undertaken by advisors for up to 5 days, with support delivered over three phases. These activities included:

- Analysis of the needs of the business and identification of their main challenges and pain points;
- Activities to address short-term issues (cashflow, etc.), stabilising the business and agreeing actions to move forward;
- Support to build resilience, manage innovation as well as building a plan for future growth; and
- Support growth plans by focusing on key challenges such as funding and finance, R&D and innovation capacity, re-building customer base, developing supply chains and accessing new markets.

For businesses with the highest growth potential, a few additional days of advisor time was focused on a strategic review for businesses, which centred on building a structure for growth, funding / finance for growth, entering new / global markets, and getting ready to scale.

Differences in business's life stage determined the specific type of growth support received across the categories above, given their needs.

- Very few 'pre-seed' companies were supported as part of the Innovate UK EDGE COVID-19 support. These businesses would typically be directed to other forms of support external to Innovate UK EDGE.
- If the company was designated as 'seed', 'early-stage' or 'growth' they would be likely to be given advice focused on building and testing their product, seeking customer validation and product market fit and seeking to enter new markets and find partnerships. We also note here that many of the early stage companies in particular were offered Innovate UK grants (and Innovate UK EDGE COVID-19 support) in the early stages of the pandemic to help support them at this time, relative to the 'typical' Innovate UK EDGE beneficiary profile pre-pandemic.
- If the company was designated as 'growth' with scaling potential then they may be offered services to help them scale up, including coaching support to help SMEs identify and address key barriers to scaling.

3.2 Context in which the intervention was delivered

The Innovate UK EDGE COVID-19 support was delivered as part of a broad landscape of interventions to support businesses during the pandemic. This is an important point of context for the evaluation. The support available to firms changed over time and by region. This meant it was often difficult for firms to navigate the support available that was relevant to them, including how to apply for and access it.

The most significant of these was the Coronavirus Job Retention Scheme which ran from March 2020 until September 2021. At its peak (see Figure 2), nearly 9 million jobs were on furlough, with government support covering up to 80% of original wages for furloughed workers at a total cost over the period of around £70 billion.¹

¹ House of Commons research briefing paper 9152 : Coronavirus Job Retention Scheme

Figure 2 Number of furloughed jobs (March 2020 to September 2021)



Source: Commons Library Research Briefing CBP 9152

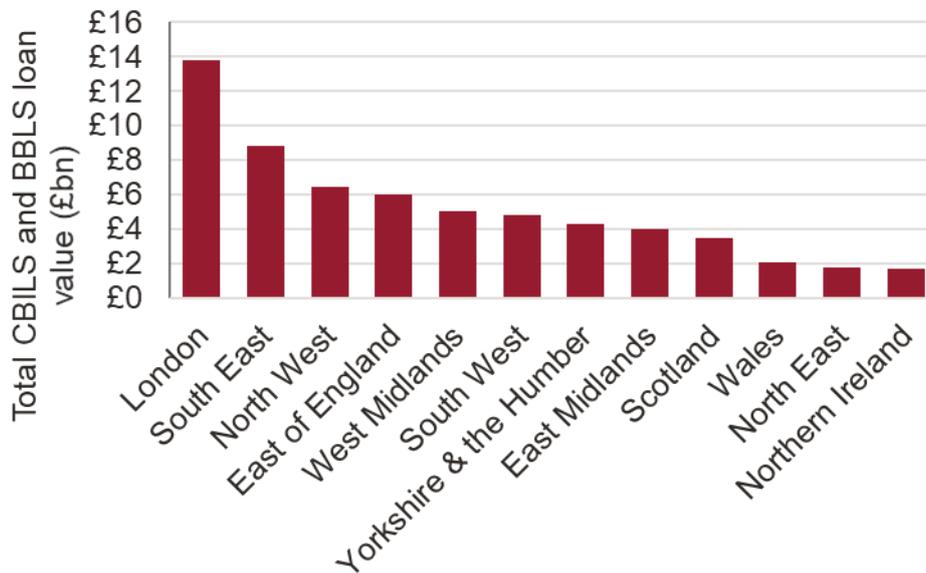
Across the full-time span of the scheme, the largest number of furloughed jobs were in the wholesale and retail sector; repair of motor vehicles sector and the accommodation and food services sector, which saw over 2 million furloughed jobs in total.² Overall, while this scheme obviously benefitted the workers themselves, it was also a highly important mechanism for businesses, including SMEs, since staff retention is important for them to stay afloat while they could not trade.

Another major source of funding came from the British Business Bank in the form of the Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Large Business Interruption Loan Scheme (CLBILS), the Bounce Back Loan Scheme (BBLs) and the Future Fund. These (partly) government guaranteed schemes approved 1.67 million facilities worth around £80 billion for UK businesses and acted to ensure businesses did not close during the pandemic.³ The regional distribution of CBILS and BBLs is shown in Figure 3.

² Ibid.

³ Frontier Economics calculations of British Business Bank statistics on COVID-19 loan support

Figure 3 Regional distribution of CBILS and BBLs loan value



Source: British Business Bank

Note: Excludes loans to unspecified regions, which make up less than 1% of total value and have been excluded from chart

In addition, further support came to businesses in the form of grants, tax rebates and reliefs, although some opportunities were unique to each nation in the UK. In England, for example, businesses could be allocated funds from the COVID-19 Additional Relief Fund (CARF).⁴ This saw a £1.5 billion support package allocated across Local Authorities. The Scottish government announced the Route Map Extension Restrictions Fund, a tiered financial support scheme whereby eligibility and the amount granted depended on the Protection Level (lockdown severity) of the Local Authority. For businesses operating in Wales, the Economic Resilience Fund (ERF) targeted businesses that were suffering negative effects from COVID restrictions, offering a cash grant as a financial counterbalance.

Besides COVID-19 support, Innovate UK EDGE also offered a wider package of support. This included grants competitions such as Fast Start, Continuity and UKRI Open Call grants. Through Fast Start UK registered small and micro businesses could apply for funding for affordable, adoptable and investable innovations. During COVID-19, Fast Start provided up to £40 million in funding for at least 400 companies to deliver new, improved or adapted innovation products or processes to overcome the challenges created by the COVID-19 crisis. The aim of the funding was to encourage R&D and innovation investment in already R&D intensive firms and new innovators.

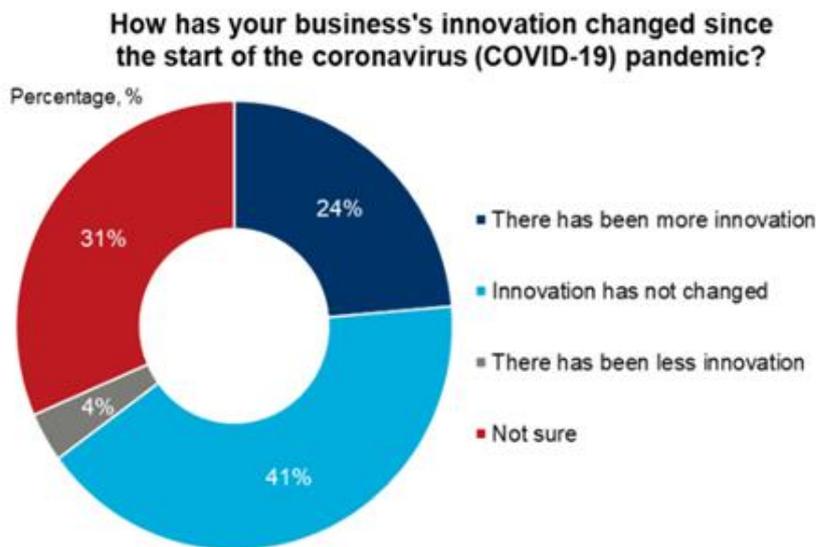
The need for business support through COVID-19 with an innovation lens was important. COVID-19 unsurprisingly altered businesses’ priorities. While many SMEs may have

⁴ [COVID-19 Additional Relief Fund \(CARF\): local authority guidance](#)

previously been focusing on long-term growth via R&D and innovation, the pandemic shifted objectives to short-term survival. ONS evidence suggests that more than half of UK SMEs cut back on R&D through the pandemic.⁵

At the same time, the potential for the pandemic to be a driver of innovation given the huge changes in the business environment is clear: 24% of UK businesses exhibited higher levels of innovation since the onset of COVID, while only 4% experienced less innovation (see Figure 4).

Figure 4 Innovation impact on businesses since the start of the COVID-19 pandemic (May 2022)



Source: Oxford Economics, *Business insights and impact on the UK economy*.
<https://www.oxfordeconomics.com/resource/covid-19-has-kickstarted-innovation-investment-by-uk-smes/>

3.2.1 Other advisory support available

Other bodies and organisations also provide advisory support services to business at national, regional, and local levels. In terms of publicly funded (or largely public) bodies this includes, for example, Local Enterprise Partnerships, Chambers of Commerce, and other government departments such as DBT which provide advisory services for firms looking to export.

Outside of the public sector, private agents can also offer advisory and support services, in particular to help with access to finance, or supporting the formation of networks and collaborations: for example, industry bodies and informal business peer networks, as well as commercial providers and consultancies providing business strategy advice, support for pitches and proposals and other research and supporting services for individual firms. It is

⁵ [ONS: Business Impact of COVID-19 Survey \(BICS\) results](#)

likely that many of these organisations also had to pivot the type of support provided in the face of the COVID-19 pandemic.

A key distinctive feature of the Innovate UK EDGE COVID-19 support was the emphasis on innovative businesses including, where relevant, how those businesses could take advantage of growth opportunities relating to the pandemic.

£500 million was allocated for IUK grant activities and loans such as Fast Start and Continuity Grants and Loans. Whilst these are not in scope of our evaluation (and are being evaluated separately), they represent a large proportion of IUK's COVID-19 response focused on creating innovation products and services to address the effects of COVID-19, avoiding stoppages to R&D and business activity as well as helping sector rebuild after COVID-19 in a sustainable way.

4 Theory of Change and Logic Model

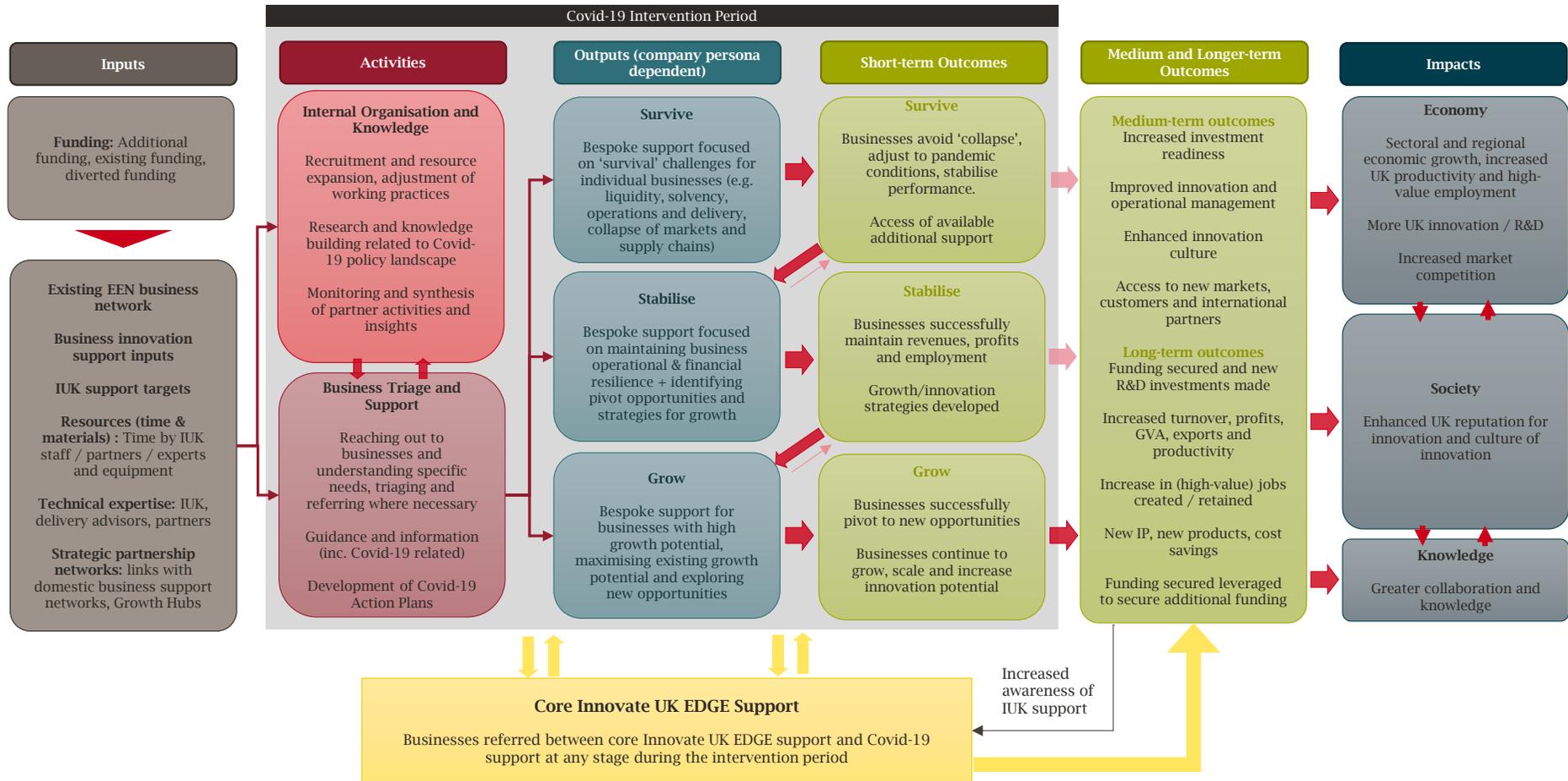
To inform our evaluation, and in line with UK government recommended best practice,⁶ we developed a Theory of Change (ToC) for the evaluation of Innovate UK EDGE COVID-19 support. This is summarised by the logic model set out in Figure 5 below, which shows the activities, outputs, outcomes, and impacts the business innovation support, mapping the causal chain from activities to long-term impacts. By clearly articulating how the support was expected to deliver intended benefits, we are better able to distil clear evaluation questions and indicators for the evaluation.

More information on the development of this logic model and the theory of change used in this evaluation is presented in Annex A

⁶ [HM Treasury \(2020\), *Magenta Book: Central Government guidance on evaluation*](#)

EVALUATION OF COVID-19 EDGE BUSINESS SUPPORT

Figure 5 Innovate UK EDGE COVID-19 logic model



Source: Frontier Economics and BMG Research

5 Evaluation questions and methodology

5.1 Evaluation questions

Based on the ToC and logic model, we identified a set of eleven Evaluation Questions (EQs) which the impact evaluation seeks to address (see Table 3 below). These are structured into five overarching themes. These relate to the intended benefits of EDGE and its objectives. Draft versions of these questions were tested and refined based on feedback from Innovate UK (UKRI).

Table 3 Evaluation questions

THEME	QUESTIONS	
<i>Logic model components</i>	1 How, and to what extent, did the activities as a whole lead to or contribute to...? <ul style="list-style-type: none"> a increased short-term survival rates for business adversely affected by the COVID-19 pandemic? b An increase in business resilience through the stabilisation of medium-term business operations and finances? c an increased ability of businesses to grow, scale and pivot towards new opportunities? 	
	2 How, and to what extent, did these outputs lead to or contribute to...? <ul style="list-style-type: none"> a better business outcomes (e.g. business more investment ready, profits, jobs)? b new investment, new products launched, new IP, funding, and funding leverage? c enhanced innovation culture and capacity? 	
	3 How, and to what extent, did these outcomes lead to or contribute to ...? <ul style="list-style-type: none"> a better UK economic performance (growth, R&D, competition)? b better societal outcomes (reputation, diversity)? c better knowledge sharing and collaboration? 	
	4 How far did outcomes and impacts vary by COVID-19 business persona?	
	5 How did outcomes and impacts vary by other business characteristics (e.g. growth stage, size, 'route-in' to COVID-19 support)?	
	<i>External factors</i>	6 How has the support interacted with other innovation-related and COVID-19 support?
		7 To what extent did COVID-19 support increase awareness of other innovation-related support such as EDGE?

	8	Did this lead to non-EDGE beneficiaries requesting EDGE activities?
	9	What external factors appeared to be most critical in supporting, or hindering, delivery of intended outcomes and impacts?
<i>Value for money</i>	10	Did the COVID-19 support activities deliver value for money?
<i>Lessons learnt</i>	11	What lessons and insights are learned as a result of the programme of support?

Source: Frontier Economics and BMG Research

5.2 Evaluation methodology

As with all impact evaluations, the key challenge is identifying a credible **counterfactual** – that is, what would have happened absent the Innovate UK EDGE COVID-19 support? Having considered the range of questions to be addressed and the nature of the intervention, our overall approach is **theory-based**. As noted in the Magenta Book:

“Theory-based methods tend to be particularly suited for the evaluation of complex interventions ... [they] can confirm whether an intervention had an effect in the desired direction ... why an intervention worked, or not, and inform translation to other ... time periods.” (Section 3.4).

This matches the aims of this evaluation and the nature of the intervention with a range of intended aims and objectives, operating in a complex landscape. Having reviewed approaches to theory-based evaluation in the *Magenta Book*, we adopted a **Contribution Analysis** approach. This draws on the logical mechanisms identified in the Theory of Change to test whether or not the support contributed to intended benefits, and the extent to which alternative explanations may drive observed or reported outcomes and impacts. The approach triangulates across evidence gathered to answer the evaluation questions to arrive at an overall, evidence-led conclusion of impact.

There are three main elements of our approach to the evaluation:

- A primary **beneficiary survey**, of 633 businesses who received the Innovate UK EDGE COVID-19 support, including both responses collected via an online survey (533 businesses) and by telephone (104 businesses);
- **Qualitative insights drawing on 33 in-depth stakeholder interviews** with beneficiaries, and **insights from** a workshop held to discuss and test findings with delivery partners; and
- **Secondary data analysis** including (1) analysis of internal monitoring CRM data on beneficiaries to understand activities and range of outputs and short-term outcomes of the support; and (2) linking this CRM data with publicly available data on the UK business population to help evaluate economic impacts, relative to a ‘control’ group.

The Customer Relationship Management (CRM) data provided by Innovate UK EDGE relating to the COVID-19 support was a crucial input to the evaluation evidence. Programme monitoring data compiled in the CRM focuses on the activities delivered by partners, outputs related to survival, access to finance and operational stabilisation, as well as a wide range of indicators related to the company sector, business, and COVID-19 support persona. This data helped segment the population

of companies receiving support into groups, to help understand whether there was heterogeneity in reported outputs and selected short-term outcomes, in particular by company persona.

This data was collected by each consortium partner and was combined by the Innovate UK EDGE team with oversight of the COVID-19 Support programme. Data on company names and the activities delivered to them as part of the support programme was collected consistently. However, data on impacts could not be collected as impacts would only have been realised once the programme was finished.

Survey data was collected from beneficiaries in order to provide quantitative evidence for outcomes and impacts which are not reported on the CRM. This evidence focuses on outcomes and impacts which were too early to be collected as part of monitoring. The survey also allows us to ask structured questions relating to how and why certain benefits may (or may not) have been generated.

By combining evidence from the CRM with additional information collected through the survey, we developed a key evidence base which underpins our understanding of the additionality of the Innovate UK EDGE COVID-19 support and its Value for Money. While the CRM collected some short-term outcomes in quantified and monetised terms (such as funding and/or finance raised), the survey data helped ensure it was collected consistently, validated the CRM evidence, and provided evidence on additionality and self-reported counterfactuals.

We describe each strand of our assessment in more detail below. Subsequently we set out the specific indicators and metrics we used to assess each evaluation question.

5.2.1 Defining the counterfactual

Consistent with the overall theory-based approach, we do not adopt a single way of assessing the counterfactual. Rather, rigour in the evaluation comes from **triangulation** across different sources of evidence to arrive at reasoned conclusions.

We considered a range of different approaches to how a counterfactual could be estimated, whether using a control group of firms not receiving Innovate UK EDGE COVID-19 support or not. These are summarised in the table below.

Table 4 Potential approaches to counterfactual estimation

Approach	Pros and Cons
Internal counterfactual – asks companies what would have happened had they not received support	<p>Pros:</p> <ul style="list-style-type: none"> ■ Unbiased as counterfactual is exactly the same as beneficiaries (by design) <p>Cons:</p> <ul style="list-style-type: none"> ■ Relies on company judgment over something that did not end up happening

Approach	Pros and Cons
Companies which withdrew from receiving support as a control group	<ul style="list-style-type: none"> ■ Relies on survey being an unbiased sample of all companies <p>Pros:</p> <ul style="list-style-type: none"> ■ Relies on companies selected for intervention which will be very similar to beneficiaries <p>Cons:</p> <ul style="list-style-type: none"> ■ Assumes those who withdraw do so for reasons not relating to their outcomes
Companies receiving support from Growth Hubs and other organisations, but not Innovate UK EDGE COVID-19, as a control group	<p>Pros:</p> <ul style="list-style-type: none"> ■ Companies would have received some support in the counterfactual, may have similarities to beneficiary group <p>Cons:</p> <ul style="list-style-type: none"> ■ Most companies eligible for EDGE would have been referred to partners from the Growth Hub so group may be small. ■ Hard to identify this group.
Benchmarking observed outcomes for the treatment group to national, regional, or sectoral averages	<p>Pros:</p> <ul style="list-style-type: none"> ■ Clear benchmark to compare beneficiaries with and multiple characteristics to compare against ■ Correlations between overall sector and business operating model and position within the sector <p>Cons:</p> <ul style="list-style-type: none"> ■ Inability to control for individual company position and support received

Source: Frontier Economics and BMG Research

Following conversations with the Innovate UK EDGE COVID-19 delivery team, it became clear that there was no natural ‘control group’ where a quantitative approach to counterfactual estimation could reliably be achieved either through secondary data analysis or through primary data collected at large scale from a counterfactual group. For example, there was no ‘excess demand’ where a possible group of firms that would have wanted support were unable to receive the Innovate UK EDGE COVID-19 advisory service because of supply-side constraints. More generally, the approach to identifying firms to receive support was expansive, meaning there is no natural control group which can be easily drawn from wider business datasets. In general, firms not deemed eligible for or offered support are likely to be very different from those supported (either less innovation-focused or much larger or smaller in size) to be reliable counterfactuals for the beneficiaries of the support.

Therefore, for the qualitative research and beneficiary survey (primary evidence), we adopted an internal counterfactual, relying on businesses to report what would have happened in the absence of Innovate UK EDGE COVID-19 support.

5.3 Secondary analysis (analysis of existing data)

As well as analysis of the information captured in the CRM, we also used benchmarking analysis to provide a point of comparison for business survival outcomes among beneficiary firms compared with those who did not receive this support. Specifically, the counterfactual consisted of a sample of businesses which did not receive the Innovate UK EDGE COVID-19 support, comparable to the Innovate UK EDGE beneficiaries in terms of distribution across sectors and regions. We recognise the limits of this approach in terms of the comparability of the groups:

- Sector and region are unlikely to be sufficiently granular to determine business similarity to those treated, especially related to how much innovation businesses are involved in.
- There is no data to track what other support businesses received, meaning differences in outcomes could be related to differences in other types of support received across the beneficiaries and those in the benchmark group.

Nonetheless, we believe this is likely the most robust approach given the constraints outlined above. These findings were triangulated with the primary evidence to help draw overall conclusions.

5.3.1 CRM data on beneficiaries

The CRM data is useful to understand the activities and range of outputs and short-term outcomes of Innovate UK EDGE COVID-19 support.

Analysis of the data suggests that, overall, 5,734 companies received Innovate UK EDGE COVID-19 support from partners, of which 1,645 (29%) were Innovate UK beneficiaries. Referrals were fairly common, with over 1,000 businesses referred to other EDGE support.

The split between the COVID-19 personas at commencement, which reflects the needs of businesses receiving Innovate UK EDGE COVID-19 support, was fairly balanced as shown in the table below. Over a third of businesses were focused on growth at commencement, which highlights the fact that certain innovative businesses were either insulated from the impacts of COVID-19 on their financial and operational resilience (e.g. some Innovate UK beneficiaries were pre-revenue) or were positioned to capture new opportunities created by the pandemic (e.g. pivoting to providing their services, or related services, remotely in a more cost effective manner).

Table 5 **Distribution of COVID-19 persona at commencement**

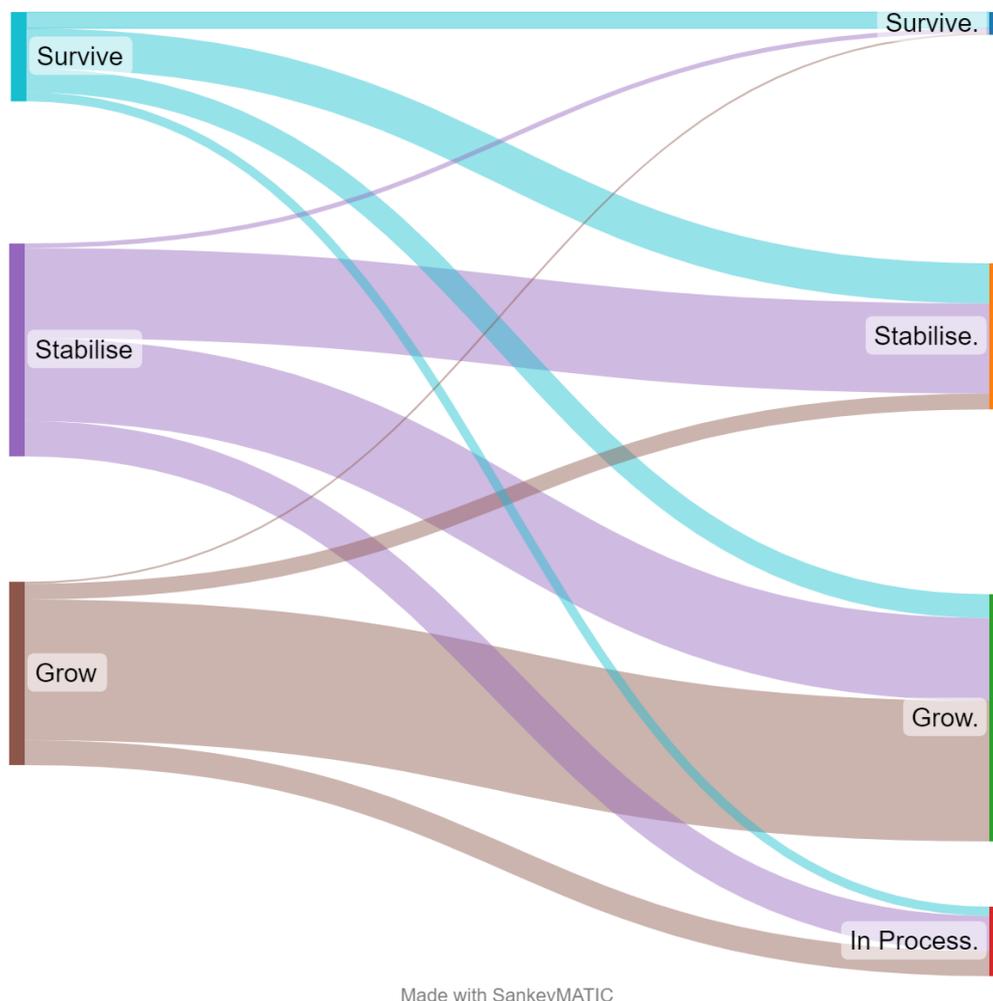
COVID-19 Persona	Count	Share of total
Survive	1,053	18%
Stabilise	2,509	44%
Grow	2,169	38%

Source: *Frontier Economics analysis of UKRI CRM*

Note: *There were 3 companies with a blank or an invalid entry for their COVID-19 persona at commencement*

As shown in Figure 6, a significant number of companies moved across the personas. A large majority of companies which commenced as “survive” moved to “stabilise” with a minority moving to “grow”. Similarly, about half of companies that started as “stabilise” finished as “grow”. This suggests that activities changed during the support period to mirror the evolving nature of business problems in response to the pandemic, as well as a general trend towards stabilisation for businesses which were affected by the pandemic. Companies moving ‘backwards’ (i.e. from grow to stabilise) were much smaller in number, but not absent from the data. This sort of ‘backwards’ movement is indicative of the potentially limited resilience of some businesses to deal with the many unexpected challenges arising due to the pandemic, from continuing to operate during COVID-19 lockdowns to the issues with procuring funding and financing faced by some businesses during this period.

Figure 6 Flow of company personas from commencement to completion



Source: Frontier Economics analysis of UKRI CRM

Note: Companies with invalid or missing COVID-19 persona at commencement excluded. Several businesses did not have a persona at completion, shown as "In Process"

- Preliminary analysis of the CRM data also suggests £159 million in cumulative funding raised by beneficiaries and £365 million in finance raised over the period April 2020 – March 2022. The sources of this data are partners surveying the companies they supported, which excludes any COVID-19 related funding such as furloughs and CBILS. This data is a conservative estimate of total finance raised as not all entries contained this information, although no effort is made to assess the additionality of the Innovate UK EDGE COVID-19 support in this total. Further analysis to explore the distribution of funding and finance raised and understand whether funding raised was correlated with key business characteristics such as company persona and sector is included in Section 6.1.

5.3.2 Secondary quantitative analysis

CRM data was combined with secondary data to undertake additional quantitative analysis of outcomes related to business survival outcomes. Information on company status, sector, location of headquarters and insolvency/liquidation was collected from the Companies House register. We used an internal algorithm to find the reference numbers of companies on the CRM using their company names.

Company data from the CRM was then matched with yearly snapshots in May 2020 and May 2022, allowing us to capture company information at the beginning and the end of the programme of support for all UK businesses which file accounts on Companies House, including those that were supported.

This information allowed us to estimate the **survival rate** of companies in the CRM which received Innovate UK EDGE COVID-19 support, compared to a representative sample of UK wide businesses. The survival probability of companies which received the support was estimated as follows.

$$\blacksquare \text{ sample survival rate} = \frac{\text{Number of active companies in May 2022}}{\text{Total companies on CRM}}$$

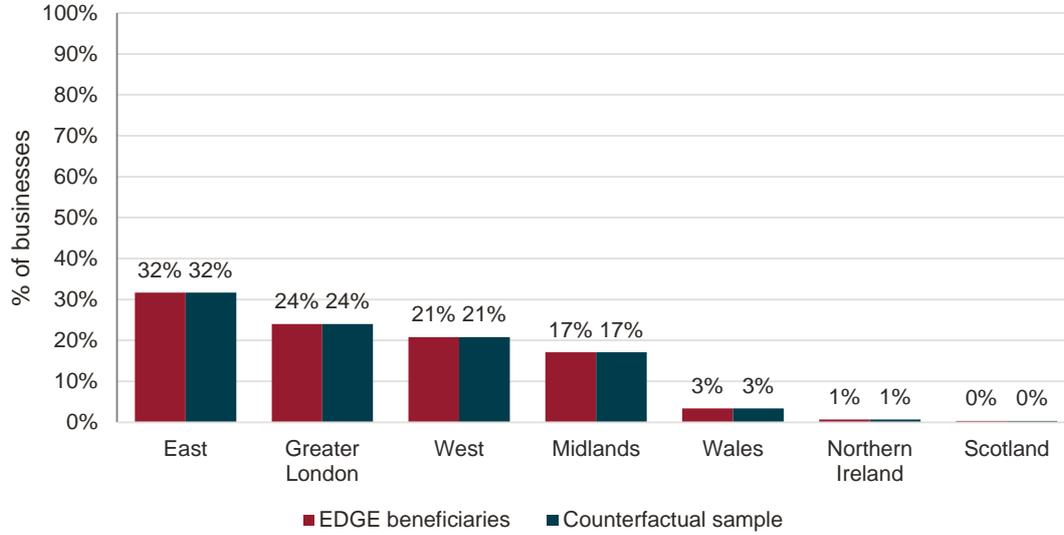
This rate is compared with a counterfactual survival rate shown below

$$\text{counterfactual survival rate} = \frac{\text{Number of active companies in May 2022, also active in May 2020}}{\text{Total companies active in May 2020}}$$

where the sample of the counterfactual matches the same region-sector (defined by Standard Industrial Classification) of each company which received support.

The counterfactual sample was constructed using the Companies House register. A random sample of businesses was selected from those businesses that file accounts on Companies House and were active in 2020, with checks in place so that the distribution of region-sector pairs was the same across EDGE beneficiaries and the counterfactual sample. Figure 7 and Figure 8 show the breakdown of region and sector for EDGE beneficiaries and the counterfactual sample.

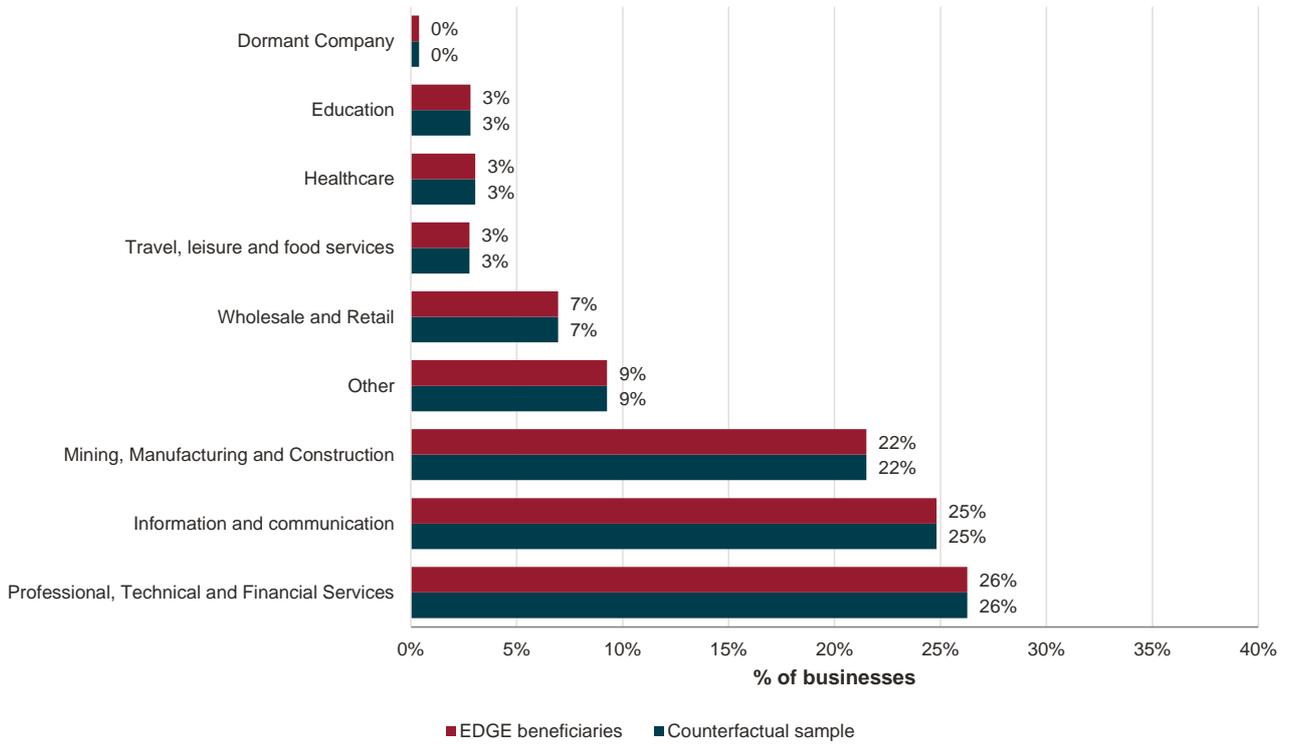
Figure 7 Breakdown of region for EDGE beneficiaries and the counterfactual sample



Source: Frontier analysis of data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries and counterfactual sample constructed from Companies House data

Note: Sample = 5598 businesses for counterfactual sample, 5598 businesses for EDGE beneficiaries. 113 businesses (2%) were excluded from each sample due to lack of data.
Regions grouped as follows: East = East England, North East, South East; West = North West, South West, Midlands = East Midlands, West Midlands

Figure 8 Breakdown of sector for EDGE beneficiaries and the counterfactual sample

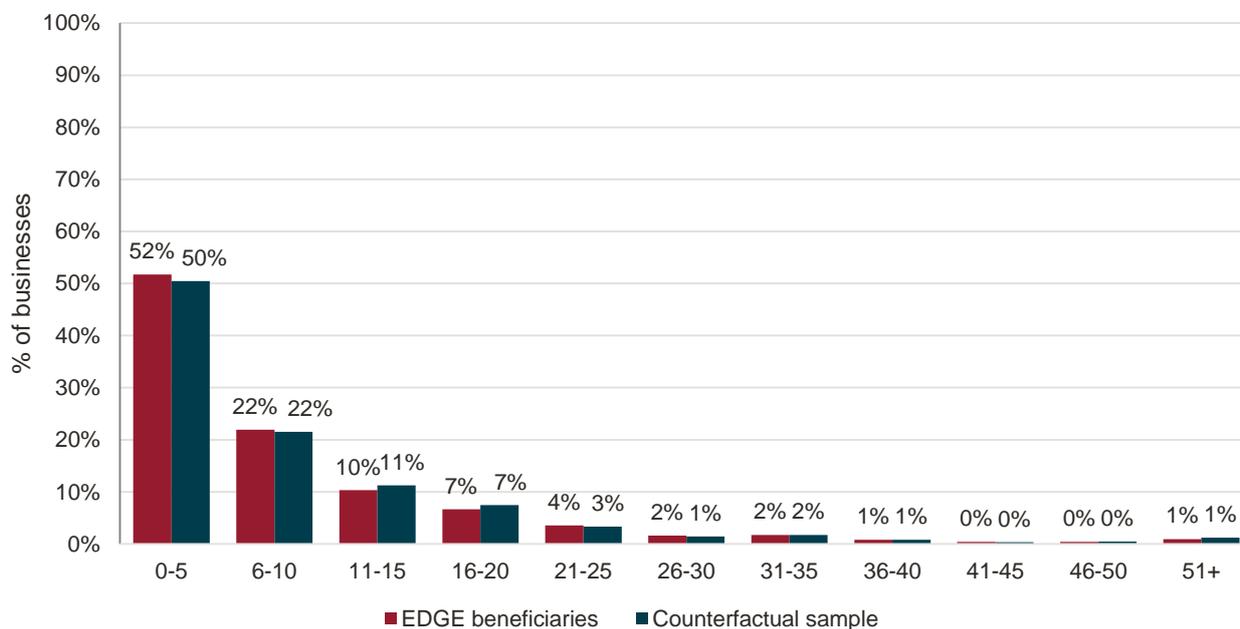


Source: Frontier analysis of data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries and counterfactual sample constructed from Companies House data

Note: Sample = 5586 businesses for counterfactual sample, 5586 businesses for EDGE beneficiaries. 125 businesses (2%) were excluded from each sample due to lack of data

The EDGE beneficiaries and the counterfactual sample were also comparable on business age, although this was not a metric that informed the construction of the counterfactual sample. Figure 9 shows the breakdown of business age for EDGE beneficiaries and the counterfactual sample.

Figure 9 Breakdown of business age for EDGE beneficiaries and the counterfactual sample



Source: Frontier analysis of data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries and counterfactual sample constructed from Companies House data

Note: Sample = 5711 businesses for counterfactual sample, 4780 businesses for EDGE beneficiaries. 931 businesses (16%) were excluded from the sample of EDGE beneficiaries due to lack of data on this characteristic.

The results from this analysis allowed us to determine whether the survival rate for companies which received support was higher than a benchmark survival rate of companies who did not receive this support.

It is worth noting that differences between the survival rates cannot be seen as the causal effect of the Innovate UK EDGE COVID-19 support. In fact, the differences between the beneficiaries and the benchmark are driven by two factors:

- The business support effect: this is the impact other external business support had on, for example, reducing insolvency rates
- A mix effect: this reflects the difference between the mix of businesses types that make up the beneficiaries (small R&D focused businesses) compared to the wider group, even within a particular sector or region.

We therefore re-iterate the importance of **triangulation** of this evidence with other evaluation evidence to arrive at conclusions.

5.4 Primary data collection

5.4.1 Beneficiary survey

We surveyed 633 businesses which received Innovate UK EDGE COVID-19 support from the consortium partners.

A census approach was adopted, whereby all beneficiaries were invited to take part in the survey. Response rates were monitored by partner, company stage at commencement, COVID persona at commencement and completion, number of days of support received, company size, and number of years trading.

We used mixed methods to maximise response rates and reduce burden on participants: an initial online approach, with targeted telephone chasing to boost responses, particularly in any under-represented groups. Of the 633 businesses which completed the survey, 529 organisations completed the survey online and 104 completed the survey via telephone with a specially trained interviewer.

Table 6 gives a breakdown of respondent profiles by COVID persona at commencement. This is broadly similar to the breakdown for the full sample shown in Table 5.

Table 6 COVID persona at commencement by survey respondents

	n	%
Survive	124	20%
Stabilise	263	42%
Growth	246	39%

Source: Frontier and BMG analysis of survey data

The questionnaire was structured around the evaluation framework and metrics. It included a mix of questions to allow us to pinpoint the specific impact that the Innovate UK EDGE COVID-19 support has had. The broad areas covered were:

- Screening and profiling questions;
- Impact of the support received on operational and financial stabilisation;
- Impact of the support received on jobs;
- Impact of the support received on turnover;
- Impact of the support received on funding received;
- Impact of the support received on market position and intellectual property;
- Impact of the support received on knowledge and innovation culture;

- Impact of the support received on awareness of other innovation support;
- Relative importance of the COVID-19 support compared to external factors; and
- Additional comments.

The full survey can be found in Annex B

5.4.2 Qualitative research

Qualitative research allowed us to explore whether, how and why the advisory support generated benefits over and above other COVID-related support firms may have received.

We delivered semi-structured stakeholder interviews focused on firms which received the support, and also engaged in discussions with delivery stakeholders.

The stakeholder engagement was split as follows:

- 33 interviews with beneficiaries, with interviews covering businesses across the COVID-persona at commencement (survive, stabilise and grow) and company growth stage (seed, early stage, growth) as identified on the CRM. These informed our understanding of how firms at different stages both relating to COVID-19 and their company growth at the time they received the Innovate UK EDGE COVID-19 support engaged with the service and benefitted from it, along with in-depth exploration of other factors which affected any reported outcomes and impacts for those individual firms.
- A workshop to present and test findings, including partners who delivered Innovate UK EDGE COVID-19 services.

For the 33 beneficiary interviews, we used a combined approach by both:

- randomly selecting businesses across the COVID-19 personas and growth stage at commencement, whilst ensuring that the sample selected had good coverage across the partners as well; and
- sending out more 'targeted' invitations to businesses that were relatively more highly impacted by the pandemic, based on our assessment of (1) case study material received from IUK for a selection of the businesses and (2) the responses to the survey we conducted.

Qualitative approaches allowed us to go into depth and ask targeted questions to explore self-reported perceptions of additionality delivered by the COVID-19 advice, probing respondents to think about wider influences on any reported outcomes or impacts. We developed a topic guide for each COVID-19 support persona (survive, stabilise, grow) given the differences in circumstance and support needed for companies. A common set of questions explored the businesses' background, before the interviews diverged, focusing on the key challenges each business in a particular persona faced and the support they received.

5.5 Mapping evaluation questions to methodologies

In the table below, we map each evaluation question to the methodologies outlined above.

Table 7 Evaluation indicators and sources of evidence

Indicator	Source(s)
1 Business survival rate over the course of the intervention	Secondary data, measuring if company survived to present day
2 Perceived stabilisation of business from an operational and financial standpoint	Survey and/or qualitative work
3 Perceived ability to grow/scale business and pivot to capture new opportunities	Survey and/or qualitative work
4 Number and types of new opportunities / markets pivoted to due to Innovate UK EDGE COVID-19 support	Survey and/or qualitative work
5 Number of business which positively changed their market positioning	Survey and/or qualitative work
6 Perceived increase in investment readiness	Survey and/or qualitative work
7 Increase in turnover of supported SMEs as a result of Innovate UK EDGE COVID-19 support	Primary data and survey
8 Number (and quality) of new jobs created as a result of Innovate UK EDGE COVID-19 support	Primary data and survey
9 Number of jobs sustained / retained in the business	Primary data and survey
10 Increase investment and reason it was raised (e.g. for survival VS for expansion/pivot)	Primary data and survey
11 Increase in profitability of supported SMEs as a result of Innovate UK EDGE COVID-19 support	Survey
12 Number of new products introduced	Survey and/or qualitative work
13 Investment secured for businesses supported by Innovate UK EDGE COVID-19	Primary data and survey
14 Additional funding leveraged by businesses	Primary data and survey
15 Additional IP supported by Innovate UK EDGE COVID-19 activities, IP created as a result of finding new opportunities (and additional IP revenue, where available)	Survey and/or qualitative work

Indicator	Source(s)
16 Impact on innovation process and culture amongst supported SMEs	Survey and/or qualitative work
17 Attributing the impact of Innovate UK EDGE COVID-19 support to impacts is challenging. We will use specific case studies to determine how the support helped businesses contribute to their market and local economy, as well as in their innovation network, to drive impacts	Case studies
18 Synthesis of other indicators mentioned but where possible looking at these split for each activity (e.g. COVID-19 persona, growth stage, size, 'route-in' to COVID-19 support, sector, region)?	N/A
19 Reported complementarities with other innovation-related support	Survey and/or qualitative work
20 Other innovation-related support received over the intervention period	Primary data and survey
21 Reported awareness of other innovation-related support as a result of Innovate UK EDGE COVID-19 support	Survey and/or qualitative work
22 Total number of companies requesting EDGE activities for the first time, due to Innovate UK EDGE COVID-19 support	Primary data and survey
23 Qualitative views of stakeholders on the impact of external factors	Survey and/or qualitative work
24 Qualitative assessment of likely economic and societal impacts of Innovate UK EDGE COVID-19 support, based on evidence gathered in the indicators above, compared with total cost of Innovate UK EDGE COVID-19 support	N/A
25 Summary of indicators, highlighting strengths of the programme and relative weaknesses	N/A

Source: Frontier Economics and BMG Research

6 Detailed findings by evaluation question

In this section we set out our detailed findings from all evidence sources against each of the evaluation questions as set out in Table 3. In Section 7, we provide an overall summary of the evaluation findings and conclusions.

6.1 Theme 1 – logic model components

6.1.1 Short-term business survival rates

The in-depth interviews indicated that the Innovate UK EDGE COVID-19 support had had a positive impact on businesses struggling to survive through the pandemic. In this context businesses discussed how the support had been useful in helping build their confidence and appreciated having an advisor to speak to get advice on a number of areas including the business plan and pitch proposals. However, overall, while these businesses reported that the support had been broadly useful, they felt other factors (e.g. financial support received) were more key in helping with the survival of the businesses.

“It was helpful to have the advisor as a sounding board to discuss things through but I mean, I wouldn't say the support helped the business survive”

We also analysed CRM data on EDGE beneficiaries between May 2020 and May 2022, combined with broader secondary data on UK businesses, to understand how survival rates of EDGE beneficiaries compared to counterfactual samples and what this might suggest about the impact of the support.⁷

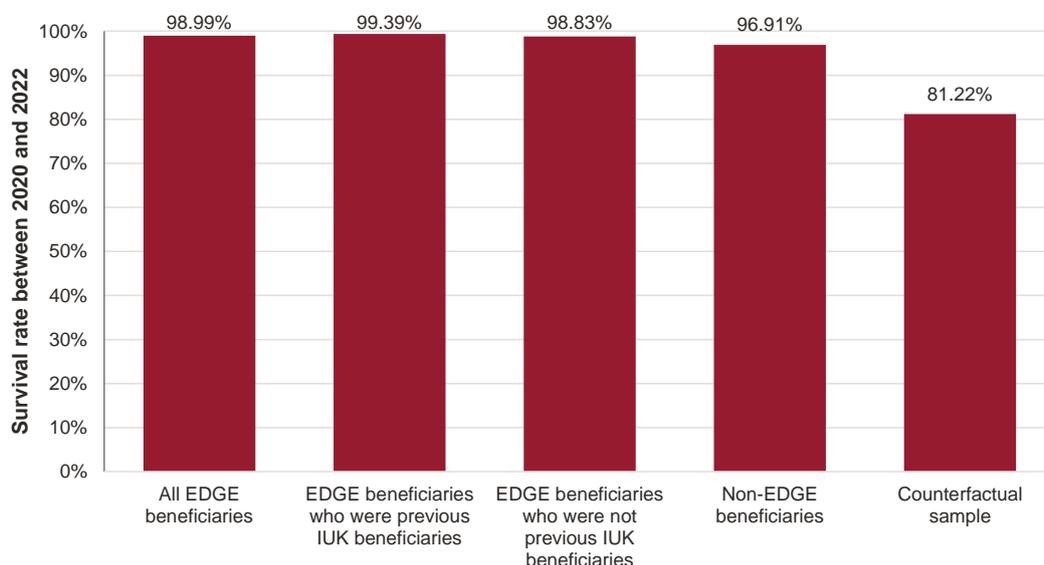
While it is not possible to determine the extent to which any differences between the survival rates can be attributed to the impact of the support alone, given many factors at play and limitations of constructing an appropriate counterfactual for the analysis, this analysis provides useful quantitative insights on the impact of the support on business survival.

Overall, the analysis showed the survival rate for EDGE beneficiaries was considerably higher than that of counterfactual groups: EDGE beneficiaries had a 99% survival rate between 2020 and 2022, while businesses who were offered EDGE advisory support but did not participate (“non-EDGE beneficiaries”) had a 96% survival rate. In contrast, the wider counterfactual sample of businesses (broadly matched in terms of size and sector to EDGE beneficiaries) had an 81% survival rate across the same period.

We also investigated whether EDGE beneficiaries who had previously engaged with IUK had a higher survival rate than EDGE beneficiaries who were not previous IUK beneficiaries. However the difference in survival rates across these groups was marginal. Figure 10 reports the results of the survival analysis.

⁷ Please see section 5.3.2 for a detailed description of the methodology.

Figure 10 Survival rate for EDGE beneficiaries, non-EDGE beneficiaries and the counterfactual sample

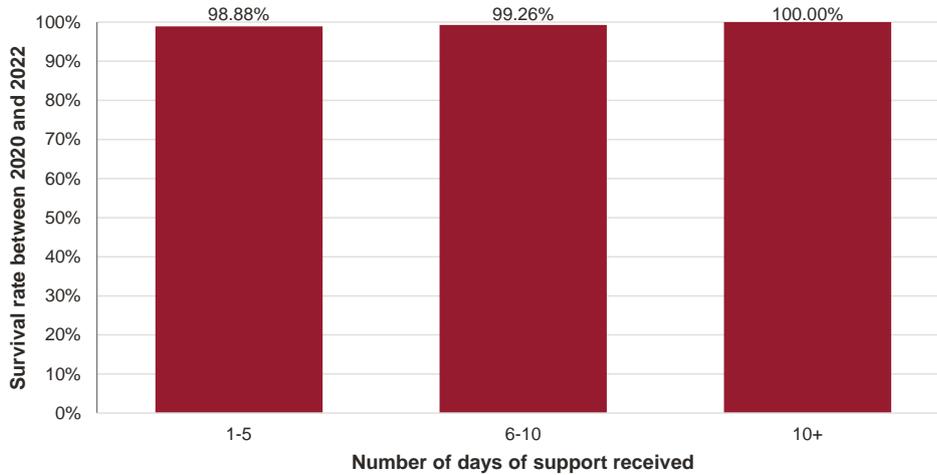


Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries, and counterfactual sample constructed from Companies House data

Note: Sample = 5,711 businesses for counterfactual sample, 1,642 businesses for IUK beneficiaries, 4,069 businesses for non-IUK beneficiaries, 550 businesses for non-beneficiaries

We also tested to see if there were variations in survival rates across EDGE beneficiaries by the number of days of support received under the Innovate UK EDGE COVID-19 business support programme. As seen in Figure 11, the average survival rate was marginally higher for businesses who received a greater number of days of support: the survival rate was 98.9% for businesses that received 1-5 days of support compared to 100% survival rate for businesses which received more than 10 days of support. This is in line with what may be expected given businesses were typically provided up to 5 days of support, and those with the highest growth potential were the ones most likely to get an additional few days of support.

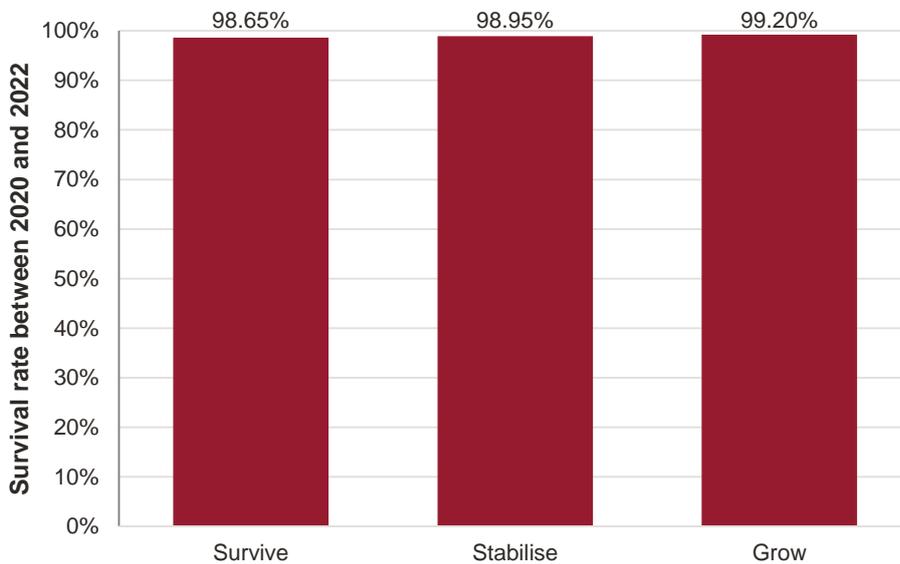
Figure 11 Survival rate for EDGE beneficiaries by days of support received



Source: Frontier analysis of data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries
 Note: Sample = 5679 businesses. 37 businesses (1%) were excluded due to missing data. Businesses that received 1-5 days of support = 3,986, 6-10 days of support = 1,645, 10+ days of support = 48

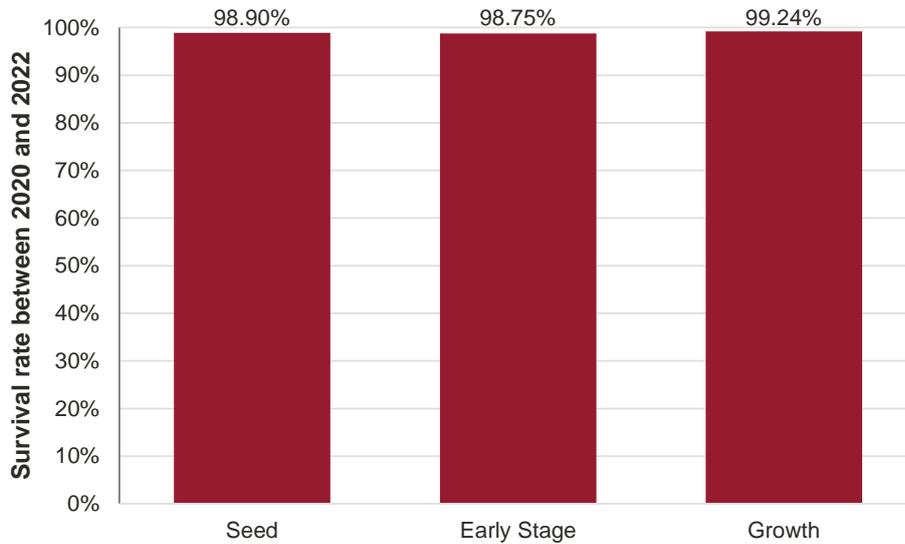
Further survival rate analysis of EDGE beneficiaries based on life stage and persona (Figure 12) did not yield significant variation across the groups. The lowest survival rate by persona was 98.7% for Survive, and the highest was 99.2% for Grow.

Figure 12 Survival rate for EDGE beneficiaries by persona



Source: Frontier analysis of data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries
 Note: Sample = 5,708 businesses. Survive businesses = 1,051, Stabilise businesses = 2,497, Grow businesses = 2,160

Similarly, the lowest survival rate by life stage was 98.8% for Early Stage, and the highest was 99.2% for Grow (see Figure 13).

Figure 13 Survival analysis for EDGE beneficiaries by life stage

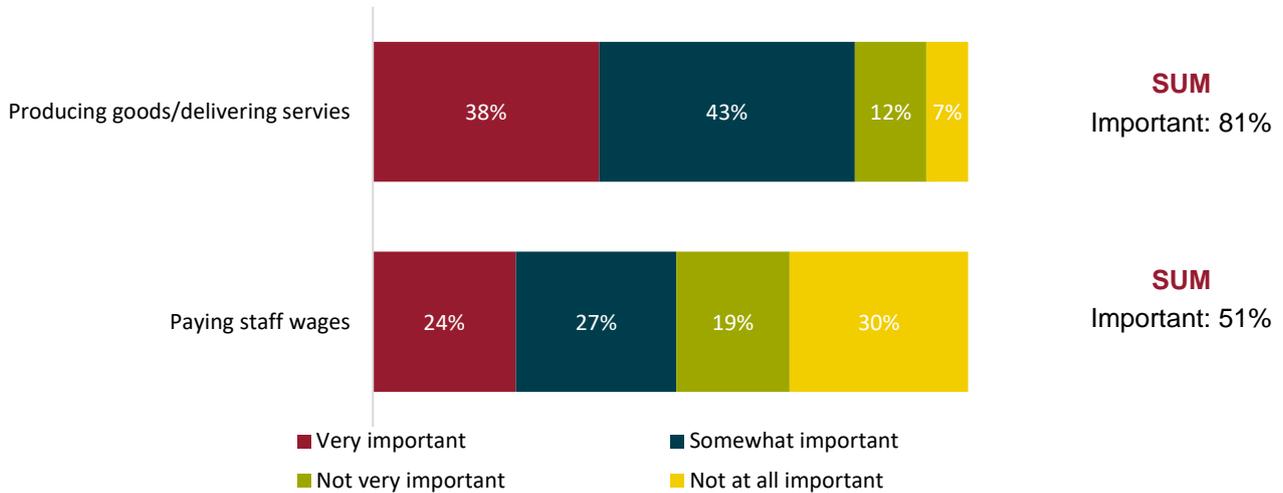
Source: Frontier analysis of data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 5,574 businesses. Seed businesses = 1,746, Early Stage businesses = 1,707, Growth businesses = 2,121

6.1.2 Stabilisation of medium-term business operations and finances

The survey findings (Figure 14) suggest that the Innovate UK EDGE COVID-19 support was seen as an important contributor to stabilising medium-term operations and finances, in particular positively impacting firms' ability to continue producing goods and services throughout the pandemic. 81% of respondents said that the support was very or somewhat important for this outcome (19% said not very or at all important). The role of advisory support in ensuring staff wages are paid was thought to be comparatively less important: 51% of respondents rated the advisory support as important compared to 49% who said it was not important. This pattern makes sense given that the support was not in itself providing finance to firms.

Figure 14 Importance of Innovate UK EDGE COVID-19 support on producing goods/delivering services and paying staff wages during the pandemic



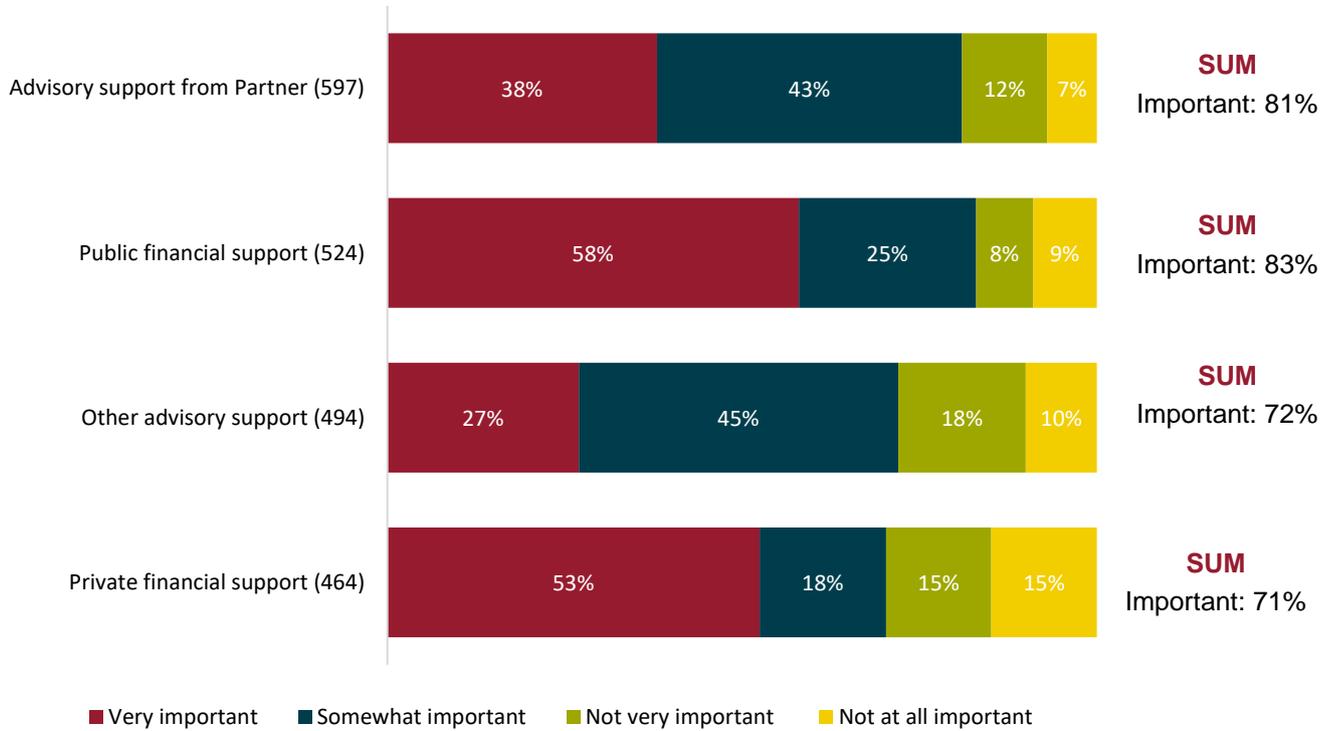
Source: Frontier and BMG analysis of survey data

Note: O1: For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to produce goods/deliver services?
Base = valid responses (597)

O2: For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to pay staff their wages?
Base = valid responses (543)

The importance of the support in ensuring respondents could continue producing goods/delivering services during the pandemic is underlined by a comparison with other forms of support available since 2020. As shown in Figure 15 below, public financial support is considered as important as EDGE advisory support (at 83% and 81% respectively), while private financial support (71%) and advisory support other than Innovate UK EDGE COVID-19 advisory support (72%) were considered comparatively less important. However there was variation in the strength of the importance attached to these different mechanisms: for example, over half (58%) of respondents identify public financial support as ‘very important’, and 53% said the same of private financial support, compared to 38% who said the same of advisory support from their Innovate UK EDGE COVID-19 partner. Notably, Innovate UK EDGE COVID-19 support rates higher as ‘very important’ compared to other forms of advisory support (27%) which may be a more directly comparable mechanism to funding and finance. It should be noted, however, that a higher proportion of respondents said the other types of financial and advisory support were not applicable to them compared to the Innovate UK EDGE COVID-19 support.

Figure 15 Importance of different types of support in ensuring delivery of goods/services

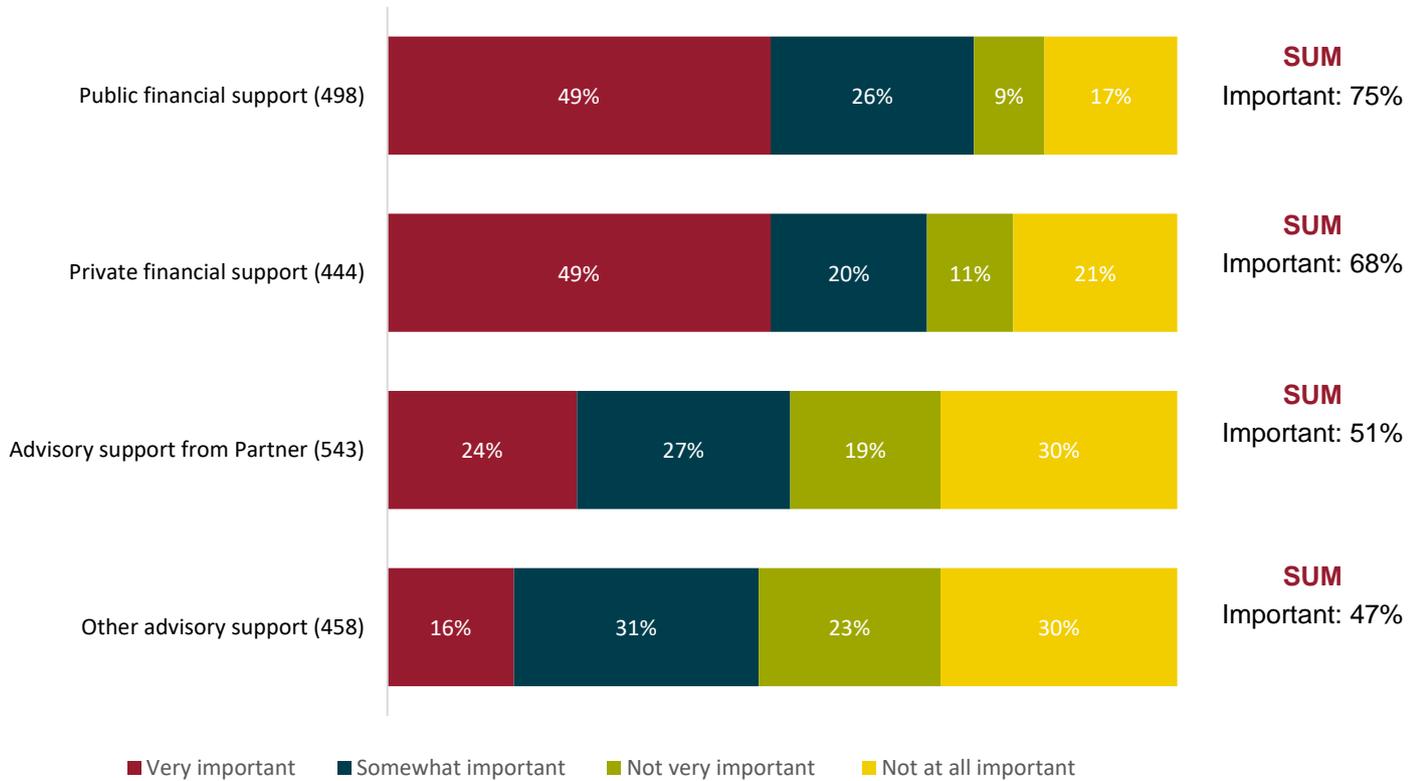


Source: Frontier and BMG analysis of survey data

Note: Q1: For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to produce goods/deliver services?
 Base = valid responses in parentheses (633)

The importance of public funding in ensuring staff wages were paid during the pandemic is expectedly higher than the importance ascribed to any other forms of support. As seen in Figure 16, 75% of respondents consider the public financial support was important in helping them pay staff wages. This compares to 68% who said private financial support was important to pay staff wages, 51% who said the Innovate UK EDGE COVID-19 support was important and 47% who said other types of advisory support were important to this end. It is worth noting, however, that sizeable proportions said ‘not applicable’ when asked about the importance of different types of support in paying staff their wages.

Figure 16 Importance of different types of support in ensuring staff wages are paid



Source: Frontier and BMG analysis of survey data

Note: O2: For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to pay staff their wages?
Base = valid responses in parentheses

Overall, the in-depth interviews also indicated the support had a positive impact on increasing business resilience for most of the businesses interviewed who were negatively impacted by COVID-19. These businesses tended to be those in the ‘Survive’ and ‘Stabilise’ categories. For these businesses, the support played an instrumental role in helping businesses deal with a variety of challenges faced over the period, contributing to the stabilisation of medium-term business operations and finances.

In particular, businesses stated the support helped stabilise their operations by focusing on strategies to help the business operate in a more sustainable way. For instance, one business discussed how the support provided was instrumental in allowing the business offering to be accessible online to minimise impact of the pandemic.

"It [focus of the support] was about building a sustainable and robust business that would work pandemic or no pandemic...our whole offering is now done online."

Other interviewees discussed how this support “gave [them] the confidence to want to keep going” by providing valuable ongoing advice and support.

"They [EDGE partner] immeasurably helped us to continue running as a business. There was a very strong chance if we didn't have their help, we wouldn't be a company today"

In addition to providing ongoing advice and support, businesses also discussed a range of other activities undertaken as part of the Innovate UK EDGE COVID-19 support provided which helped them stabilise operations, ranging from helping focus fund application activities, providing key market intelligence and helping identify ways to reduce outgoings.

However while the support provided proved useful for the majority of the businesses interviewed who were negatively impacted by COVID-19, there were a few businesses who struggled to identify any tangible positive impact of the support stating it was “not effective throughout” and the advice and support provided did not have any significant impact on the business. These businesses who did not identify a clear positive impact of the support tended to be more specialised businesses who required relatively more tailored support (e.g. help to optimise the design of a trial of new product to be launched, and tailoring this to the pandemic environment).

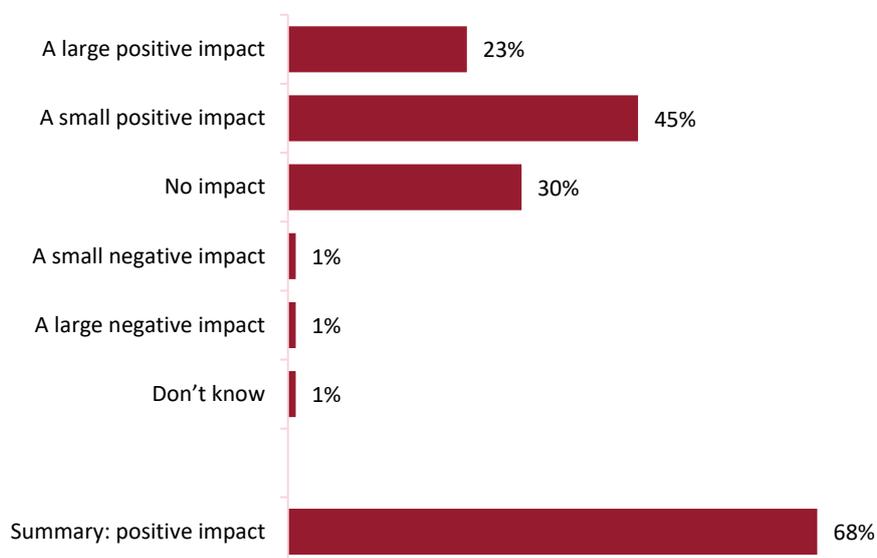
6.1.3 Ability of businesses to grow, scale and pivot towards new opportunities

6.1.3.1 New markets

Survey evidence indicates that majority of respondents (58%) have entered new markets since 2020, including geographical markets, as well as new sectors, products and services. This comprises 33% who said they entered one new market and 26% who said they entered two or more new markets.

Among the new markets entered by respondents since 2020, the most commonly identified were geographical markets such as North America (18%) and Europe (14%). In terms of sectors (and as expected given the impacts of the pandemic), IT/Digital technology (12%) is the most commonly mentioned, followed by health and social care (10%).

In addition to understanding the number and type of markets businesses have entered, respondents who said they had entered new markets were also asked how impactful the Innovate UK EDGE COVID-19 support received was on their ability to enter new markets. As illustrated in Figure 17, the majority (68%) of respondents consider the support had a positive impact, while less than a third (30%) said the support had no impact on their ability to enter new markets.

Figure 17 Impact of the support on ability to enter new markets

Source: Frontier and BMG analysis of survey data

Note: M02 What impact, if any, has the advisory support you received from Partner had on your organisation's ability to enter new markets?

Base = if entered new markets (366).

In line with the survey findings, in-depth interviews indicated the Innovate UK EDGE COVID-19 support had had a positive impact on businesses' ability to enter new markets. A number of businesses discussed the role of the EDGE partner in helping with market positioning and encouraging them to target new markets that they would not necessarily have entered otherwise.

For one business this meant they were looking to enter the health market with their offering instead of entirely focussing on sports (which had been the sole original focus), thus potentially opening up a whole new market; while for another this meant working towards rebranding their software to target potential new markets.

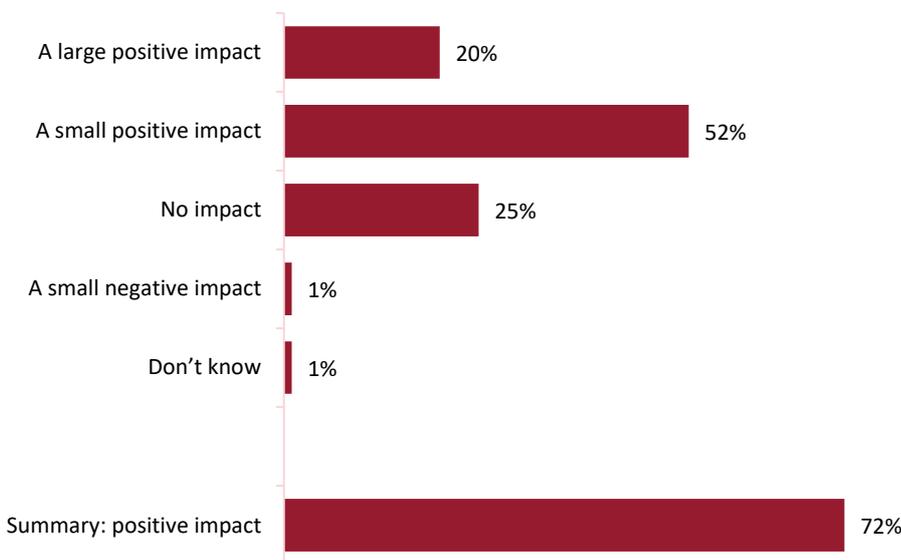
"[As a result of support and advice provided, we are] looking at new potential markets...so we're rebranding our software and we have engaged some marketing services and we are sort of slowly progressing that"

"Yes, it [the Innovate UK EDGE COVID-19 support] absolutely helped with our market positioning. The peer sessions [meetings with EDGE partner] led to new ideas about markets to target, for instance, we are now in talks with [business name redacted] as a new route to the markets beyond food service distributors."

6.1.3.2 Ability to grow and scale and pivot to new market opportunities

Respondents who entered new markets were asked what impact the Innovate UK EDGE COVID-19 support they received had on their business’ ability to grow or scale and pivot towards new market opportunities. The results are reported in Figure 18 below. The majority (72%) reported that the support they received had positively impacted growth/scaling and pivoting to new opportunities, with 25% reporting no impact on this aspect.

Figure 18 Impact of Innovate UK EDGE COVID-19 support on ability to grow/scale and pivot to new market opportunities

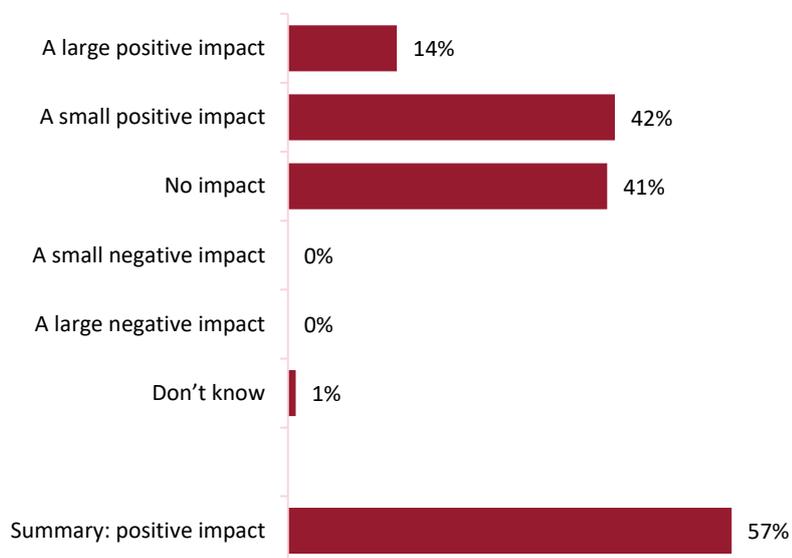


Source: Frontier and BMG analysis of survey data

Note: M04 What impact, did the advisory support you received from Partner have on your organisation's ability to pivot and grow or scale in response to new market opportunities?
 Base = if entered new markets (366).

Looking at growth specifically, all respondents were asked to rate their current capabilities for growth. Most businesses perceive their capability for growth positively. Three in five (60%) said their current capabilities for growth are good. Only 13% felt their capabilities were either ‘fairly poor’ or ‘poor’, while the remaining (27%) said their current capabilities were neither good nor poor.

Respondents who rated their businesses’ current capability for growth were also asked to reflect on the impact the Innovate UK EDGE COVID-19 support they received had on business growth. As shown in Figure 19, more than half (57%) said the advisory support they received made a positive impact on organisational growth. 41% of respondents considered the advisory support had no impact on the growth of their business.

Figure 19 Impact of Innovate UK EDGE COVID-19 support on growth of organisation

Source: Frontier and BMG analysis of survey results

Note: C02/12 The growth of my organisation: Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?
Base = if rated organisation's capability of growth (602)

Our in-depth interviews also revealed a positive impact of the support on ability of businesses' to grow and scale operations. Interviewees that had experienced growth as a result of the support, provided examples of what this looked like in their business. A few businesses reported that the support provided had helped develop their business strategy, enabling them to evolve their technology further and grow the business.

"It [Innovate UK EDGE COVID-19 support] helped us progress our road map for evolution of our software, but it also helped us focus on a specific project that might help us grow the business."

Another business discussed the instrumental role the Innovate UK EDGE COVID-19 support played in determining the right pricing strategy which was key to helping them grow and develop the business.

Actually we were working with [organisation name redacted], contract was coming on and it was time to renegotiate that. And I came back with them to renegotiate it for like five times as much, which I would not have done without somebody saying like, whoa, how can you actually pay your rent with those kind of rates? So that was honestly like such a useful conversation"

Finally, a number of businesses also commented on the role of the support in helping bring in sales. One in particular stated the support was "very helpful" and partly attributed sales of £1m for a new customer to the ongoing support and advice they received from their EDGE partner. Another discussed how the support helped them across a number of areas from business strategy to investment and then sales.

"I think the support sped things along in terms of strategy around getting investment and then later strategy around bringing in sales. Without that, you'd have to figure things on your own and we don't have full knowledge of it so it would have been a very long process without the support"

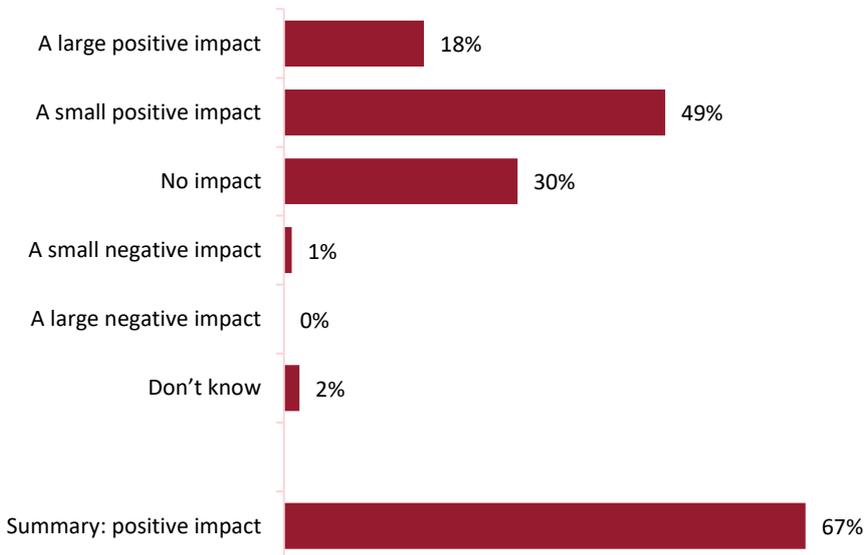
6.1.4 Contribution to business outcomes

6.1.4.1 Strategic decision-making

Respondents were asked to rate their businesses' current capabilities in relation to strategic decision-making about their market positioning. Over three-quarters (78%) of respondents rate their current capabilities for strategic decision-making about their market positioning as good. Most of the remaining respondents (18%) were neutral about their capabilities in this field and only 4% said that their current capabilities in relation to strategic decision-making about market positioning are poor.

Respondents who had a view in relation to their decision-making capabilities about their market positioning were then asked what impact, if any, the advisory support they received through Innovate UK EDGE COVID-19 had on this aspect. As seen in Figure 20, two-thirds (67%) said the support positively impacted their strategic decision-making while 30% considered the advisory support they received had no impact on strategic decision making. This is not entirely unexpected if this was not a focus of the support for some businesses.

Figure 20 Impact of Innovate UK EDGE COVID-19 support on strategic decision-making about market positioning



Source: Frontier and BMG analysis of survey data

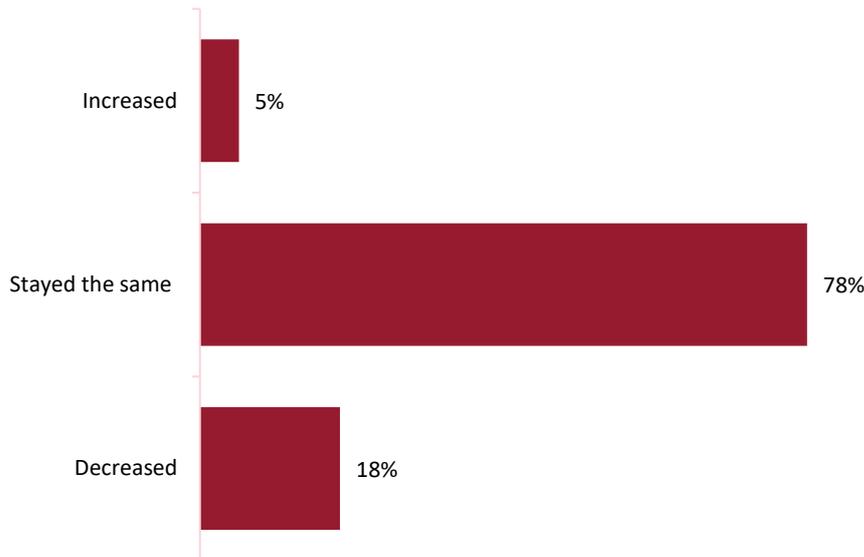
Note: C02/4 Strategic decision making about the market position of the organisation: Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?

Base = if rated organisation's capability for strategic decision-making (626)

6.1.4.2 Jobs

The number of employees at organisations before and after receiving the support was also analysed to understand business outcomes. As seen in Figure 21, most (78%) respondents report that the number of employees at their organisation has remained the same since 2020 and only a minority (5%) said the number of employees had increased. 18% reported a decrease in number of employees compared to the pre-pandemic period.

Figure 21 Change in number of employees since February 2020



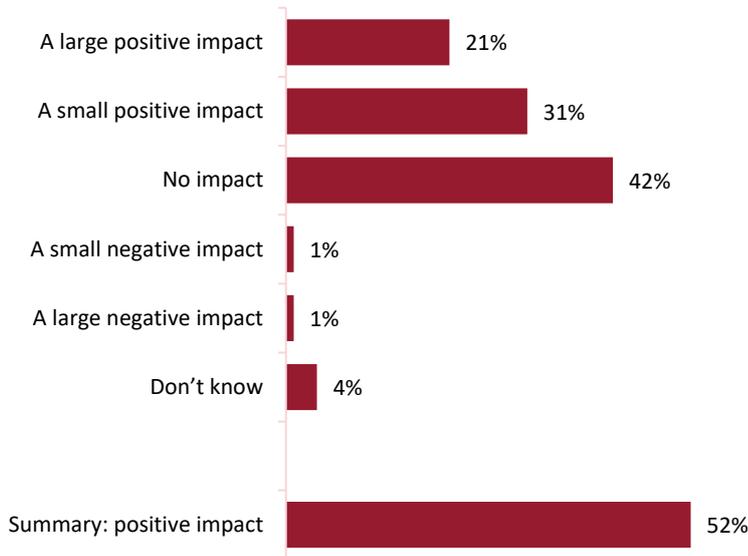
Source: Frontier and BMG analysis of survey data

Note: J01/J02 Which of these would best describe the current number of full-time equivalent employees at your organisation?
 J03/J04 Which of these would best describe the number of full-time equivalent employees at your organisation in February 2020?
 Base = all respondents (633).

These findings indicate the generally difficult business conditions facing some firms around COVID-19, but do not tell us about the counterfactual of what would have been different in the absence of the Innovate UK EDGE COVID-19 support. Respondents were then asked what impact, if any, the support had on their businesses' ability to maintain existing jobs and create new ones.

52% of respondents consider the advisory support they received had a positive impact on their ability to maintain jobs (Figure 22) that existed in the business at the time the pandemic hit while 42% of respondents did not consider the support to have impacted job retention.

Figure 22 Impact of Innovate UK EDGE COVID-19 support on maintaining jobs

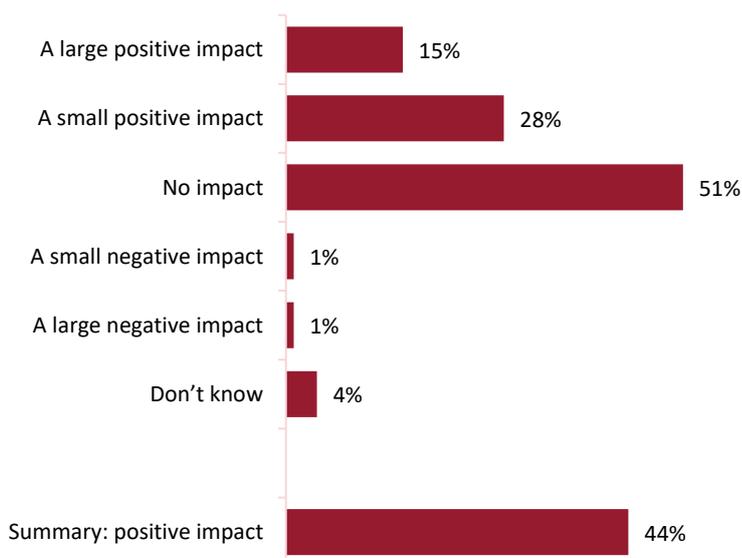


Source: Frontier and BMG analysis of survey data

Note: J05/1 Maintain jobs that existed in the business at the time COVID-19 hit: What impact, if any, has the advisory support you received from Partner had on your organisation's ability to...?
Base = all respondents (633)

With regards the creation of new jobs, as seen in Figure 23, half (51%) said the support did not impact job creation at their organisation and 44% said the support had a positive impact on this.

Figure 23 Impact of Innovate UK EDGE COVID-19 support on creating jobs

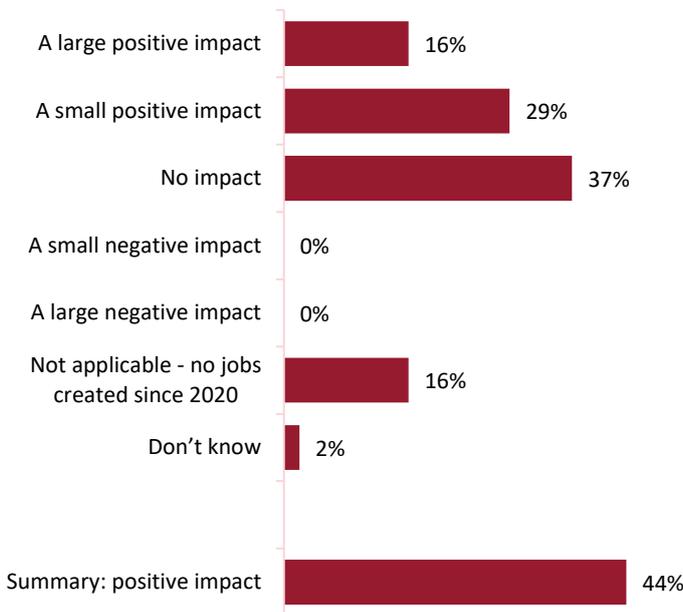


Source: Frontier and BMG analysis of survey data

Note: J05/2 Create new jobs: What impact, if any, has the advisory support you received from Partner had on your organisation's ability to...?
 Base = all respondents (633)

Respondents were also asked what impact, if any, the Innovate UK EDGE COVID-19 support they received had on the quality of jobs created in their business between 2020 and 2022. 44% cited a positive impact of the support on the quality of jobs, while 37% said the support did not impact job quality. Figure 24 provides a breakdown of responses.

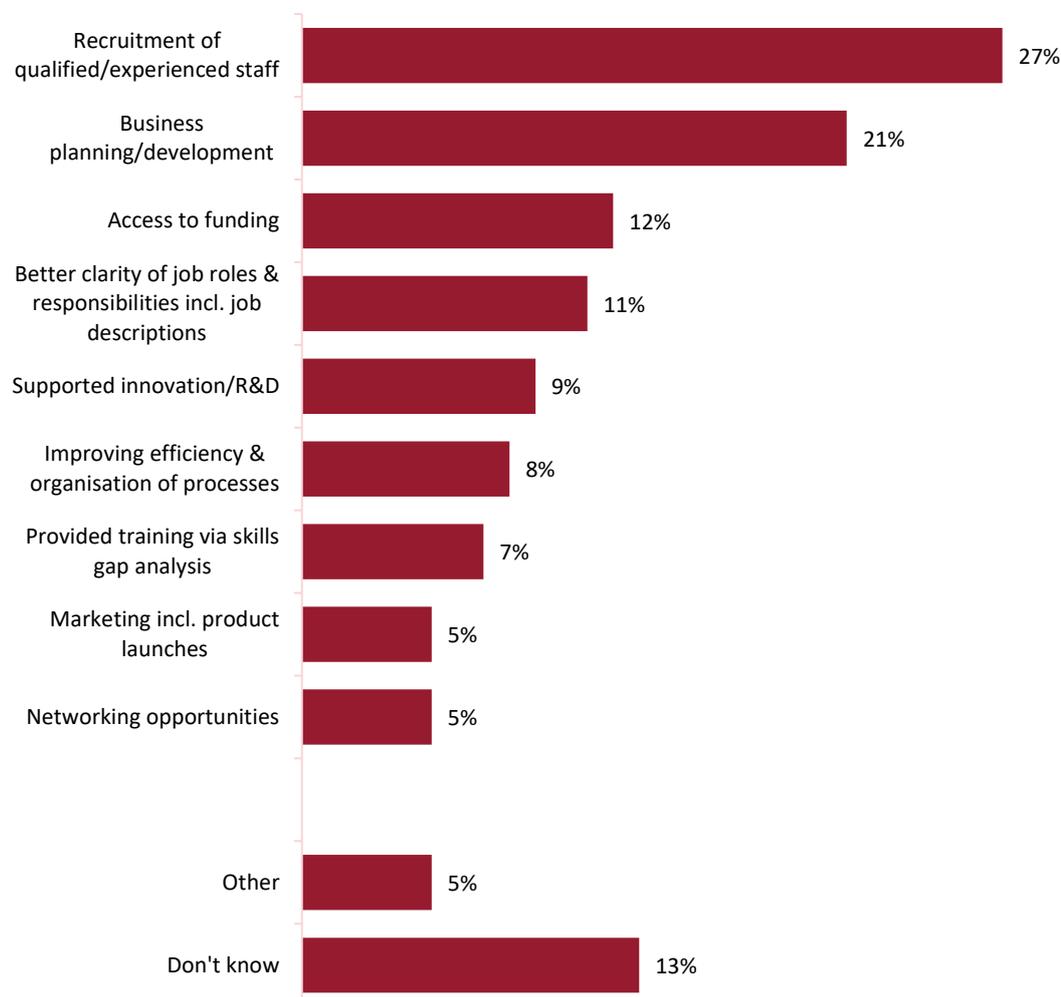
Figure 24 Impact of Innovate UK EDGE COVID-19 support on quality of jobs created



Source: Frontier and BMG analysis of survey data

Note: J06 And what impact, if any, has the support you received from Partner had on the quality of jobs your organisation has created between 2020 and 2022?
 Base = all respondents (633)

Those who said the advisory support had positively impacted the quality of jobs created at their organisation were then asked in what way the support had affected the quality of job creation. This was asked as an open question, with answers subsequently coded into themes as shown in Figure 25. While it is clear those who responded had a range of interpretations, the most common ways in which the advisory support had positively impacted the quality of job creation was by contributing to the recruitment of qualified and experienced staff (27%) and to business planning/development (21%).

Figure 25 Positive impact of Innovate UK EDGE COVID-19 support on job quality

Source: Frontier and BMG analysis of survey data

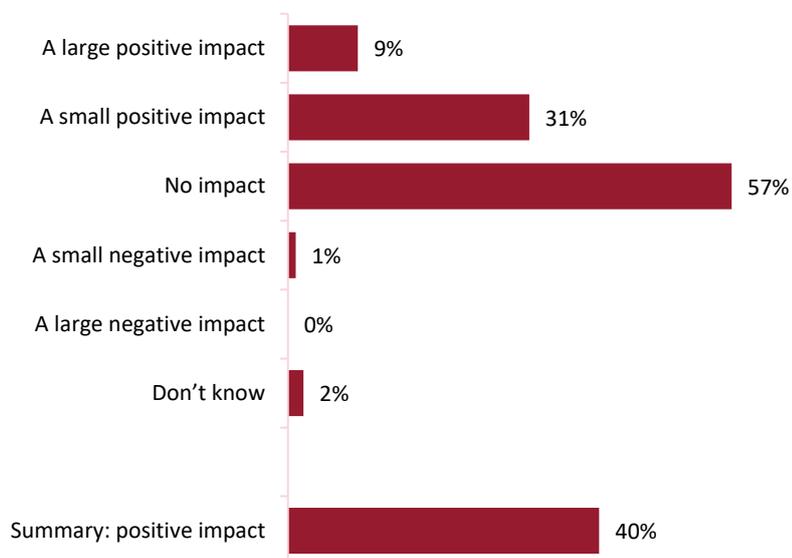
Note: J06 In what way(s) has the advisory support you received from Partner impacted the quality of jobs your organisation has created since 2020?

Base = where support has positively impacted job quality (280). Responses >5% shown

6.1.4.3 Profitability

Respondents were asked to self-report their organisations' current capabilities in relation to profitability. Around two-fifths (42%) of respondents rated their current capabilities for profitability as good, while over one-third (35%) rated their capability as neither good nor poor. 23% rated their current capabilities in relation to profitability as poor.

Respondents were then asked what impact, if any, the advisory support had had on their capabilities in relation to profitability. Figure 26 provides a breakdown of responses. 40% of respondents say the Innovate UK EDGE COVID-19 support they received had a positive impact on their organisations' profitability, while 57% say the support they received did not impact profitability at all.

Figure 26 Impact of Innovate UK EDGE COVID-19 support on profitability

Source: Frontier and BMG analysis of survey data

Note: C02/13 The profitability of my organisation: Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?
Base = if rated organisations capability for profitability (602).

In line with the survey findings, impacts discussed by businesses in in-depth interviews tended to be more focussed on operations and expanding into new markets, rather than on business profitability or financial performance more broadly, perhaps reflecting the focus of this support and the longer time-frames for these impacts to materialise.

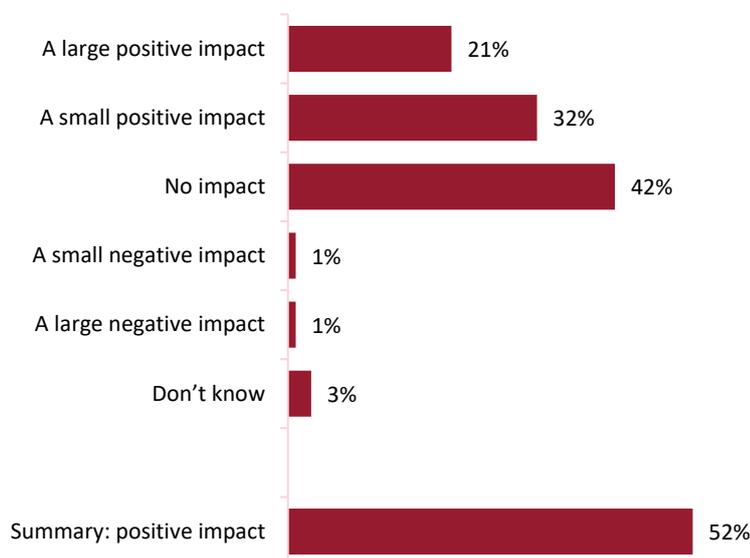
6.1.5 Investment, funding, leverage, IP and products

6.1.5.1 New investment and funding

Most respondents reported being successful in accessing some form of finance since 2020. The majority (51%) of respondents who have accessed funding have received public funding, while 30% have received private funding which includes both private funding with and without capital repayments. 15% of respondents report having been unsuccessful in their application for funding, while 19% say they have not applied for any funding. When asked what the main reason was for raising public funding, most (69%) respondents said it was to allow their organisation to grow. The (mean) average amount of public funding received by respondents who sought and were successful in obtaining this money was around £220,000, and the median amount was c. £70,000.

Survey evidence was mixed on the role of the Innovate UK EDGE COVID-19 support on businesses' ability to access funding or finance. As shown in Figure 27, 52% reported a positive impact on this and 42% said it had no impact at all.

Figure 27 Impact of Innovate UK EDGE COVID-19 support on accessing funding or finance



Source: Frontier and BMG analysis of survey data

Note: F03 What impact, if any, did the advisory support you received from Partner have on your organisation's ability to access funding or finance?

Base = all respondents (633)

In line with the survey findings, there were mixed responses from the in-depth interviews on the extent to which the Innovate UK EDGE COVID-19 support had contributed to businesses attracting new investment and/or funding.

Businesses reported that the type of support provided by the EDGE partner in this regard included reviewing grant applications, making them aware of funding they could apply for, and reviewing business plans and pitch documents to help them attract investment and funding. Some of the businesses found this support very useful, discussing the critical role of the EDGE partner in reviewing pitch documents and other business material which ultimately contributed to winning funding and investment.

“When it came to helping to write business marketing material or a business plan or a grant proposal. It was a pair of eyes that could look at it objectively and make very, very useful recommendations or suggestions for changes. They can't write it for you, but they can critique what you've produced, which is really good...we have been very successful since then [in applying for funding]”

“The help with going through the pitch deck and not having it just me and my co-founder...was immeasurably helpful...writing a pitch deck that was 'enticing' to investors...helped attract private investment of £625k, prior to pandemic in February 2020 [we] had been planning to try to raise £250k”

Another attributed both an IP grant and Catapult support (part of the EDGE Growth support account) subsequently won to the EDGE support and its role in making them aware of these options – highlighting benefits of the integrated system of broader EDGE support.

However, while some businesses found this support very helpful, there were also a number of others who reported no impact of the support in helping generate any funding or investment. One stated that while the EDGE partner helped make them aware of available funding options, these were ultimately not options they were eligible for and “a waste of time”, with another commenting that the support in this regard had been not as structured as they had hoped and hence “less effective” and as such “didn’t funnel into additional investment”. Others expressed disappointment of not having support in this area despite this being a key area where support would have been beneficial.

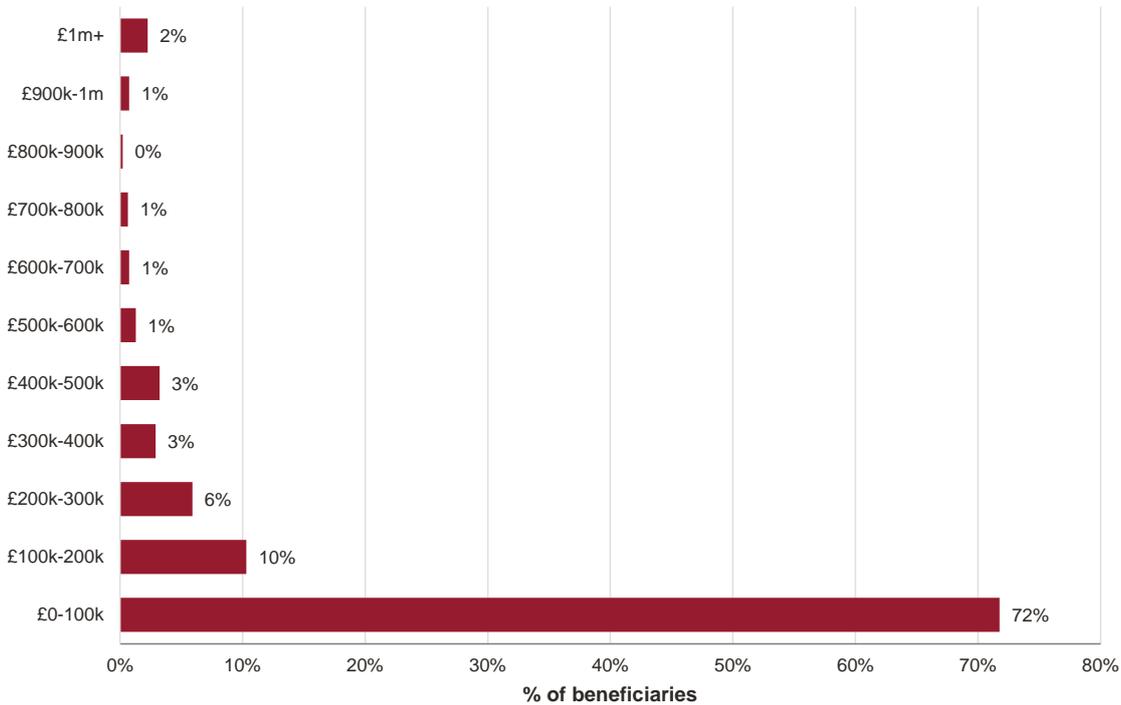
“[The EDGE partner provided] no support about finding investment and helping us refine the pitch and our strategy for investment, more around revenue and sales”

“[I] was hoping for a lot more, you know advice on getting investment ready, help with how to pitch that sort of thing but we didn’t get any of that. They suggested a few grants that’s it, but it turned out to be a waste of time – we weren’t even eligible”

The CRM data we received also included information on the funding and finance raised by UK EDGE beneficiaries over the period April 2020 to March 2022 that would be useful to consider in this context. These data do not attempt to assess additionality or counterfactual and so should be taken as indicative of ‘gross’ effects.

Overall, 931 of the 5,711 beneficiaries (16%) indicated that they were able to raise funding. The total funding raised was reported to be around £160 million. As seen in Figure 28, the funding reported by beneficiaries varied significantly across the group: the minimum funding raised was £500 and maximum was just under £19 million. The mean funding raised in the period between 2020-2022 was around £170,000, though the distribution was highly skewed (for example, the modal funding amount was £15,000 and 85% of businesses raised less than £250,000).

Figure 28 Distribution of funding raised by EDGE beneficiaries

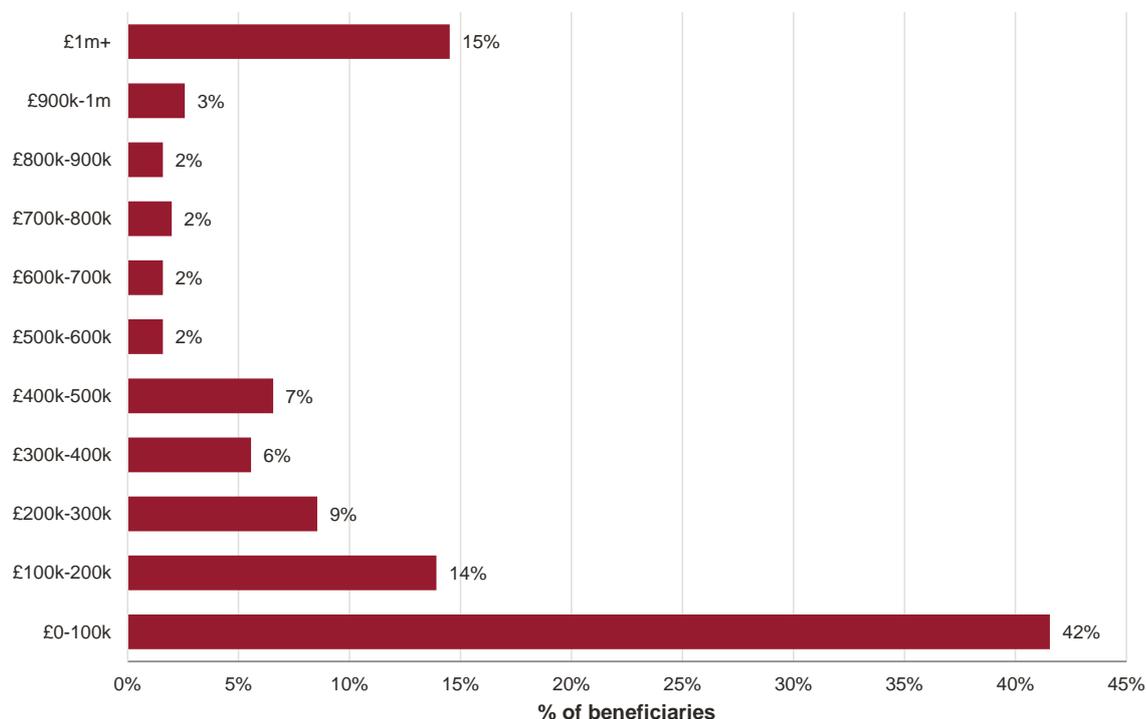


Source: Frontier analysis of CRM data received from IUUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 931 businesses which raised funding

503 EDGE beneficiaries (9% of the total EDGE beneficiaries) were able to raise finance, fewer than those that raised funding. Total finance raised was reported to be £385 million, more than twice the volume of funding raised.

The finance raised reported by beneficiaries also varied significantly across the group, as seen in Figure 29. The minimum amount of finance raised was £500, and maximum was just under £33 million. The mean finance raised in the period was around £767,000, again with a high degree of skew (the modal amount raised was £50,000, and 61% of businesses raised less than £250,000). However a significant minority raised large amounts: over 15% raised more than £1 million.

Figure 29 Distribution of finance raised by EDGE beneficiaries

Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 503 businesses which raised finance

We also examined how funding and finance raised vary across a number of key characteristics, such as persona, life stage, and sector.

Overall, businesses with the Stabilise persona raised the largest share of funding and finance (44% and 43% respectively), followed by Grow businesses (35% of funding, 35% of finance), and then Survive businesses (21% of funding, 22% of finance).

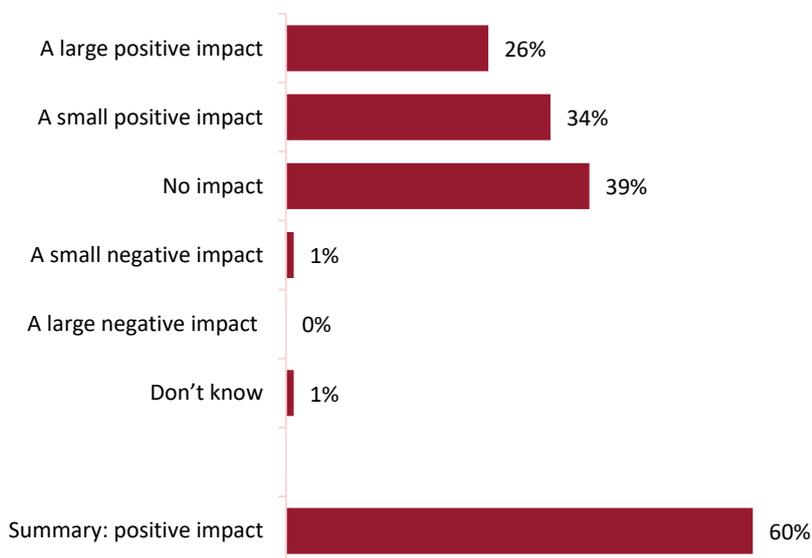
Funding raised was relatively similar across the three life stages. However finance raised did vary across businesses at different life stages: Growth stage businesses raised 26% of finance, followed by Early stage businesses at 32% and Seed businesses raised 40%. This analysis is included in Annex D

6.1.5.2 New products and IP

Most (62%) respondents say they have gained new or additional intellectual property or assets (IP) since 2020. Among those with new/additional IP, 23% reported that their new/additional IP accounts for up to 20% of their current revenue; 12% say that between 21-50% of current revenue is accounted for by the new IP; and 21% say that half or more of their current revenue is attributable to their new/additional IP. Majority of respondents with new/additional IP since 2020 reported a positive impact of the advisory support they received on their ability to gain new/additional IP. As shown in

Figure 30, 60% said the Innovate UK EDGE COVID-19 support had a positive impact on gaining new/additional IP, compared to 39% who said it had no impact at all.

Figure 30 Impact of Innovate UK EDGE COVID-19 support on gaining new IP



Source: Frontier and BMG analysis of survey data

Note: M07 What impact, if any, has the advisory support you received from Partner had on your organisation's ability to gain new IP?
Base = if gained new/additional IP (393)

In line with the survey findings, businesses interviewed reported positive impacts from the support in terms of contributing to the development of new products and supporting on IP, while the response received was more mixed on the impacts of the support in helping secure new investment and funding.

A number of businesses reported the support provided had been beneficial in helping with IP. Businesses felt that while they could likely have ultimately navigated this themselves, the support helped speed up the process.

"They [EDGE partner] helped with our business plans and importantly, the IP. It would have been hard to navigate that one ourselves so they definitely helped speed things up. Would have probably got there on our own in the end but having them definitely helped"

"Yes I'd say they helped with IP, the protection is key because it allows us to grow ... would have taken much longer ourselves so the support here was very welcome"

Some commented that the support provided had been useful in enabling them to develop new products. Businesses discussed how the EDGE partner encouraged them to consider and create different ways of doing things remotely given the lockdowns and other challenges of the pandemic, including thinking of ways to allow customers to access existing products or services remotely and innovating new products.

"They [EDGE partner] made us think differently and helped us see the potential streams arising from the challenges of the pandemic ... specifically to look at innovation technologies in using"

music. [This] enabled our own research and development in robotics now to develop our own solutions.”

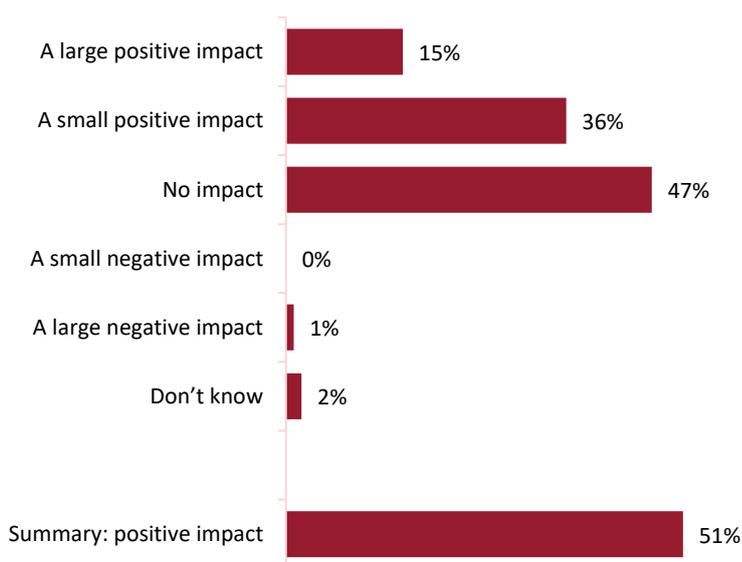
“The [EDGE] programme helped us get the market intelligence we needed to develop our business plan and look at how our technology can address these issues”

6.1.6 Enhanced innovation culture

6.1.6.1 Innovation management and culture

The survey asked about various aspects of innovation, including innovation management and innovation culture. Most (86%) respondents rate their current capabilities in innovation management as ‘good’. As shown in Figure 31, half (51%) the respondents reported that the Innovate UK EDGE COVID-19 support had a positive impact on innovation management at their organisation, with a similar proportion (47%) saying the support had no impact at all on innovation management.

Figure 31 Impact of Innovate UK EDGE COVID-19 support on innovation management

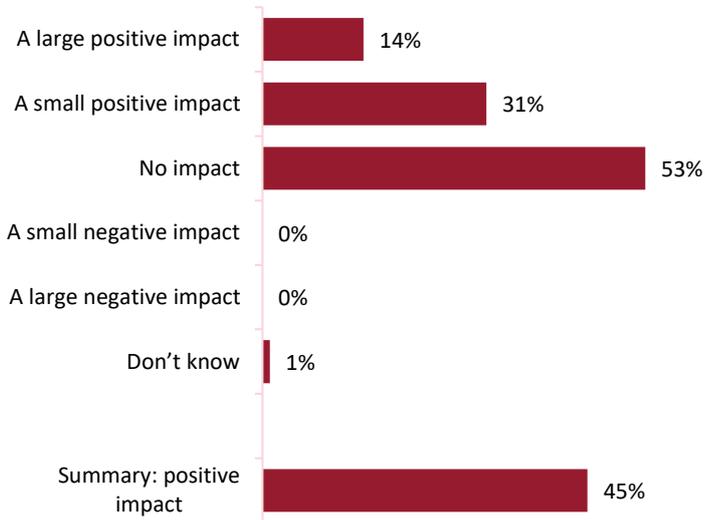


Source: Frontier and BMG analysis of survey data

Note: C02/9 Management of innovation in my organisation: Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?
Base = if rated current capabilities in innovation management (625)

In line with findings relating to innovation management, a high proportion (88%) of respondents rate their capabilities relating to innovation culture as ‘good’. Figure 32 shows that 45% said the support had a positive impact on innovation culture at their organisation while a higher proportion (53%) of respondents said the support had no impact on this.

Figure 32 Impact of Innovate UK EDGE COVID-19 support on innovation culture



Source: Frontier and BMG analysis of survey data

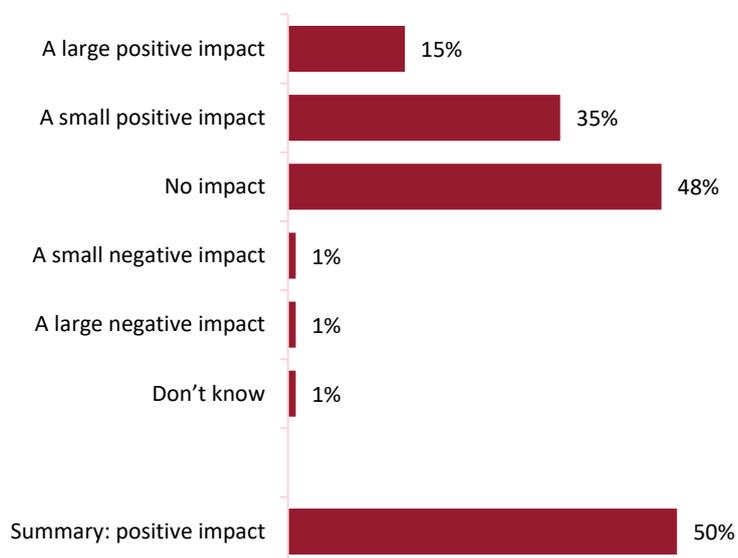
Note: C02/10 Culture of innovation in my organisation: Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?

Base = if rated current capabilities on innovation culture (619)

6.1.6.2 Research and Development

The survey also asked about Research, Development and Innovation (RD&I) spend as a key innovation input and how current spend compares with 2020. Half (51%) of respondents report that 30% or more of their organisation's revenue was spent on RD&I in the previous financial year. Respondents were asked how impactful, if at all, the Innovate UK EDGE COVID-19 support they received had been on spending in RD&I. As shown in Figure 33, an almost equal proportion of respondents said the impact of the support had been positive (50%) and that it had no impact at all (48%).

Figure 33 Impact of Innovate UK EDGE COVID-19 support on research, development and innovation spending



Source: Frontier and BMG analysis of survey data

Note: C02. C05 What impact, if any, did the advisory support you received from Partner have on your organisation's spend on research and development since 2020?

Base = if revenue spent on research, development and innovation (550)

6.1.7 Wider UK economic performance

Earlier survey questions reveal positive economic impacts for the supported businesses across a number of dimensions such as jobs, profitability and entering new markets.

The survey and qualitative research did not identify specific examples of broader economic benefits e.g. resulting from spillovers. This reflects the nature of the support, which was focused on individual firms, and the relatively short period that elapsed between the intervention and the evaluation.

6.1.8 Societal outcomes

As with wider economic spillovers, the survey and qualitative research results did not provide any particular insights in this area, reflecting the short timeframe since the intervention was delivered.

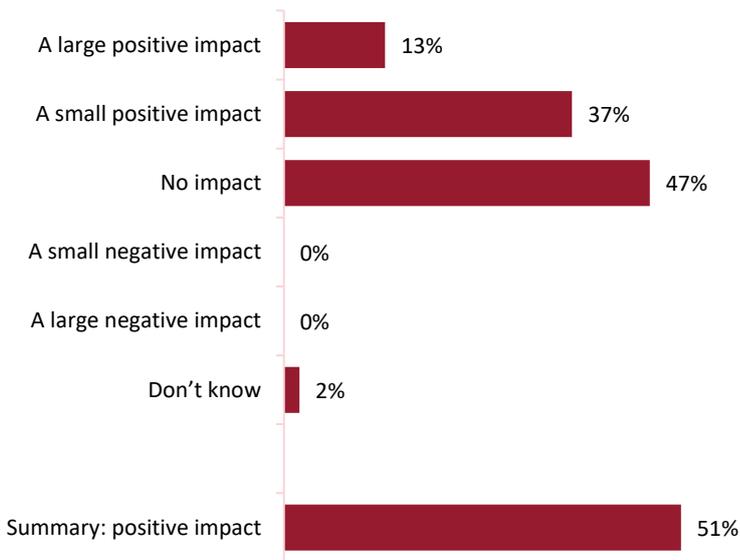
To the extent that the support helped firms to survive and pivot to new opportunities through the pandemic, this is likely to have led to societal benefit in terms of the avoided costs of unemployment, and the ability of firms to support pandemic relief efforts where there were opportunities to do so.

6.1.9 Knowledge sharing and collaboration

Respondents were asked to rate their current capabilities for knowledge sharing and collaboration and whether the Innovate UK EDGE COVID-19 support had any impact in this area. Around three-

quarters (74%) rate their current capabilities for knowledge sharing and collaboration as good compared to 6% who said their capabilities were poor. With regard to the impact of the support, half (51%) say that the support had a positive impact on their organisation’s knowledge sharing and collaboration with other organisations. A similar proportion (47%) say the support had no impact at all on knowledge sharing and collaboration.

Figure 34 Impact of Innovate UK EDGE COVID-19 support on knowledge sharing and collaboration



Source: Frontier and BMG analysis of survey data

Note: C02/11 Knowledge sharing and collaboration with other organisations: Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?
 Base: if rated current capabilities in knowledge sharing and collaboration (617)

6.2 Theme 2 – Heterogeneity

The previous section focused largely on broad results across the respondents to surveys and in-depth interviews. Here we explore evidence related to how the results vary in different ways.

6.2.1 Variation by COVID-19 persona

Differences in survey findings between different types of COVID-19 business persona are limited.

Statistically significant variations between different COVID-19 business personas on particular indicators are shown later in this sub-section, but it is first useful to take an overview of findings for innovation-related activities and other support impact indicators. As shown in the table below, there are no statistically significant differences in the impact of Innovate UK EDGE COVID-19 support on innovation-related aspects when shown by business COVID persona.

Table 8 Proportion of survey respondents that perceive Innovate UK EDGE COVID-19 support to have had a positive impact on innovation-related aspects, by business COVID persona

	Total	Grow	Stabilise	Survive
Knowledge of how to access funding and finance	67%	65%	68%	71%
Strategic decision making about the market position of the organisation	67%	68%	64%	72%
Knowledge of the market in which my organisation operates or would like to operate	62%	63%	58%	68%
The growth of my organisation	57%	56%	57%	59%
The investment readiness of my organisation	55%	52%	57%	60%
Management of innovation in my organisation	51%	50%	51%	52%
Knowledge sharing and collaboration with other organisations	51%	52%	50%	52%
Capability to develop new products or services	50%	52%	46%	54%
Knowledge of regulations and standards relevant to my organisation	47%	46%	44%	52%
Business processes in my organisation	47%	47%	44%	52%
The productivity and/or efficiency of my organisation	45%	49%	41%	46%
Culture of innovation in my organisation	45%	45%	43%	48%
The profitability of my organisation	40%	43%	38%	39%

Source: BMG and Frontier Economics analysis of survey results

Note: C02. Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?

Furthermore, there are few differences reported in the positive impact of Innovate UK EDGE COVID-19 support on other areas. The exceptions are the higher proportion of 'survive' businesses saying the support they received positively impacted their ability to grow/scale and pivot towards new market opportunities (85%), enter new markets (82%) and gain new/additional IP (72%). These trends are looked at in greater detail in the figures below. Otherwise, there are no statistically significant differences between different business COVID personas.

Table 9 Proportion of survey respondents that perceive the Innovate UK EDGE COVID-19 support to have had a positive impact in each area, by business COVID persona

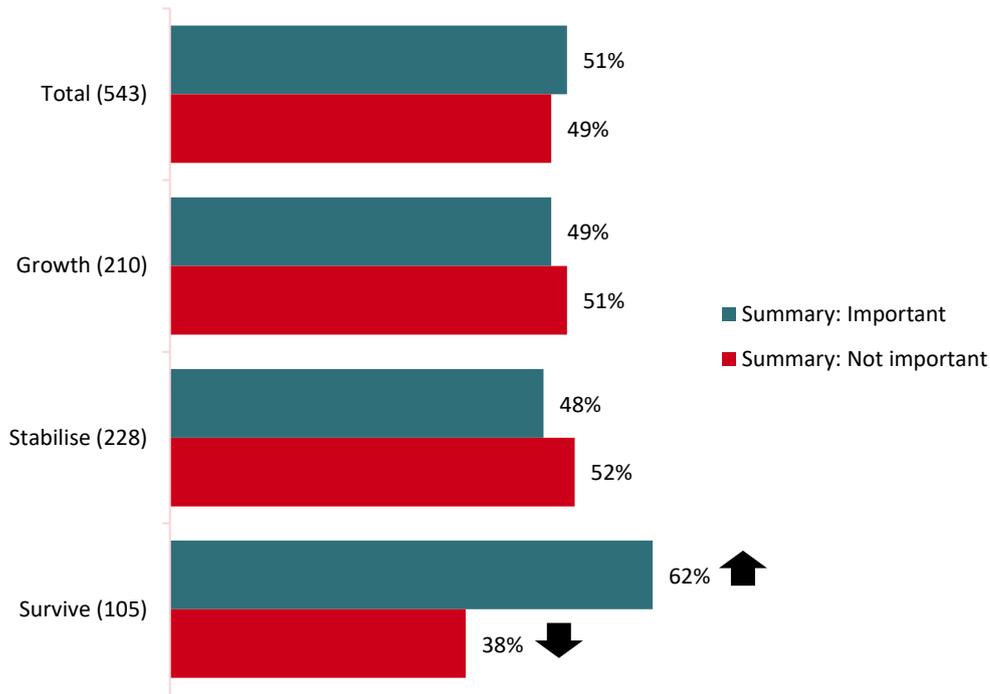
	Total	Grow	Stabilise	Survive
Pivot and grow or scale to new market opportunities	72%	69%	71%	85%
Entering new markets	68%	68%	64%	82%
Gaining new/additional IP	60%	56%	58%	72%
Maintaining jobs	52%	54%	52%	48%
Access to funding and finance	52%	52%	51%	57%
Turnover	51%	50%	50%	53%
Spending on RD&I	50%	53%	46%	51%
Creating new jobs	44%	45%	42%	44%
Quality of jobs created	44%	48%	41%	43%

Source: BMG and Frontier Economics analysis of survey results

Note: Base sizes vary per statement; Figures in bold represent a statistically significant difference to the average across all services.

There are no significant differences to note in the importance attributed to Innovate UK EDGE COVID-19 advisory support regarding the production of goods/delivery of services during the pandemic. There is, however a slight difference in the importance Survive businesses placed on the advisory support they received from their Innovate UK EDGE COVID-19 partner when it came to paying staff wages. As shown in Figure 35, Survive businesses were significantly more likely than average to say the support was important for paying staff wages (62% cf. 51%).

Figure 35 Importance of support received on paying staff wages



Source: Frontier and BMG analysis of survey data

Note: Q2. For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to pay staff their wages?

Base sizes in parentheses

Black arrows indicate statistically significant difference compared to the total average

Our in-depth interviews also indicated that the Innovate UK EDGE COVID-19 support tended to be more valuable for businesses classified as ‘Survive’ and, to some extent, ‘Stabilise’. One possible reason for this is businesses classified as ‘Survive’ tended to be younger businesses, and those who were more significantly impacted by COVID-19. Somewhat atypically to what might be expected, this category also included a number of very new businesses which were still pre-revenue or commencing operations during the pandemic. For such businesses, external support and mentoring was very helpful in building confidence and navigating the challenges brought about by the pandemic.

Businesses in the ‘Grow’ category tended to be businesses that were well established prior to COVID-19 and were impacted by the pandemic to a much smaller degree, if at all. These businesses found the support helpful to some extent but majority felt they “would have likely got to the same result without it [Innovate UK EDGE COVID-19 support]”.

6.2.2 Variation by other business characteristics

The most notable differences in outcomes and impacts can be observed when looking at results by the number of days each business received in support from a Innovate UK EDGE COVID-19 partner. Looking at individual metrics for the impact of Innovate UK EDGE COVID-19 support by the number of days of support received reveals that where more days of support are provided, there is a higher positive impact on outcomes. This trend is best evidenced through a breakdown of the impact businesses reported on innovation-related aspects. This breakdown is shown in Table 10 below.

Respondents who received up to 3 days of support are significantly less likely to rate the support they received as positive on knowledge of access to funding (59%), strategic decision-making about market-positioning (57%), market knowledge (52%), organisational growth (51%), investment readiness (46%), innovation management (41%), knowledge sharing and collaboration with other organisations (40%), developing new products or services (41%), knowledge of regulation and standards (38%), innovation culture (34%), and profitability (31%). In contrast, respondents who received 5+ days of Innovate UK EDGE COVID-19 support were significantly more likely than average to say that the support had a positive impact on knowledge on access to funding (75%), strategic decision-making about market-positioning (74%), market knowledge (69%), organisational growth (65%), investment readiness (67%), innovation management (63%), knowledge sharing and collaboration with other organisations (65%), developing new products or services (60%), knowledge of regulation and standards (55%), innovation culture (59%), and productivity and efficiency within the organisation (54%).

Table 10 Proportion of survey respondents that perceive Innovate UK EDGE COVID-19 support to have had a positive impact on innovation-related aspects, by days of support received

	Total	Up to 3 days	3-5 days	5+ days
Knowledge of how to access funding and finance	67%	59%	67%	75%
Strategic decision making about the market position of the organisation	67%	57%	67%	74%
Knowledge of the market in which my organisation operates or would like to operate	62%	52%	62%	69%
The growth of my organisation	57%	51%	54%	65%
The investment readiness of my organisation	55%	46%	52%	67%

	Total	Up to 3 days	3-5 days	5+ days
Management of innovation in my organisation	51%	41%	47%	63%
Knowledge sharing and collaboration with other organisations	51%	40%	47%	65%
Capability to develop new products or services	50%	41%	48%	60%
Knowledge of regulations and standards relevant to my organisation	47%	38%	45%	55%
Business processes in my organisation	47%	42%	46%	52%
The productivity and/or efficiency of my organisation	45%	41%	41%	54%
Culture of innovation in my organisation	45%	34%	41%	59%
The profitability of my organisation	40%	31%	42%	45%

Source: Frontier and BMG analysis of survey data

Note: C02. Thinking about the advisory support that you received from Partner, what impact, if any, do you think it had on the following?

Base sizes vary per statement.

Figures in **bold** represent a statistically significant difference to the average across all services.

The correlation between days of support and the positive impact of that support on business outcomes is further evidenced in other key metrics in the survey (Table 11). Respondents with 3 days of support or fewer are less likely to report that the support they received positively impacted entering new markets (57%), job maintenance (43%), accessing funding and finance (45%), turnover (42%), spending on research, development and innovation (37%), creating new jobs (35%) and the quality of new jobs (34%).

Conversely, where more days of support are received by organisations, a significantly higher positive impact of the support is reported on key outcomes. Organisations who received 5+ days of Innovate UK EDGE COVID-19 support report significantly higher positive impacts on entering new markets (75%), gaining new/additional IP (70%), accessing funding and finance (64%), turnover (57%), spending on research, development and innovation (60%), creating new jobs (52%) and the quality of new jobs (53%).

Table 11 Proportion of survey respondents that perceive the Innovate UK EDGE COVID-19 support to have had a positive impact in each area, by days of support

	Total	Up to 3 days	3-5 days	5+ days
Entering new markets	68%	57%	69%	75%
Gaining new/additional IP	60%	57%	54%	70%
Maintaining jobs	52%	43%	53%	57%
Access to funding and finance	52%	45%	48%	64%
Turnover	51%	42%	52%	57%
Spending on research, development, and innovation	50%	37%	49%	60%
Creating new jobs	44%	35%	43%	52%
Quality of jobs created	44%	34%	44%	53%

Source: Frontier and BMG analysis of survey data

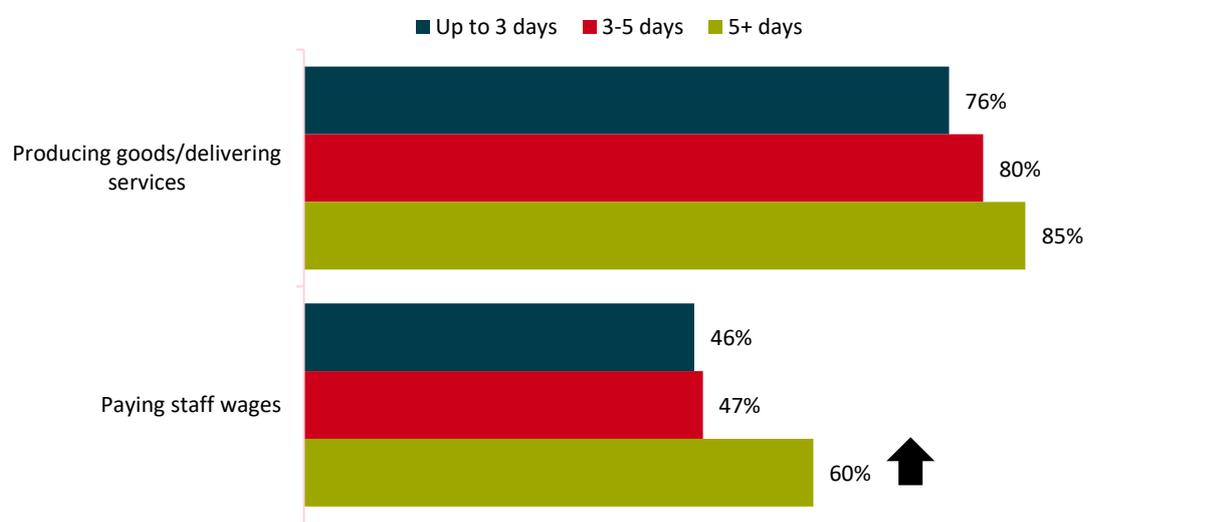
Note: C02.

Base sizes vary per statement.

Figures in **bold** represent a statistically significant difference to the average across all services.

Although we find that those with more days of support were more likely to report that the Innovate UK EDGE COVID-19 support was important for business stabilisation measures (Figure 36) such as production and paying wages, the only statistically significant difference is observed among those with 5+ days of support who rated the importance of EDGE advisory support on paying staff wages higher than respondents with fewer days of support.

Figure 36 Importance of Innovate UK EDGE COVID-19 advisory support on business stabilisation indicators by days of support received



Source: Frontier and BMG analysis of survey data

Note: O1. For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to produce goods/deliver services? O2. For each of the below types of support your organisation may have received since 2020, can you tell us how important these were in ensuring that your organisation was able to pay staff their wages?
Base sizes vary
Black arrows indicate statistically significant difference to the total average

The general correlation between the days of support received and perceived impact may, of course, reflect reverse causation. Firms that received more support may have found it more impactful. Alternatively, firms that were more likely to benefit from the support may have received more of it whereas firms requiring less support or finding it less beneficial may have ended the support earlier.

6.3 Theme 3 – External factors

6.3.1 Interaction with other support

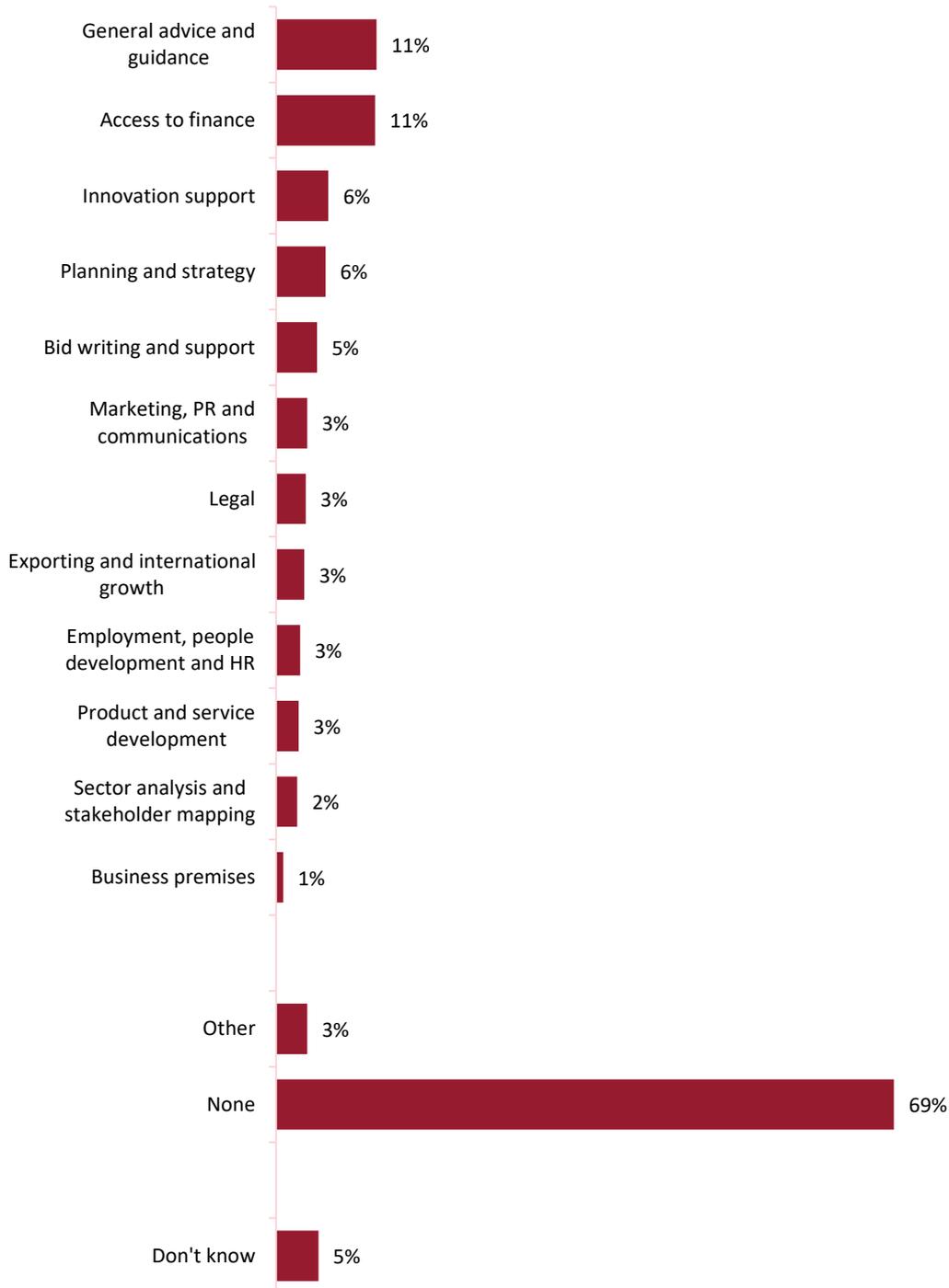
Survey respondents were asked whether they had received any other advisory support in relation to COVID-19 since 2020. As seen in Figure 37, 26% of respondents reported receiving another form of advisory support, compared to 69% who had not received any other advisory support.

Those respondents who had received additional advisory support were asked what the nature of the additional support they received was. Three-quarters (75%) of respondents were able to identify or recall the specific type of advisory support they received in addition to Innovate UK EDGE COVID-19. The most popular responses were ‘general advice and guidance’ and ‘access to finance’ (both 32%).

According to responses from the in-depth interviews, businesses felt it was unlikely that they would have been able to find equivalent advisory support elsewhere had this support not been available, and discussed the unique nature of the Innovate UK EDGE COVID-19 support. For the vast majority of businesses interviewed, the support was the only form of advisory support received during this period. Other support ranged from grants to online tutorials but the support appeared unique in its structure to provide one to one advisory support to individual business and help them navigate the challenges faced during the pandemic.

“It’s [Innovate UK EDGE COVID-19 support] been fantastic. Truly unique, flexible and gave us what we needed at the right time. Would we have got there on our own? Probably in time, but this helped us do it a lot faster”

Figure 37 Other advisory support received since 2020



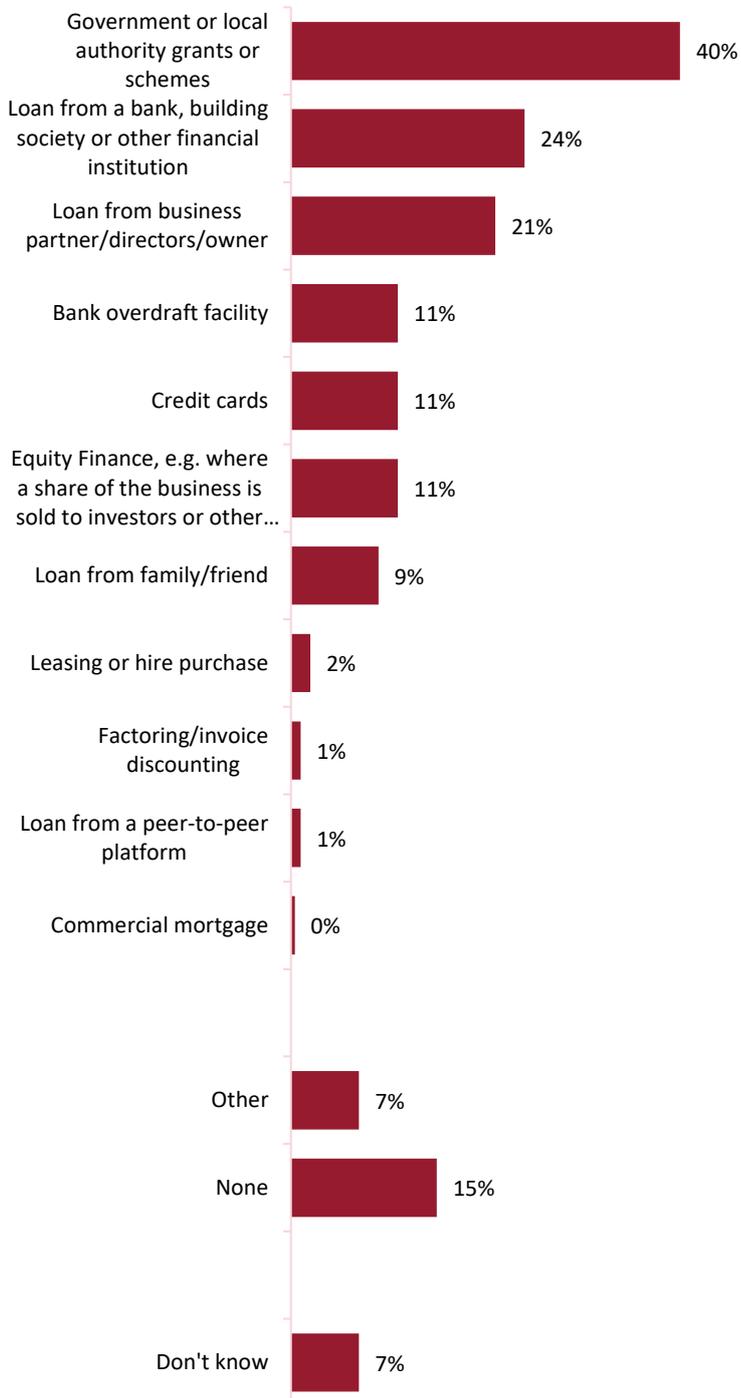
Source: Frontier and BMG analysis of survey data

Note: S05 And apart from the support you got from Partner, did your business receive any other advisory support in relation to COVID-19?

Base = all respondents (633)

Businesses were also asked if they had used external finance during the COVID-19 pandemic. 78% have used some form of external finance. 40% have used government or local authority grants or schemes, 24% had loans from a bank or building society (24%), and 21% had loans from a business partner, director or owner (See Figure 38).

Figure 38 External finance received during the COVID-19 pandemic



Source: Frontier and BMG analysis of survey data

Note: S05 And apart from the support you got from Partner, did your business receive any other advisory support in relation to COVID-19?

Base = all respondents (633)

The responses from the in-depth interviews also indicated that a number of businesses had received external financial support during the COVID-19 pandemic. This included several grant support schemes including grants from IUK EDGE (which implies some confusion about the nature of the Innovate UK EDGE COVID-19 support). General government financial support such as rent rebates and bounce back loans were also referred to.

On the question of the extent to which the Innovate UK EDGE COVID-19 support had interacted with external financial support received during the pandemic, the responses from the in-depth interviews were mixed. While the majority of the businesses interviewed indicated there were no interaction between the different types of support received, a few businesses did discuss certain complementarities between the Innovate UK EDGE COVID-19 support and external financial support received.

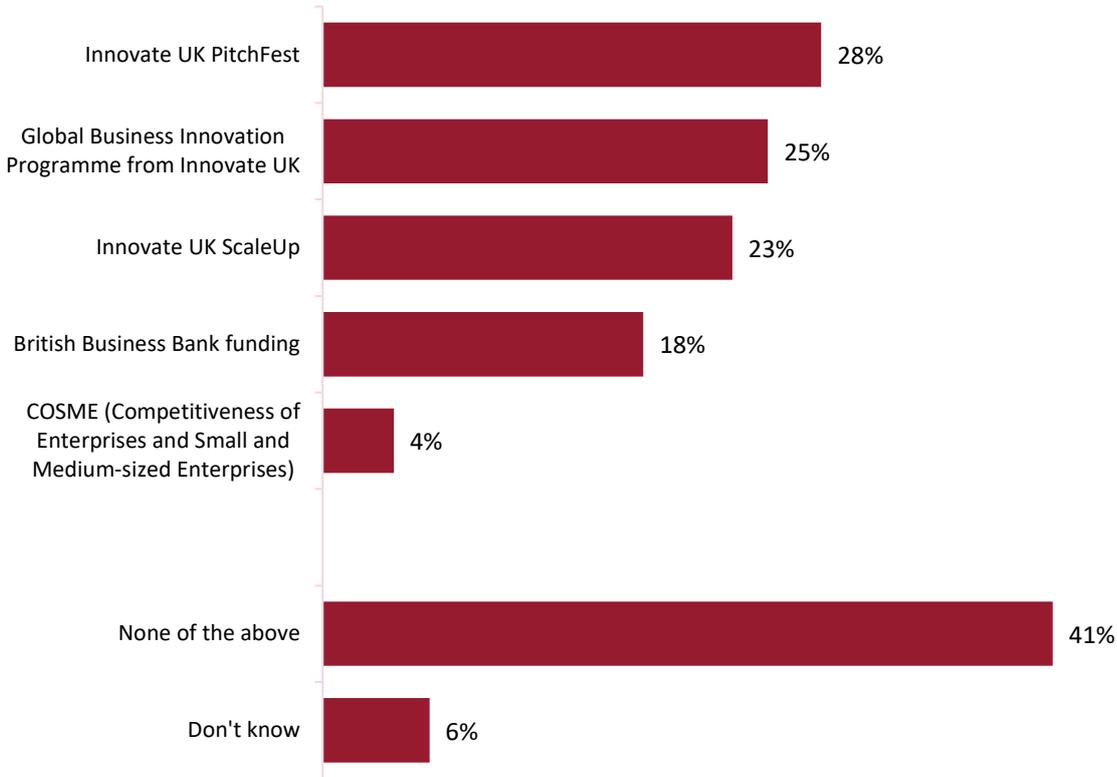
For instance one business commented that there were some complementarities between grants won and this support, as the grant funding provided the resources which enabled them to market their product in a new market and the EDGE partner provided some useful advice in this regard.

However, overall businesses did not report any notable interactions or complementarities between the different types of COVID-19 support received.

6.3.2 Awareness of other innovation-related support

To better understand the interaction between the Innovate UK EDGE COVID-19 support and innovation-related support offered by EDGE and other organisations, survey respondents were asked if they had been made aware of other types of innovation support by their EDGE partner. As shown in Figure 39, over half (53%) of respondents were made aware of other support, with Innovate UK PitchFest (28%) being the most commonly mentioned. This is followed by the Global Business Innovation Programme from Innovate UK (25%) and Innovate UK ScaleUp (23%). British Business Bank funding was mentioned by 18% and COSME by 4% of respondents as forms support of which the Innovate UK EDGE COVID-19 partners had made them aware.

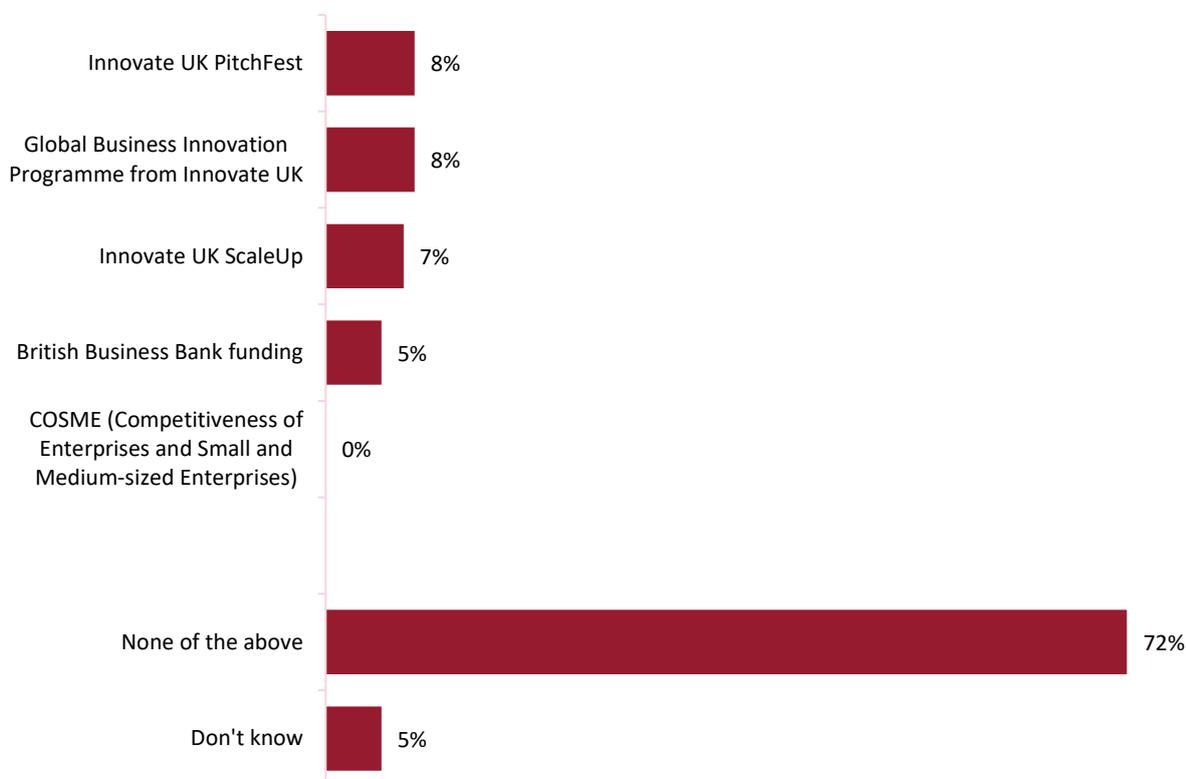
Figure 39 Awareness of other forms of innovation support through engagement with Innovate UK EDGE COVID-19 support



Source: Frontier and BMG analysis of survey data

Note: OS1 Did you become aware of any of the below types of innovation support through your engagement with Partner?
Base = all respondents (633)

Respondents were then asked if they had received any of the innovation-related support listed in Figure 40 below. The majority of respondents did not receive other innovation-related support, with fewer than one in ten saying that they had support from Innovate UK PitchFest (8%), the Global Business Innovation Programme from Innovate UK (8%) and Innovate UK ScaleUp (7%).

Figure 40 Received other forms of Innovate UK EDGE COVID-19 support

Source: Frontier and BMG analysis of survey data

Note: OS2 And have you received support in relation to innovation from any of the below since 2020?
Base = all respondents (633)

Most businesses interviewed had received at least two or more other forms of COVID-19 support, This includes external financial support (grants, general government financial support, awards) as discussed in the previous section, as well as broader innovation related support such as other advisory support and online training (webinars, tutorials on business strategy).

Responses from interviews were mixed on the extent to which Innovate UK EDGE COVID-19 support contributed to awareness of other innovation related COVID-19 support.

A few businesses reported that the support had played a role in generating awareness about more specialised support available to suit their requirements, including referral help to website building, logo and brochure design; and other specific IUK support (e.g. IUK's Global Business Innovation Programme)

"massively so, because I can't really undersell [advisor] I because she's very, very integral to our business...So we also applied for this thing called GBIP [Global Business Innovation Programme by IUK]...And she kind of helped us write our application for that... Yeah, she's really helped with every grant that we've done. She really touched base on or helped us become aware of it".

Other types of support mentioned by businesses interviewed, including online and other mentoring support, and government support, were generally those that they were aware of or became aware of through their wider networks.

6.3.3 Impact on non-EDGE beneficiaries

The survey and in-depth interviews were limited to beneficiaries of the Innovate UK EDGE COVID-19 support programme. As such, impact on non-EDGE beneficiaries is not known.

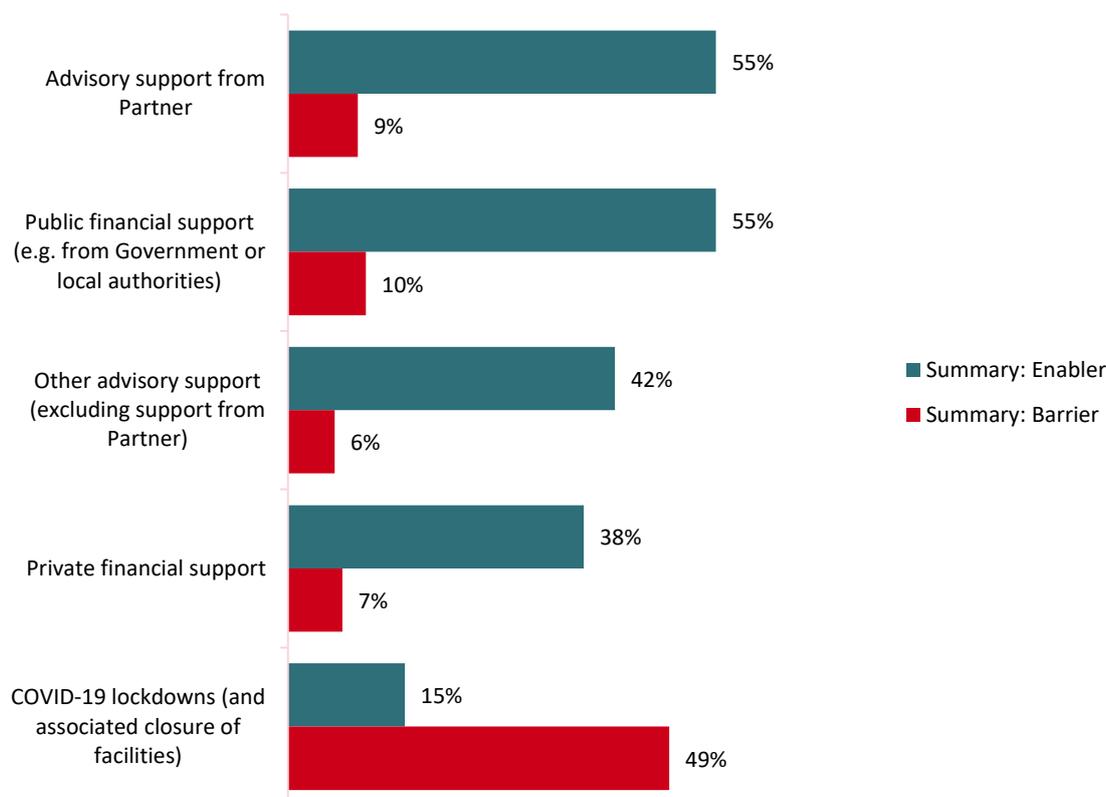
6.3.4 External factors enabling or hindering delivery

Respondents were asked about a range of factors related to COVID-19 which may have enabled or hindered innovation within their organisation. This includes both internal factors such as the impact of the advisory support received and external factors such as the COVID-19 lockdowns.

As shown in Figure 41, the key factors which enabled innovation include the Innovate UK EDGE COVID-19 support (55%) and public financial support (55%). Other forms of support were considered enablers albeit to a lesser extent: 42% said other advisory support excluding the support from the Innovate UK EDGE COVID-19 partner was an enabler and 38% said so when asked about private financial support.

Lockdowns and associated facility closures were seen by most respondents as the key barrier to innovation (49%).

Figure 41 Enablers and barriers to innovation



Source: Frontier and BMG analysis of survey data

Note: 1/1-5. For each of the following factors related to COVID-19, please indicate whether you think they were a barrier or an enabler to innovation within your organisation
Base = all respondents (633)

In line with findings from the survey, and as may be expected, in-depth interviews revealed the COVID-19 lockdowns were the main barrier to delivery of planned outputs, innovation and growth. Businesses were generally unprepared for the impacts this would bring including a significant fall in revenue ("almost overnight our sales pretty much ground to a complete halt"), fall in the availability of collaborators and other partners, and even need to furlough employees which limited the outputs that could be produced with more resources.

"It sort of put the brakes everything for a good few months. A good six months I guess, while we sort of found our feet and figured out how to do it [provide services] remotely"

"I was testing the idea with some developers or some local authorities and there was some interest in the area. It vanished and disappeared immediately when we went into the first lockdown because [the business] is about having a space where we all come together and do something together"

This was closely followed by the related marked dip in availability of private investment and other financing options, particularly in the early months of the pandemic as the uncertainty brought by

COVID-19 led to financial institutions and private re-evaluating plans to move forward with intended funding.

"I'd actually just gone to various pitch events to seek investments into the company, and we were in the middle of that as the pandemic hit. Suddenly everything dried up. People just weren't wanting to invest at that point, understandably."

"Our investors dropped out after the impacts of the pandemic, the plan was to raise £150k but then suddenly the business was able to raise nothing"

Key enablers to continued delivery of outputs and innovation cited by businesses were the support received from public bodies, including the advisory support received under EDGE and other forms of IUK support.

On the Innovate UK EDGE COVID-19 support specifically, businesses negatively impacted by COVID-19 were generally happy with the support received and the way this was delivered remotely given the COVID-19 conditions, commenting that *"The online actually worked well because you had more time."* However a few did report that they felt working remotely with their EDGE partner had some limitations, with one commenting that the inability to have face to face meetings meant they couldn't show trials to the EDGE partner in person which would have been more effective; and another stating *"We weren't able to implement everything that was offered in the support because we couldn't go to events"*.

6.4 Theme 4 – Value for Money

6.4.1 Did the COVID-19 support activities deliver value for money?

While it is apparent from our analysis of primary and secondary data that the COVID-19 support activities have had a positive impact on businesses negatively impacted by the pandemic, it is hard to quantify the precise monetary impact of these activities, which makes a quantitative assessment of value for money difficult.

One reason for this is that many different forms of support were offered during the COVID-19 pandemic, such as grant support, general advice and guidance, planning and strategy support, and innovation support, and there have been EDGE beneficiaries who also received these other forms of support (Section 6.3.4). As may be expected, it is difficult to disentangle the precise impacts of the different support received by businesses. In-depth interviews also suggested firms could not always identify or attribute impacts to specific forms of support. As such, it is difficult to disentangle the impacts that came about specifically as a result of Innovate UK EDGE COVID-19 Business support.

Another reason is the nature of the Innovate UK EDGE COVID-19 support itself. Given the advisory nature of the support, its impacts tend to be broader and with some impacts potentially only materialising over the longer term. Attempting to quantify these impacts over a relatively short period may not reflect the full impact of the support. There were also, as outlined in our presentation of the evidence, some positive impacts cited by beneficiaries that would be difficult to quantify in monetary terms regardless of the timeframe, such as giving businesses the confidence to keep going, or helping

them build a sustainable and robust business that could keep operating under pandemic conditions, or supporting innovation culture and management.

However, while it may not be possible to quantify the impact of the support in monetary terms, there are a number of factors that point to value of the benefits potentially being high relative to the modest public funding costs associated with the Innovate UK EDGE COVID-19 support.

- **Stabilising operations and growth.** Our findings indicate that the support helped businesses stabilise operations, increasing business resilience, supporting innovation and ultimately helping businesses grow.
 - In the qualitative interviews, the vast majority of interviewees negatively impacted by COVID-19 noted that this support was beneficial in a number of ways, including receiving support and advice which gave them the confidence to fight to survive, receiving help to become more investment ready, increasing awareness about other COVID-19 support available and helping to innovate and grow (by pivoting to new markets, developing new products, etc.). In many cases respondents suggested that the impacts were at least partly additional.
 - Survey results also showed that beneficiaries found Innovate UK EDGE COVID-19 support beneficial in gaining new IP, developing new products, obtaining knowledge in relation to accessing funding and finance, strategic decision-making in relation to market positioning, and increasing their knowledge of the market in which their organisation operates.
- **Higher survival rate for supported businesses.** The survival rate benchmarking analysis, together with the broader quantitative and qualitative evidence on how the support helped businesses, suggests that at least a small fraction of the firms supported would, absent the Innovate UK EDGE COVID-19 advisory support, not have survived. This means societal costs such as unemployment benefits and job-search assistance were avoided.
- **Funding and financing received.** Analysis of the CRM data on EDGE beneficiaries indicated that, overall, EDGE beneficiaries raised around £160 million in funding and £385 million in financing. Our survey and qualitative findings indicate that this is partly attributable to the Innovate UK EDGE COVID-19 advisory support – e.g. as shown in Figure 27 more than half of beneficiaries said that the impact of support was positive on their ability to raise funding, and firms also commented on the positive impact of the support in helping them become more investment ready and identify new avenues for funding. A quantitative attribution is not possible with the evidence available. However even if only 5% of this additional funding could be attributed to the Innovate UK EDGE COVID-19 advisory support, it would substantially offset the £22 million of public investment to expand the advisory services through the pandemic assuming that the ultimate economic value add of the additional funding is at least as much as the amount raised.
- **Positive business impacts.** Our findings show that firms did attribute some business impacts such as employment retained and expanded, and quality of employment, to the Innovate UK EDGE COVID-19 support, while recognising that other factors such as public and private funding were also critical. Positive impacts on profitability were also highlighted. Again while it is hard to value these impacts, together with the evidence on financing the evaluation evidence does suggest that positive business impacts can be attributed in part to the advisory support which are suggestive of value for money against the relatively modest costs.

6.5 Theme 5 – Lessons learnt

6.5.1 Evaluation question 11 – What lessons and insights are learned as a result of the programme of support?

In this section we reflect on lessons learned as a result of the Innovate UK EDGE COVID-19 business support programme, drawing on insights from the survey evidence, qualitative interviews, and secondary data analysis.

The survey and interviews highlighted that the positive impact of the Innovate UK EDGE COVID-19 support appeared to be more focused on innovation and growth, and less so on businesses' financial performance. This may be driven by the mix of businesses that received the support: while impacted by COVID-19, many of the firms supported were still innovative, growth-led firms. They reported the Innovate UK EDGE COVID-19 support had been helpful in supporting their growth in a number of ways, from helping enter new markets, providing advice and market intelligence to support the introduction of new products and services, and even supporting on new IP gained (see Section 6.1.5 for a more detailed discussion). It also likely reflects in the part the nature of the support and the availability of other forms of support more targeted on financial survival through the pandemic. The key lesson here is that, rightly, the Innovate UK EDGE COVID-19 support was not of the scale or nature to replace more general forms of financial support to businesses, but was able to occupy an important role of support for innovative, high-growth firms who needed tailored advice through the specific challenges of the pandemic.

Another potential lesson from the qualitative work is around the personalised nature of the support itself. Most of those we interviewed reported that having 'one-to-one' support which was tailored to their specific needs was beneficial and not something they had come across elsewhere, and one of the key strengths of the programme.

"The sort of support I got was very targeted and helpful."

However, a few businesses also reported that despite the support being personalised, it was not as tailored to them as they required and hence not as effective as they would have hoped. These tended to be more specialised businesses who felt the support received was not necessarily geared towards their area or operations (Section 6.1.2) and their advisor potentially lacked the specific skills and knowledge needed to make a positive difference.

"Maybe what I'm saying is like I think if we were to have somebody who, like, knew more about loan funding specifically when that time came rather than having one person do the entire thing, then like I could, we could get drilled down a bit better in some areas such as grant applications, finance and accounting.."

"It would have helped to have an advisor with knowledge of biological sciences and able to critique applications for funding"

This suggests ensuring any support is as closely matched as possible with the required business needs could be a potential area of improvement going forward, and ensuring early alignment of

expectations between advisor and firm about the nature of the support being offered, and the ability of the Innovate UK EDGE advisor to sign-post to more specialist support where needed

Some of the businesses interviewed for this evaluation also mentioned that the amount of time available to their Innovate UK EDGE advisor to support their business was important, with a perception that time was often too limited to realise increasing returns from more focussed support, where the advisor gets closely acquainted with the needs of the business. At the same time businesses also acknowledged that while more time may have been valuable, they understood the immense pressure the advisors were under themselves over this period, managing challenges on multiple fronts, and commended them on the support provided at this uncertain time.

"I thought the meetings would be longer and we'd go into more depth, but they were just like brief chats, really"

"Would I like them not to have so many other things for them to be thinking about? If we say 'hey, look, we're gonna think about this project' it would be great to know that they were able to have some time to think about it. And I think that's a pressure at their end. They've got so many different things on that, you know, they can't always follow up on the things that that we've talked about."

This was backed up by quantitative evidence that the self-reported positive impacts of the support were larger for those who received more days of support (Section 6.2.2), albeit that the direction of causality here is unclear (in that those receiving more support may have been those most in a position to benefit from it).

This suggests that going forward, programmes which offer more intensive support under EDGE could be valuable, and validates for example an increased focus on Scaleup support. However, it will be important for EDGE to continue to identify where businesses need more intensive support and monitor whether the time allocated to support each business is sufficient.

EDGE beneficiaries who participated in the in-depth interviews were asked to reflect on how the support they received could be improved. Among the key improvements cited was the desire for the support to be more 'practical' and 'actionable'.

"I think if there was a bit more space for like hands on stuff. It would be useful, like, I mean, talking about applying for loans and things like that, like sort of getting more involved in that process, but it was more like discussing it and stuff, but it would almost be useful to be like, OK, this is, this is what you need to do. This is how this gets done. Some really like actionable things.."

"The support increased awareness of the climate surrounding the pandemic... It's quite conceptual."

"[we needed] Involvement from actual investors, it was too hypothetical. Would have been better to have real investors in the room sit down with us and say, OK, [EDGE advisor name retracted] told you to do this and this and this and this. And if you do it, we will invest in you"

On the last point, it should be noted that it is not currently within the role for IUK EDGE to provide introductions with investors for beneficiaries due to FCA restrictions on who can offer financial advice. This could be an area where the expectations of the beneficiaries could be set in line more clearly with what IUK EDGE could provide as part of the Innovate UK EDGE COVID-19 support.

These businesses stated that while the support had undoubtedly been valuable to have (*“Overall, I feel very happy with the support otherwise”*), it would have benefited further from a more action-oriented approach. We note here that some of this feedback on benefits of further actionability of the support refer to support received during the early stages of the pandemic when uncertainty was high and advisors, as were everyone, were stretched and handling both challenges within their own organisations as they tried to provide support to these businesses as well.

Finally, in line with the earlier comment on the tailored nature of the support, some businesses also reported that access to a wider network of people, including those with relevant specialised skills was something they had expected and would have enhanced the benefits of the EDGE programme.

“I’d hope for a much wider kind of network support from the whole thing and ultimately this was me and one person talking about, you know, how I could do more. I think my expectation was that I would be linked much more easily to other manufacturers. We networked into various things, which didn’t really happen. So I mean, I kind of at the end of it was getting a better idea of things I might need to do, but I really had no more support to get to do some of those things...”

“I just thought he might be able to point me in the right direction and maybe for running an ecommerce website... Sign post me to the right people.”

7 Conclusions

Overall, we see strong positive evidence of benefits of Innovate UK EDGE COVID-19 support in a number of areas and across a range of evidence sources.

From the survey data, there is evidence that the support has had a positive impact on the majority of businesses that took up the offer of support. Over four-fifth (81%) of respondents who received the support reported it helped stabilise businesses operations overall by positively impacting firms' ability to continue producing goods and services throughout the pandemic. Overall, for most of the areas covered in the survey, a majority of businesses credit the support with having had a positive impact in these areas (see Table 12). In all these cases, firms who did not report a positive impact almost always reported a neutral impact; the proportion reporting negative impacts were always very low.

Table 12 Innovate UK EDGE COVID-19 support impact by area, as perceived by survey respondents

	% reporting positive impact in this area
Pivot and grow or scale to new market opportunities	72%
Entering new markets	68%
Knowledge of how to access funding and finance	67%
Strategic decision making about the market position of the organisation	67%
Knowledge of the market in which my organisation operates or would like to operate	62%
Gaining new/additional IP	60%
The growth of my organisation	57%
The investment readiness of my organisation	55%
Maintaining jobs	52%
Access to funding and finance	52%
Management of innovation in my organisation	51%
Knowledge sharing and collaboration with other organisations	51%
Turnover	51%
Capability to develop new products or services	50%
Spending on RD&I	50%
Knowledge of regulations and standards relevant to my organisation	47%
Business processes in my organisation	47%
The productivity and/or efficiency of my organisation	45%
Culture of innovation in my organisation	45%
Creating new jobs	44%
Quality of jobs created	44%
The profitability of my organisation	40%

Source: Analysis of survey results by Frontier Economics and BMG

Notes: base sizes vary (see section 6 for further detail).

There are some areas where the survey evidence indicates the impact of the support generated a relatively lower impact, namely on maintaining jobs, job creation, job quality and profitability. This is as might be expected given that the support was not in itself providing finance to firms.

Impacts were similarly lower on the impact of the Innovate UK EDGE COVID-19 support on firms' productivity and/or efficiency, and innovation culture. These are areas where benefits are likely to take a longer time to materialise and may again relate to the scale and nature of the support relative to other drivers.

Some positive evidence of benefits was also found in the in-depth interviews, in which businesses described, amongst other things, how Innovate UK EDGE COVID-19 support:

- had a positive impact on increasing business resilience, helping businesses develop strategies to operate in a more sustainable way and building confidence by providing valuable ongoing advice and support;
- helped them to grow and scale operations, enabling them to evolve their technology further to expand the business and grow sales;
- helped with market positioning and encouraged them to target new markets that they would not necessarily have entered otherwise;
- increased awareness of other support available to them, including grants/ other financial support, more specialised external support to suit their requirements (e.g. referral help to website building), and other specific IUK support (e.g. IUK's Global Business Innovation Programme);
- helped attract new investment and/or funding, providing valuable advice and reviewing pitch documents and other business material which ultimately contributed to winning funding and investment; and
- encouraged them to develop new products and services, including thinking of ways to allow customers to access existing products or services remotely and innovating new products.

Where interviewees reported lower impact or negative experiences, this often reflected a misalignment of expectations between the business and the nature of the support available through EDGE. In particular, this tended to be true for a few of the more specialised businesses looking for more niche support.

We find evidence from both the survey and in-depth interviews that businesses felt they would not have been able to find equivalent support elsewhere if the Innovate UK EDGE COVID-19 support was not available, especially if equivalent support was not available through IUK. In this sense, the support and the resultant benefits were at least partly additional, rather than duplicating or displacing equivalent private or public support options.

Evidence also indicates that between 2020 and 2022, Innovate UK EDGE COVID-19 support was a key factor in enabling innovation in businesses (55%), along with public financial support (55%) and

to a lesser extent other advisory support (42%) and private financial support (38%). Lockdowns and associated facility closures were seen by most respondents as the key barrier to innovation (49%).

Overall, while it is apparent from our analysis of primary and secondary data that the COVID-19 support activities have had a positive impact on beneficiaries of this support, it is not possible to quantify the precise monetary impact of these activities. Further, some of the benefits of the support are intangible, making it difficult to arrive at a comprehensive quantitative assessment of Value for Money of the Innovate UK EDGE COVID-19 support.

However, there are a number of factors that point to the positive impact of the support for businesses negatively impacted by COVID-19 which are suggestive of value for money against the relatively modest programme costs. Specifically, analysis of the CRM data indicates that a significant level of funding and finance was raised by EDGE beneficiaries (c. £160 million in funding and £385 million in financing). While again, it is not straightforward to identify the extent to which any of the funding and finance raised is attributable to the Innovate UK EDGE COVID-19 support, even if only 5% of this additional funding could be attributed to the Innovate UK EDGE COVID-19 support (which would be equal to around £27m), it would substantially offset the £22 million of public investment to expand the advisory services through the pandemic. Further, in addition to the positive benefits for the EDGE beneficiaries themselves, our findings show that firms did attribute some broader positive business impacts such as employment retained and expanded, productivity and stabilisation of business operations to the Innovate UK EDGE COVID-19 support, which has positive economic and social benefits. Overall, while it is not possible to arrive at a precise value for money estimate, it is likely the social and economic value generated by the Innovate UK EDGE COVID-19 support programme at least outweighs the public costs.

Finally, there are a number of insights offered by this evaluation of the Innovate UK EDGE COVID-19 business support programme, which may be useful to consider for delivery of other support services going forward:

- The support was targeted towards particular role of businesses, more impactful on innovation than broader financial performance but this reflects the nature of support. This may be driven to some extent by the needs of the mix of businesses that received the support which (while impacted by the pandemic) tended to be largely focused on innovation and growth.
- There is some evidence that more intensive support was associated with larger impacts although the causality is unclear. However this could justify change in the broader EDGE programme towards more intensive support. The effectiveness of the support did not appear to vary significantly across the different personas.
- The personalised nature of the support was valued by businesses as a strength of the programme, and unique to EDGE. While businesses appreciated the support provided and the efforts of the Innovate UK EDGE advisors during this uncertain and challenging time, they also felt the positive impacts would have been enhanced further by a more action-oriented approach, as well as the ability to tailor support better to particular sector needs or to help signpost other support.

Annex A – Theory of change

The UK Government's *Magenta Book* recommends that a key first step of an evaluation is developing a **theory of change** (ToC).⁸ The ToC captures the theory of how the intervention is expected to have worked, setting out the steps expected to have been involved in achieving the desired outcomes, the assumptions made and wider contextual factors. Developing a ToC typically involves considering the activities delivered through an intervention and the causal chain that leads from these activities through to the expected outputs, outcomes, and impacts. It considers the causal mechanisms by which an intervention is expected to have achieved its outcomes. A **logic model** can be used as a visual representation of the ToC that can be rapidly understood and disseminated.

A ToC is particularly critical as part of a theory-based evaluation, the over-arching approach we have taken for the evaluation of Innovate UK EDGE COVID-19 support (see below). By clearly articulating the theory for how the support was expected to deliver intended benefits, we were able to then distil clear evaluation questions and indicators that were used to structure the evaluation.

A.1 Methodology used to develop the theory of change

We developed our theory of change and logic model for Innovate UK EDGE COVID-19 support based on:

- Desk review of key programme documents from the Innovate UK EDGE team as well as documents from IUK outlining the wider support which was put in place in response to the COVID-19 pandemic
- Semi-structured discussion with IUK senior stakeholders involved in setting up the Innovate UK EDGE COVID-19 support, IUK stakeholders involved in the delivery of the activities and partners responsible for delivering the activities.
- Our prior work on evaluating the impact of the activities delivered by the Enterprise Europe Network England Wales and Northern Ireland consortium.

A.2 Key narrative elements of the theory of change

Below we outline the key narrative elements of the wider Theory of Change that are relevant to and inform our evaluation of the Innovate UK EDGE COVID-19 support.

Timescales to impact

The short-term outcomes were expected to materialise within the period of the Innovate UK EDGE COVID-19 support delivery between April 2020 and March 2022. In many cases, particularly for firms

⁸ [HM Treasury \(2020\), *Magenta Book: Central Government guidance on evaluation*](#)

in the survive persona, outcomes would be expected much more quickly if firms could act on the advice to help them to stay in business and access other support available.

Medium- and long-term outcomes are expected to happen towards the end of the intervention period and, possibly, beyond. In general, it is likely that outcomes related to knowledge acquisition may be realised sooner than those related to accessing new markets and investments.

Final impacts may be realised over a much longer timeframe (a report by the Enterprise Research Centre (ERC) suggests that evaluations of business support see impacts after a minimum of 3 years).⁹ The focus of this evaluation is therefore on what in particular we can say about the outputs and shorter-term outcomes of the Innovate UK EDGE COVID-19 support, and how far this suggests they will contribute to longer-term outcomes and impacts in the future.

Interaction with other support

External support was fundamental to and synergistic with Innovate UK EDGE COVID-19 support to ensure the main short-term outcomes of the programme. In fact, a large part of the support was pointing businesses towards the most appropriate form of external support and helping to navigate the complex support environment outlined above.

We have ensured other support is considered in our evaluation. While it has not been possible to fully strip out the impact of Innovate UK EDGE COVID-19 support from other support, in particular in terms of longer-term outcomes and impacts, we have identified some of the key features of different support mechanisms and how these help to isolate the impact of the Innovate UK EDGE COVID-19 support in the table below.

Table 13 Sources of external COVID-19 support and business impact

Type of support	How it influences beneficiaries	How it will be incorporated in the evaluation
EDGE support	<ul style="list-style-type: none"> ■ Ongoing EDGE support was supplemented with additional COVID-19 related support ■ Existence of relationships may have helped speed and relevance of COVID-19 business support 	<ul style="list-style-type: none"> ■ Survey responses and quantitative analysis will separate out the effect of the support by companies that did and did not receive previous EDGE support ■ This will be done by comparing beneficiaries with those on the EEN

⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/920233/business-support-evaluation-framework-2019.pdf

Type of support	How it influences beneficiaries	How it will be incorporated in the evaluation
		<p>CRM and exploring pathways from COVID-19 support to broader EDGE support</p> <ul style="list-style-type: none"> ■ Qualitative analysis will explore other contributions to stated outcomes and impacts
Innovate UK support	<ul style="list-style-type: none"> ■ COVID-19 specific funding schemes helped provide more tailored funding to innovative businesses ■ Access to funding schemes may have helped impact survival rate as well as other longer-term outcomes 	<ul style="list-style-type: none"> ■ Survey responses and quantitative analysis will separate out the effect of the support by companies that did and did not receive IUK funding ■ This will be done using the Innovate UK EDGE COVID-19 CRM (with some input from the Innovate UK EDGE team) ■ Qualitative analysis will explore other contributions to stated outcomes and impacts
Government support	<ul style="list-style-type: none"> ■ Business survival depends on furlough, CBILS/BBILS and other Government policies to stabilise economy ■ Relevance of programmes and their value to a company impact survival rate and other longer-term outcomes 	<ul style="list-style-type: none"> ■ Survey responses and quantitative analysis will separate out the effect of the support by companies that did and did not receive other funding ■ This will be done using the Innovate UK EDGE COVID-19 CRM and designing questions to ask about use of and relative importance of different schemes ■ Qualitative analysis will explore other contributions

Type of support	How it influences beneficiaries	How it will be incorporated in the evaluation
		to stated outcomes and impacts

Source: Frontier Economics

Note: [Insert Notes]

External barriers and enablers

Table 14 below sets out the key external enablers and barriers identified in developing the Theory of Change. These are external to the Innovate UK EDGE COVID-19 support in that they are beyond the control of IUK and the delivery partners, but that may be important factors (separate from the other COVID-19 related support outlined above) influencing delivery of the outputs, outcomes and impacts of the Innovate UK EDGE COVID-19 support. Our evaluation assesses how far these other factors may have been relevant drivers of any reported benefits.

Table 14 External enablers and barriers

Barrier/Enabler	
COVID-19 incidence	<ul style="list-style-type: none"> ■ The incidence of COVID-19 in the UK is an external factor which is key in affecting businesses, both positively and negatively according to their positioning.
Government response to COVID-19	<ul style="list-style-type: none"> ■ Non-pharmaceutical interventions (NPIs) implemented by the Government to reduce the spread of COVID-19, such as stay-at-home orders, will have affected companies directly and indirectly.
Government communication of measures	<ul style="list-style-type: none"> ■ The communication of measures the Government is taking may have affected the way in which companies planned the steps needed to survive in the short to medium term.
Sensitivity of business to COVID-19 and mitigations	<ul style="list-style-type: none"> ■ Businesses working in sectors exposed to COVID-19, such as businesses focused on innovations in the hospitality sector, may have been more affected by the pandemic and Government responses to it.

Barrier/Enabler

Government support to affected households	<ul style="list-style-type: none"> ■ The size, scope, and breadth of Government support to households will have affected companies which received UKRI support (e.g. through demand-side impacts, as support provided to households could potentially impact their ability and willingness to continue to demand products and/or services from these companies).
Digital readiness and operating model of companies	<ul style="list-style-type: none"> ■ The readiness and capabilities of companies to transition to operate virtually will have affected the outcomes and impacts of the Innovate UK EDGE COVID-19 support, particularly those related to company survival.
Management capability of companies	<ul style="list-style-type: none"> ■ The capabilities of company management, in particular regarding responses to COVID-19 on the financial and operational side will have affected the outcomes and impacts such as the company survival rate.

Source: *Frontier Economics and BMG Research*

Note: *[Insert Notes]*

Ensuring barriers and enablers are documented and considered also helps ensure the evaluation methods isolate factors that contributed to success and failure which were outside the control of the consortium.

Interactions and feedback loops

Innovate UK EDGE COVID-19 support interacted with wider EDGE support in two main ways.

- First, companies which received EDGE support before COVID-19 were targeted as companies eligible for receiving Innovate UK EDGE COVID-19 support. Therefore, the additional support received during the pandemic, on top of the existing support received through EDGE, interacted to achieve the medium- and longer-term outcomes set out in the logic model.
- Second, some companies which received Innovate UK EDGE COVID-19 support were directed towards additional support delivered as part of the wider Innovate UK EDGE offer.

A key feedback loop, shown on the logic model, represents the impact that current Innovate UK EDGE COVID-19 has on raising the awareness of EDGE business support to the innovative business community. In fact, the breadth of companies that were targeted as part of Innovate UK EDGE COVID-19 activities may result in increased awareness and take up of EDGE support in future. This may

indirectly lead to outcomes and impacts which are listed in the logic model, given they are those that wider UKRI business support is aiming to achieve.

Assumptions

The key assumptions implicit within the logic model are set out below. This recognises that the move from activities to impacts does not just reflect an inevitable pathway; rather other factors also need to be in place to support later outcomes and impacts being released as a result of the support. Setting these assumptions out helps to inform the design of the impact evaluation questions and instruments that will be used to capture evidence in order to answer them.

Table 15 Assumptions of the logic model

Assumption
<ul style="list-style-type: none"> Partners were not significantly capacity or operationally constrained in their ability to provide support to businesses.
<ul style="list-style-type: none"> KPI / reporting requirements did not distort delivery incentives on behalf of the partners.
<ul style="list-style-type: none"> The network businesses interacted with provided access to high-quality advisors.
<ul style="list-style-type: none"> SMEs engaged positively with the support given and were willing and able to act on the advice given.
<ul style="list-style-type: none"> The advice given was relevant to business needs and useful in achieving short term survival, stabilisation, and growth goals.
<ul style="list-style-type: none"> External shocks did not prevent activities, such as advice on funding, from leading to outcomes such as survival, stabilisation, and growth.
<ul style="list-style-type: none"> External shocks did not prevent generated outcomes, such as stabilising the business, from leading to medium and long-term outcomes.

Source: *Frontier Economics and BMG Research*

Note: *[Insert Notes]*

Some of these assumptions will be tested in our quantitative methodology, as explained below, to evidence the pathways of impact. Some of these conditions are necessary, for example, delivering relevant advice. Evidence on the presence or absence of these factor will be key in understanding why impact did or did not occur.

Annex B – Survey methodology

B.1 Composition

A census approach was adopted, whereby all beneficiaries were invited to take part in the survey. Response rates were monitored by partner, company stage at commencement, COVID persona at commencement and completion, number of days of support received, company size, and number of years trading.

In total, 633 businesses completed the survey. This represents a response rate of 11%, broadly in line with expectations. The response rates vary by other business characteristics which were used for monitoring survey progress. Table 16 shows completed surveys and corresponding response rates by COVID persona at commencement:

Table 16 Response rates by COVID persona at commencement

	Completed surveys	Response rate
Growth	246	12%
Stabilise	263	11%
Survive	124	12%

Source: Frontier and BMG analysis of survey data

Note: [Insert Notes]

Table 17 shows completed surveys and response rates by Innovate UK EDGE COVID-19 support partners.

Table 17 Response rates by Innovate UK EDGE COVID-19 partner organisation delivering support

	Completed surveys	Response rate
Birmingham Chamber of Commerce	5	6%
BIC Innovation	27	12%
Chamberlink	11	6%
Business West Ltd	76	13%
Coventry University Enterprises	22	13%

	Completed surveys	Response rate
Derbyshire and Nottinghamshire Chamber of Commerce	11	5%
Exemplas Ltd	84	10%
Invest NI	1	6%
Inventya Ltd	20	7%
London Chamber of Commerce & Industry	0	0%
Newable Ltd	101	10%
Oxford Innovation Ltd	58	14%
RTC North	115	15%
St John's Innovation Centre	21	14%
Teesside University	4	7%
University College London	21	14%
University of Greenwich	53	12%
West & North Yorkshire Chamber of Commerce	3	6%
Birmingham Chamber of Commerce	5	6%

Source: Frontier and BMG analysis of survey data

Note: [Insert Notes]

Table 18 below shows the completed surveys and response rates by days of support received.

Table 18 Response rates by days of support

	Completed surveys	Response rate
Up to 3 days	154	7%
3-5 days	279	37%
5+ days	200	8%

Source: Frontier and BMG analysis of survey data

Note: [Insert Notes]

B.2 Survey methodology

A mixed mode approach was used for the survey, encompassing completion via both online and phone. This mixed mode approach was employed to maximise response rates as well as to utilise the sample and resources available as efficiently as possible.

Businesses were initially invited to complete the survey online. All sampled businesses were sent an initial email invite that contained a link to the online version of the survey. This link was unique to each respondent and allowed them to complete the survey in multiple sittings if they preferred. Telephone interviewing began a week later, with specially trained telephone interviewers calling respondents who had not completed the survey. The interviewers either encouraged the respondent to complete the online survey or took them through the full survey over the phone depending on which the respondent preferred to do. The online and telephone surveys had exactly the same content to ensure comparability of responses across methods.

The survey was designed around the evaluation framework and logic model and aimed to collect information relating to many of the evaluation questions. Not all questions were deemed suitable to be answered by quantitative survey data. A number of questions were only asked to businesses who had received support as they were not applicable to those who did not receive support.

B.3 Survey questionnaire

Below is the questionnaire used for the survey. Text in pink are scripting and routing instructions used in the construction of the survey. These instructions were not visible to respondents. Respondent instructions are in blue.

SURVEY INTRODUCTIONS

ONLINE INTRO

We are conducting a survey on behalf of Innovate UK. They have commissioned an evaluation of the Innovate UK EDGE COVID-19 Fast Response support programme.

You have been invited to provide feedback as part of this evaluation as your business has received Innovate UK EDGE COVID-19 support services between 2020 and 2022. These support services may have had a different name. This refers to the advisory support your business received in relation to COVID-19 from **[INSERT PARTNER NAME]**.

Innovate UK needs your help in evaluating the impact of these support services on businesses. Your response will help the ongoing development of innovation services provided to UK businesses.

The survey will take around **15 minutes to complete**.

Just to confirm, your responses will be treated in the strictest confidence. BMG Research abides by the Market Research Society Code of Conduct and data protection laws at all times. All responses will be reported on in an aggregated and anonymous form. We will not tell UKRI which businesses have taken part or share any individual responses with UKRI.

You can find out more information about our surveys and what we do with the information we collect in our Privacy Notice which is here <http://www.bmgresearch.co.uk/privacy>

Click **NEXT** to begin the survey

By clicking the **NEXT** button, you agree to participate in the survey.

CATI INTRO

Good morning/ afternoon, my name is ^GetCatiInterviewerName()^ and I am calling on behalf of Innovate UK from BMG, an independent research organisation.

^f('MOBILE').any('1') ? "Can I just check that if you are using a mobile phone it is safe for you to talk?" : ""^

We are conducting a survey on behalf of Innovate UK. They have commissioned an evaluation of the Innovate UK EDGE COVID-19 Fast Response support programme.

You have been invited to provide feedback as part of this evaluation as your business has received Innovate UK EDGE COVID-19 support services between 2020 and 2022. These support services may have had a different name. This refers to the advisory support your business received in relation to COVID-19 from **[INSERT PARTNER NAME]**.

Innovate UK needs your help in evaluating the impact of these support services on businesses. Your response will help the ongoing development of innovation services provided to UK businesses.

IF NECESSARY: The survey will take around **15 minutes to complete**.

Just to confirm, your responses will be treated in the strictest confidence. BMG Research abides by the Market Research Society Code of Conduct and data protection laws at all times. All responses will be reported on in an aggregated and anonymous form. We will not tell UKRI which businesses have taken part or share any individual responses with UKRI.

Please note, calls are recorded for monitoring and training purposes.

You can find out more information about our surveys and what we do with the information we collect in our Privacy Notice which is on our website.

I can give you the website address (<https://www.bmgresearch.co.uk/privacy>) now over the phone or by email.

INTERVIEWER: Confirm respondent happy to proceed with the survey

✓ Informed consent provided **[TICK BOX, DO NOT ALLOW TO PROCEED WITHOUT TICKED]**

SCREENING & PROFILING (SECTION 5)

INTRO TEXT

Firstly, we'd just like to confirm some details we have about the advisory support that your business received in relation to COVID-19. For the purpose of this survey, we are interested in advisory support that you received from the Innovate UK EDGE partner **[INSERT PARTNER NAME]** in relation to COVID-19 only between 2020 and 2022. Please note that we'd like you to think about advisory support you have received from **[INSERT PARTNER NAME]**. This excludes any financial support you may have received from **[INSERT PARTNER NAME]**.

Base: All respondents

SINGLE CODE

S01. Can I just confirm that your business has received support services from **[INSERT PARTNER NAME]**?

Code	Answer list	Scripting notes	Routing
------	-------------	-----------------	---------

1	Yes		
2	No	<i>SCREENOUT</i>	

Base: All respondents

SINGLE CODE

S01_A. And was this the first time your organisation had received support from Innovate UK EDGE (previously known as the Enterprise Europe Network)?

The advisory support services that your business received in relation to COVID-19 from **[INSERT PARTNER NAME]** are part of Innovate UK EDGE, although you may know this by a different name.

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
97	Don't know		

Base: If first time receiving EDGE support (S01_A=1)

OPEN TEXT

S01_B. How did you find out about this support being available for your business? Please be as detailed as possible.

Please type in your answer below

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	<i>FIX</i>	

Base: All respondents

MULTI CODE

S02. What type of advisory support did your business receive in relation to COVID-19 from **[INSERT PARTNER NAME]** from 2020?

CAWI: Please select all that apply

CATI: READ OUT, MULTI CODE

Code	Answer list	Scripting notes	Routing
1	General advice and guidance		
2	Access to finance		
3	Planning and strategy		
4	Legal		
5	Employment, people development and HR		

6	Exporting and international growth		
7	Marketing, PR and communications		
8	Innovation support		
9	Bid writing and support		
10	Sector analysis and stakeholder mapping		
11	Product and service development		
12	Business premises		
13	Other (please specify)	<i>FIX</i>	
97	Don't know	<i>FIX</i>	

Base: All respondents

OPEN TEXT

S03. What did your business want to get out of the advisory support you received in relation to COVID-19 from **[INSERT PARTNER NAME]** from **2020**? Please be as detailed as possible.

Please type in your answer below

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	<i>FIX</i>	

Base: All respondents

SINGLE CODE

S04. Did your business receive any other support (whether financial or advisory) in relation to COVID-19 since 2020?

Code	Answer list	Scripting notes	Routing
1	Yes		
2	No		
97	Don't know		

Base: IF RECEIVED SUPPORT SERVICES FROM SOMEONE ELSE [S04=1]

MULTI CODE

S05. And apart from the support you got from **[INSERT PARTNER NAME]**, did your business receive any other advisory support in relation to COVID-19?

CAWI: Please select all that apply

CATI: READ OUT, MULTI CODE

Code	Answer list	Scripting notes	Routing
------	-------------	-----------------	---------

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

1	General advice and guidance		
2	Access to finance		
3	Planning and strategy		
4	Legal		
5	Employment, people development and HR		
6	Exporting and international growth		
7	Marketing, PR and communications		
8	Innovation support		
9	Bid writing and support		
10	Sector analysis and stakeholder mapping		
11	Product and service development		
12	Business premises		
13	Other (please specify)	<i>FIX</i>	
97	Don't know	<i>FIX</i>	

Base: All respondents

MULTI CODE

S06. Did your business use any of the below types of external finance during COVID-19?

CAWI: Please select all that apply

CATI: READ OUT, MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Bank overdraft facility		
2	Commercial mortgage		
3	Credit cards		
4	Equity Finance, e.g. where a share of the business is sold to investors or other people		
5	Factoring/invoice discounting		
6	Government or local authority grants or schemes		
7	Leasing or hire purchase		
8	Loan from a bank, building society or other financial institution		
9	Loan from family/friend		
10	Loan from business partner/directors/owner		
11	Loan from a peer-to-peer platform		
13	Other (please specify)	<i>FIX</i>	

97	Don't know	<i>FIX</i>	
----	------------	------------	--

OPERATIONAL AND FINANCIAL STABILISATION

Base: All respondents

SINGLE CODE PER ROW

01. For each of the below types of support your organisation may have received since **2020**, can you tell us how important these were in ensuring that your organisation was able to produce goods/deliver services?

CAWI: Please select one answer per row

CATI: READ OUT, SINGLE CODE PER ROW

STATEMENTS

Code	Answer list	Scripting notes	Routing
1	Advisory support from [INSERT PARTNER NAME]		
2	Public financial support (e.g. from Government or local authorities)		
3	Private financial support		
4	Other advisory support (excluding support from [INSERT PARTNER NAME])		

SCALE

Code	Answer list	Scripting notes	Routing
1	Very important		
2	Somewhat important		
3	Not very important		
4	Not at all important		
97	Don't know		
5	Not applicable – didn't receive this type of support		

Base: All respondents

SINGLE CODE

02. For each of the below types of support your organisation may have received since **2020**, can you tell us how important these were in ensuring that your organisation was able to pay staff their wages?

CAWI: Please select one answer per row

CATI: READ OUT, SINGLE CODE PER ROW

STATEMENTS

Code	Answer list	Scripting notes	Routing
1	Advisory support from [INSERT PARTNER NAME]		
2	Public financial support (e.g. from Government or local authorities)		
3	Private financial support		
4	Other advisory support (excluding support from [INSERT PARTNER NAME])		

SCALE

Code	Answer list	Scripting notes	Routing
1	Very important		
2	Somewhat important		
3	Not very important		
4	Not at all important		
97	Don't know		
5	Not applicable – didn't receive this type of support		

JOBS

Base: All respondents

NUMERIC RESPONSE, WITH DK OPTION. WHOLE NUMBERS ONLY, MIN 1 MAX 99,999

J01. How many members of staff does your organisation currently employ? Please think about the number of full-time equivalent employees.

If you don't know the exact number, please give an estimate

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	FIX	GO TO B02

Base: IF J01=97 [DON'T KNOW]

SINGLE CODE

J02. Which of these would best describe the current number of full-time equivalent employees at your organisation?

Code	Answer list	Scripting notes	Routing
------	-------------	-----------------	---------

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

1	1-4		
2	5-9		
3	10-19		
4	20-49		
5	50-99		
6	100-249		
7	250-499		
8	500 or more		
97	Don't know		

Base: All respondents

NUMERIC RESPONSE, WITH DK OPTION. WHOLE NUMBERS ONLY, MIN 1 MAX 99,999

J03. And how many members of staff did your organisation have when it started receiving support services from **[INSERT PARTNER NAME] in relation to COVID-19?** Please think about the number of full-time equivalent employees.

If you don't know the exact number, please give an estimate

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	FIX	GO TO B04

Base: IF J03=97 [DON'T KNOW]

SINGLE CODE

J04. Which of these would best describe the number of full-time equivalent employees at your organisation in **February 2020?**

Code	Answer list	Scripting notes	Routing
1	1-4		
2	5-9		
3	10-19		
4	20-49		
5	50-99		
6	100-249		
7	250-499		
8	500 or more		
97	Don't know		

Base: All respondents

SINGLE CODE PER ROW, GRID

J05. What impact, if any, has the advisory support you received from [INSERT PARTNER NAME] had on your organisation's ability to...?

STATEMENTS

Code	Answer list	Scripting notes	Routing
1	Maintain jobs that existed in the business at the time COVID-19 hit		
2	Create new jobs		

SCALE

Code	Answer list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don't know		

Base: All respondents

SINGLE CODE

J06. And what impact, if any, has the support you received from [INSERT PARTNER NAME] had on the quality of jobs your organisation has created between 2020 and 2022?

Code	Answer list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
6	Not applicable – no jobs created by my organisation since 2020		
97	Don't know		

Base: Where support has had an impact on quality of jobs (J06=1,2, 4, 5)

OPEN TEXT

J06_A. In what way(s) has the advisory support you received from [INSERT PARTNER NAME] impacted the quality of jobs your organisation has created since 2020? Please be as detailed as possible.

[]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	<i>FIX</i>	<i>GO TO B04</i>

TURNOVER

Base: All respondents

SINGLE CODE**T01.** Which of the following would best describe your turnover for the previous financial year?

Code	Answer list	Scripting notes	Routing
1	Zero		
2	Less than £100,000		
3	£100,000 to £199,999		
4	£200,000 to £499,999		
5	£500,000 to £999,999		
6	£1m to £4.9m		
7	£5m to £9.9m		
8	£10m to £24.9m		
9	£25m to £49.9m		
10	£50m or more		
97	Don't know		
98	Prefer not to say		

Base: All respondents

SINGLE CODE**T02.** And which of the following would best describe your turnover just before your organisation started receiving support services from **[INSERT PARTNER NAME]**?*If you don't know the exact number, please give an estimate*

Code	Answer list	Scripting notes	Routing
1	Zero		
2	Less than £100,000		
3	£100,000 to £199,999		

4	£200,000 to £499,999		
5	£500,000 to £999,999		
6	£1m to £4.9m		
7	£5m to £9.9m		
8	£10m to £24.9m		
9	£25m to £49.9m		
10	£50m or more		
97	Don't know		
98	Prefer not to say		

Base: All respondents

SINGLE CODE

T03. What impact, if any, has the advisory support you received from [INSERT PARTNER NAME] had on your turnover?

Code	Answer list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don't know		

FUNDING

Base: All respondents

MULTI CODE

F01. Has your organisation been successful in accessing any public or private funding since 2020?

Code	Answer list	Scripting notes	Routing
1	Yes, public funding		
2	Yes, private funding that has no capital repayment		
3	Yes, private finance that has capital repayment		
4	No, we have applied for funding, but not been successful	EXCLUSIVE	GO TO E02
5	No, we have not applied for any funding	EXCLUSIVE	
97	Don't know	EXCLUSIVE	

Base: If received public funding [code 1 at F01]

SINGLE CODE

F01A. How much public funding has your organisation received since 2020?

If you don't know the exact amount, please give an estimate

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	FIX	

Base: If received private funding [code 2 at F01]

SINGLE CODE, NUMERIC

F01B. How much private funding has your organisation received since 2020? We are interested in private funding that has no requirement to pay money back.

If you don't know the exact amount, please give an estimate

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	FIX	

Base: If received private finance [code 3 at F01]

SINGLE CODE

F01C. How much private finance has your organisation received since 2020? We are interested in private financing where there is a requirement to make repayments.

If you don't know the exact amount, please give an estimate

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	FIX	

Base: If received funding (F01=1-3)

SINGLE CODE PER ROW, CAROUSEL

F02. And what was the main reason for raising this funding?

STATEMENTS

Code	Answer list	Scripting notes	Routing
1	Public funding	SHOW IF E01=1	
2	Private funding that has no capital repayment	SHOW IF E01=2	
3	Private finance that has capital repayment	SHOW IF E01=3	

SCALE

Code	Answer list	Scripting notes	Routing
1	For the organisation to survive		
2	For the organisation to stabilise		
3	For the organisation to grow		
97	Don't know		

Base: All respondents

SINGLE CODE

F03. What impact, if any, did the advisory support you received from [INSERT PARTNER NAME] have on your organisation's ability to access funding or finance?

Code	Answer list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don't know		

MARKET POSITION AND IP**INTRO**

Now thinking about capturing new opportunities...

Base: All respondents

SINGLE CODE

M01. Has your organisation entered any new markets since 2020? Please think about geographical markets as well as new sectors or products or services.

Code	Answer list	Scripting notes	Routing
1	Yes, 1 new market		
2	Yes, 2 or 3 new markets		
3	Yes, 4 or 5 new markets		
4	Yes, more than 5 new markets		
5	No		
97	Don't know		

Base: If entered new markets [codes 1-4 at M01]

OPEN TEXT

M01A. What new markets has your organisation entered since **2020**? Please think about geographical markets as well as new sectors or products or services.

Please type your answer below.

[_____]

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know/Can't remember	FIX	

Base: If entered new markets [codes 1-4 at M01]

SINGLE CODE

M02. What impact, if any, has the advisory support you received from **[INSERT PARTNER NAME]** had on your organisation's ability to enter new markets?

Code	Answer list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don't know		

Base: If entered new markets [codes 1-4 at M01]

SINGLE CODE, NUMERIC – MIN 0 MAX 100

M03. How many new products and/or services, if any, has your organisation introduced since **2020**?

If you don't know the exact amount, please give an estimate

[_____] products

[_____] services

Fixed codes	Answer list	Scripting notes	Routing
97	Don't know	FIX	

Base: If entered new markets [codes 1-4 at M01]

SINGLE CODE

M04. What impact did the advisory support you received from **[INSERT PARTNER NAME]** have on your organisation's ability to pivot and grow or scale in response to new market opportunities?

Code	Answer list	Scripting notes	Routing
------	-------------	-----------------	---------

1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don't know		

Base: All respondents

SINGLE CODE

M05. Has your organisation gained any new or additional intellectual property or assets (IP) since 2020?

Code	Answer list	Scripting notes	Routing
1	Yes		GO TO F04
2	No		GO TO G01A
97	Don't know		GO TO G01A

Base: If new IP [code 1 at M03]

SINGLE CODE

M06. What proportion of your current revenue does this new IP account for? Please give your best estimate.

Code	Answer list	Scripting notes	Routing
1	0%		
2	1% to 5%		
3	6% to 10%		
4	11% to 20%		
5	21% to 30%		
6	31% to 50%		
7	More than 50%		
97	Don't know		
98	Prefer not to say		

Base: If new IP [code 1 at M03]

SINGLE CODE

M07. What impact, if any, has the advisory support you received from [INSERT PARTNER NAME] had on your organisation's ability to gain new IP?

Code	Answer list	Scripting notes	Routing
1	A large positive impact		

2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don't know		

KNOWLEDGE AND INNOVATION CULTURE

Base: All respondents

SINGLE CODE PER ROW

C01. How would you rate your organisation's current capabilities in the following areas?

CAWI: Please select one answer per row

CATI: READ OUT, SINGLE CODE PER ROW

Row Code	Row list	Scripting notes	Routing
1	Knowledge of regulations and standards relevant to my organisation		
2	Knowledge of the market in which my organisation operates or would like to operate		
3	Knowledge of how to access funding and finance		
4	Strategic decision making about the market position of the organisation		
5	The investment readiness of my organisation		
6	The productivity and/or efficiency of my organisation		
7	Business processes in my organisation		
8	Capability to develop new products or services		
9	Management of innovation in my organisation		
10	Culture of innovation in my organisation		
11	Knowledge sharing and collaboration with other organisations		
12	The growth of my organisation		
13	The profitability of my organisation		

Column Code	Column list	Scripting notes	Routing
1	Very good		

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

2	Fairly good		
3	Neither good nor poor		
4	Fairly poor		
5	Very poor		
97	Don't know		
98	Not applicable		

Base: All respondents

SINGLE CODE PER ROW, ASK FOR ALL WHERE CODES 1-5 OR 97 AT C01

C02. Thinking about the advisory support that you received from **[INSERT PARTNER NAME]**, what impact, if any, do you think it had on the following?

CAWI: Please select one answer per row

CATI: READ OUT, SINGLE CODE PER ROW

Row Code	Row list	Scripting notes	Routing
1	Knowledge of regulations relevant to my organisation		
2	Knowledge of the market in which my organisation operates		
3	Knowledge of how to access funding and finance		
4	Strategic decision making about the market position of the organisation		
5	The investment readiness of my organisation		
6	The productivity and/or efficiency of my organisation		
7	Business processes in my organisation		
8	Capability to develop new products or services		
9	Management of innovation in my organisation		
10	Culture of innovation in my organisation		
11	Knowledge sharing and collaboration with other organisations		
12	The growth of my organisation		
13	The profitability of my organisation		

Column Code	Column list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		

4	A small negative impact		
5	A large negative impact		
97	Don't know		

Base: All respondents

SINGLE CODE

C03A. What proportion of your organisation's revenue was spent on research, development and innovation in the previous financial year? Please think about all research, development and innovation activities undertaken in the previous financial year.

CATI: READ OUT

Code	Answer list	Scripting notes	Routing
1	0%		
2	1% to 5%		
3	6% to 10%		
4	11% to 20%		
5	21% to 30%		
6	More than 30%		
97	Don't know		
98	Prefer not to say		

Base: ASK ALL

SINGLE CODE

C04A. And what proportion of your organisation's revenue would you estimate was spent on research, development and innovation in **2020**? Please think about all research, development and innovation activities undertaken in **2020**

CATI: READ OUT

Code	Answer list	Scripting notes	Routing
1	0%		
2	1% to 5%		
3	6% to 10%		
4	11% to 20%		
5	21% to 30%		
6	More than 30%		
97	Don't know		

98	Prefer not to say		
----	-------------------	--	--

Base: If spent on RDI (C03A=2-6)

SINGLE CODE

C05. What impact, if any, did the advisory support you received from [INSERT PARTNER NAME] have on your organisation’s spend on research and development since 2020?

CATI: READ OUT

Code	Answer list	Scripting notes	Routing
1	A large positive impact		
2	A small positive impact		
3	No impact		
4	A small negative impact		
5	A large negative impact		
97	Don’t know		

OTHER INNOVATION SUPPORT

Base: All respondents

MULTI CODE

OS1. Did you become aware of any of the below types of innovation support through your engagement with [INSERT PARTNER NAME]?

CAWI: Please select all that apply

CATI: READ OUT, MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Global Business Innovation Programme from Innovate UK		
2	Innovate UK PitchFest		
3	Innovate UK ScaleUp		
4	British Business Bank funding		
5	COSME (EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises)		
98	None of the above	EXCLUSIVE	
97	Don’t know	EXCLUSIVE	

Base: All respondents

MULTI CODE

OS2. And have you received support in relation to innovation from any of the below since **2020**?

CAWI: Please select all that apply

CATI: READ OUT, MULTI CODE

Code	Answer list	Scripting notes	Routing
1	Global Business Innovation Programme from Innovate UK		
2	Innovate UK PitchFest		
3	Innovate UK ScaleUp		
4	British Business Bank funding		
5	COSME (EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises)		
98	None of the above	EXCLUSIVE	
97	Don't know	EXCLUSIVE	

OVERALL IMPACT OF EDGE COVID-19 SUPPORT

Base: All respondents

SINGLE CODE PER ROW, CAROUSEL

I1. For each of the following factors related to COVID-19, please indicate whether you think they were a barrier or an enabler to innovation within your organisation.

CAWI: Please select one answer per row

CATI: READ OUT, SINGLE CODE PER ROW

STATEMENTS

Code	Answer list	Scripting notes	Routing
1	Advisory support from [INSERT PARTNER NAME]		
2	Public financial support (e.g. from Government or local authorities)		
3	Private financial support		
4	Other advisory support (excluding support from [INSERT PARTNER NAME])		
5	COVID-19 lockdowns (and associated closure of facilities)		

SCALE

Code	Answer list	Scripting notes	Routing
------	-------------	-----------------	---------

EVALUATION OF INNOVATE UK EDGE COVID-19 BUSINESS SUPPORT

1	Significant barrier		
2	Moderate barrier		
3	No impact		
4	Moderate enabler		
6	Significant enabler		
97	Don't know		
6	Not applicable		

Annex C – Qualitative interview topic guide

C.1 Interviewer instructions

This topic guide is to be used in a flexible way, not read out word for word. The interviewer should follow up and further explore the areas that are most relevant to the stakeholder and of value to the research objectives.

The guide consists of generic questions, intended to be adaptable to a range of stakeholders or interviews. Where relevant, questions for advisory support beneficiaries and non-beneficiaries, and questions for different business personas are labelled clearly.

For beneficiaries, the aim of the interviews is to understand how the Innovate UK EDGE COVID-19 advisory support impacted businesses and what specific outcomes were achieved as a result of this support. For non-beneficiaries, the goal is to understand why they did not take up the advisory support, what challenges they were facing at the time the support was offered, and whether the advisory support may have been able to help them address these challenges (had they taken it up).

The guide is set out to correspond to an interview of around 45 minutes in length. In practice some interviews will be longer and others shorter.

C.2 Interviewer introduction

Thank you for agreeing to take part in this interview. We really appreciate you giving up your time to support this study. The interview should take no longer than [45 minutes].

I'm [NAME] from [ORGANISATION] and I'll be taking us through this interview. [INTRODUCE OTHER INTERVIEWERS]

Hopefully you already have a good understanding of the objectives of this interview from the information previously shared with you. And you should also have received a privacy notice and information explaining how the interview will be used and the data stored. **Is everything clear or would it be useful for me to go through this with you?**

[IF REQUIRED]

- Explain that interviews form part of an evaluation of the Innovate UK EDGE COVID-19 advisory support provided in 2020 and 2021
- Aim of the evaluation is to understand what difference this advisory support made to the businesses it supported, how those impacts were generated, and any lessons learned for Innovate UK

Just for absolute clarity, your participation in this is anonymous and nothing you say will be attributed to you or your organisation directly. We'd like to record the interview just for note-taking purposes. [IF

ON TEAMS The recording will also create an automatic transcription of the interview.] We'll only use the recording to help us analyse findings across all the interviews and the recording [IF ON TEAMS and the transcript] will be destroyed after the project is complete. **Do you have any objection to us recording?**

[IF NO, START RECORDING]

[IF YES] That's no problem. We will take more detailed notes of the discussion as we go through.

C.3 Interviewee profile

Introduction

Please introduce yourself and your role at the business.

Please tell us a little about the business [*Aim to collect when firm was established, presence in UK and overseas, main areas of business, sector, size*].

Impact of the pandemic

What was the initial impact of the pandemic on your business?

Could you describe how your business has changed since the start of the pandemic and any key milestones for your business in that period?

- Change in employment/turnover
- Changes in business operations and business model
- Changes in investment, funding and finance sources
- Changes to target addressable market
- New innovations or research

The initial impact of the pandemic

- Thinking back to March 2020, please describe the initial impact on your business of the onset of the COVID-19 pandemic (before the receipt of any additional support, e.g. EDGE support, furlough). For example, on:
 - Employees
 - Turnover
 - Business model
 - The markets in which you operate
 - New innovations, services, processes or research

- [IF PERSONA SURVIVE OR STABILISE] What would you say were the biggest challenges you were facing at this time?
 - [IF PERSONA SURVIVE OR STABILISE] What timeframe did you feel you had to solve these challenges?
 - [IF PERSONA STABILISE] Did you have a medium-term plan for dealing with these challenges?
- [IF PERSONA GROW] What were the main opportunities for your business at this time, arising from the onset of the COVID-19 pandemic?
 - Were you looking to pivot to new markets?
 - Were you looking to pivot to new opportunities within your market?
 - Were you looking to continue with your pre-pandemic business plan?
- [IF PERSONA GROW] Did you have a plan at the start of the pandemic to take advantage of these opportunities?
- [IF PERSONA GROW] Did you face any additional challenges as a result of the pandemic?

C.4 Engagement with Innovate UK

Short explanation about EDGE COVID-19 pandemic support:

We have been asked to evaluate advisory support provided by *[Partner name]* during the COVID-19 pandemic, which was delivered as part of the Innovate UK EDGE programme between April 2020 and March 2022.

[IF NON-BENEFICIARY: We do understand you may have been offered or were in discussions to use this support, but ultimately did not use it. However, we are keen to discuss your experience. Your insights will be key to helping in the further development of these services for UK businesses.]

This related to advice on funding streams and changes to operations that may have helped your businesses:

- [IF PERSONA IS SURVIVE: survive the shock of the pandemic]
- [IF THE PERSONA IS STABILISE: stabilise your business in the medium-term given disruption due to the pandemic]
- [IF THE PERSONA IS GROW: pivot to new opportunities which emerges due to the disruption and changes from the pandemic]

Our focus is on support provided between April 2020 and March 2022. We understand you will have received approximately *[number of days]* days of support from *[Partner name]* during this period. We will refer to this as the Innovate UK EDGE COVID-19 advisory support.

We are not focused on financial support you may have received from Innovate UK or other government initiatives during the pandemic, or other advice you may have received from Innovate UK EDGE which may have been branded as Innovate2Succeed, ScaleUp, and so on...

Is it clear to you the support we are referring to before we begin?

[IF NEED BE PROVIDE ADDITIONAL INFORMATION FROM ANY ADMINISTRATIVE DATA TO HELP ENSURE THE RESPONDENT IS THINKING ABOUT THE RIGHT SUPPORT]

C.5 Other forms of support

- Please detail any other support you received during the COVID-19 period. For example:
 - Other innovation-focused support.
 - Other COVID-19 related support, e.g. furlough scheme support.
- Did you receive a referral to other forms of support as a result of the COVID -19 EDGE advisory support?
 - If so, which other forms of support? (probe for both financial and advisory)
- To what extent and how did the COVID -19 EDGE advisory support impact your awareness of other available forms of support?
- To what extent and how did the COVID -19 EDGE advisory support influence your ability to access these additional forms of support?
- From your perspective, what were the key differences between the Innovate UK EDGE COVID-19 advisory support and other support you received during this period?
 - Differences in nature of support?
 - Differences in focus of support?
 - Differences in scale of support?
- How did the different forms of support you receive interact with one another? For example:
 - Were they complementary? If so, in what way?
 - Was there overlap between the different forms of support and their impact for your business?
 - Did any support you receive preclude you from getting other types of support?

[IF NON-BENEFICIARY]

- Please detail any other support you received during the COVID-19 period. For example:

- Other innovation-focused advisory or financial support.
- Other COVID-19 related support, e.g. furlough scheme support, loans.
- How did you become aware of these support schemes? How easy did you find it to identify, apply for and access any other support?
- Did you use any other advisory services to help you deal with COVID?
 - [IF YES] who provided these and how did you become aware of them?
 - [IF YES AND ALSO HAD SOME ENGAGEMENT WITH EDGE COVID SUPPORT] in your view was the advisory support you received from these other sources offering something different to the Innovate UK EDGE service? If so in what way(s)?

C.6 Outcomes of the engagement

[IF NON-BENEFICIARY]

- To what extent were you able to address the immediate challenges faced by your business from the onset of the COVID-19 pandemic?
 - Are you able to provide any specific examples of this? *Probe for specific outputs, outcomes e.g. developing a business plan, accessing funding or finance...*
 - How far and in what ways did you draw on external support to help address the challenges?
- Have there been any longer-term impacts of the COVID-19 for your business? If so, could you please describe these?
- **Do you feel that outcomes for your business would have been different had you received the Innovate UK EDGE COVID-19 advisory support? If so, in what way?**

[IF BENEFICIARY WITH SURVIVE PERSONA]

- To what extent did the Innovate UK EDGE COVID-19 advisory support you received help you address the immediate challenges faced by your business from the onset of the COVID-19 pandemic?
 - Are you able to provide any specific examples of this? *Probe for specific outputs, outcomes e.g. developing a business plan, accessing funding or finance...*
- Do you feel that the effectiveness or impact of the Innovate UK EDGE COVID-19 advisory support received by your business changed over time? If so, in what way?
- Do you feel that outcomes for your business would have been different in absence of the Innovate UK EDGE COVID-19 advisory support? If so, in what way?

- Are there areas where you feel the impact of the Innovate UK EDGE COVID-19 advisory support was limited, or could have been more effective?
 - If so, please describe these.
- Overall, to what extent did the Innovate UK EDGE COVID-19 advisory support help your business 'survive'?
- Has the Innovate UK EDGE COVID-19 advisory support helped stabilise your business in the medium term? If so, how?
- Has the Innovate UK EDGE COVID-19 advisory support also played a role in helping grow / pivot to new opportunities? If so, how?

[IF BENEFICIARY WITH STABILISE PERSONA]

- What impact did the Innovate UK EDGE COVID-19 advisory support have on your business' ability to achieve operational and financial stabilisation? How and why?
- What impact did the Innovate UK EDGE COVID-19 advisory support received have on your business' investment readiness? How and why?
- Do you feel that outcomes for your business would have been different in absence of the Innovate UK EDGE COVID-19 advisory support? If so, in what way?
- What would you have done differently in the absence of the Innovate UK EDGE COVID-19 advisory support?
- Do you feel that the effectiveness or impact of the Innovate UK EDGE COVID-19 advisory support received by your business changed over time? If so, in what way?
 - Are you able to provide any specific examples of this?

Are there areas where you feel the impact of the Innovate UK EDGE COVID-19 advisory support was limited, or could have been more effective?

- If so, please describe these.
- Has this helped your business grow / pivot to new opportunities? If so, how?

[IF BENEFICIARY WITH GROW PERSONA]

- To what extent did the Innovate UK EDGE COVID-19 advisory support you received influence your ability to respond to the opportunities you faced during this time?
- To what extent did the Innovate UK EDGE COVID-19 advisory support received allow you to successfully grow your business?

- Did your business pivot to alternative opportunities or business models? To what extent did the Innovate UK EDGE COVID-19 advisory support?
- To what extent did the Innovate UK EDGE COVID-19 advisory support you received have an influence on innovation within your business? Including:
 - Impacts on the scale of innovation within your business?
 - Impacts on the approach of your business to innovation and the innovation culture in your business?
 - Impacts on the focus of your business on innovation?
 - Can you describe any specific examples?
- Do you feel that outcomes for your business would have been different in absence of the Innovate UK EDGE COVID-19 advisory support? If so, in what way?
- What would you have done differently in the absence of the Innovate UK EDGE COVID-19 advisory support?
- Do you feel that the effectiveness or impact of the Innovate UK EDGE COVID-19 advisory support received for your business changed over time? If so, in what way?
 - Are you able to provide any specific examples of this?
- Are there areas where you feel the impact of the Innovate UK EDGE COVID-19 advisory support was limited, or could have been more effective?
 - If so, please describe these.

[ALL BENEFICIARIES]

- Have there been any longer-term impacts of the Innovate UK EDGE COVID-19 advisory support received for your business you would point to since the support ended?
- Has anything happened that has had a long-term impact on:
 - Your business?
 - Your wider business network, industrial partners, and supply chain?
 - The local economy?
- Do you expect any additional long-term impacts from the support you received to arise in future?
 - For your business?
 - For your wider business network, industrial partners, and supply chain?

- For the local economy?
- Were there any key external barriers to your ability to access the Innovate UK EDGE COVID-19 advisory support, or your ability to make effective use of this support?
- Were there any key external factors that enabled you to access the Innovate UK EDGE COVID-19 advisory support, or your ability to make effective use of this support?
- Is there anything else you would have liked to receive in terms of support from the Innovate UK EDGE COVID-19 advisor or anything in hindsight you would have wanted done differently?
- Is there anything else you wanted to raise regarding the Innovate UK EDGE COVID-19 advisory support that hasn't been covered?

Thank you again for your incredibly helpful participation. That is all the questions I had. **Is there anything else you would like to ask at this stage?**

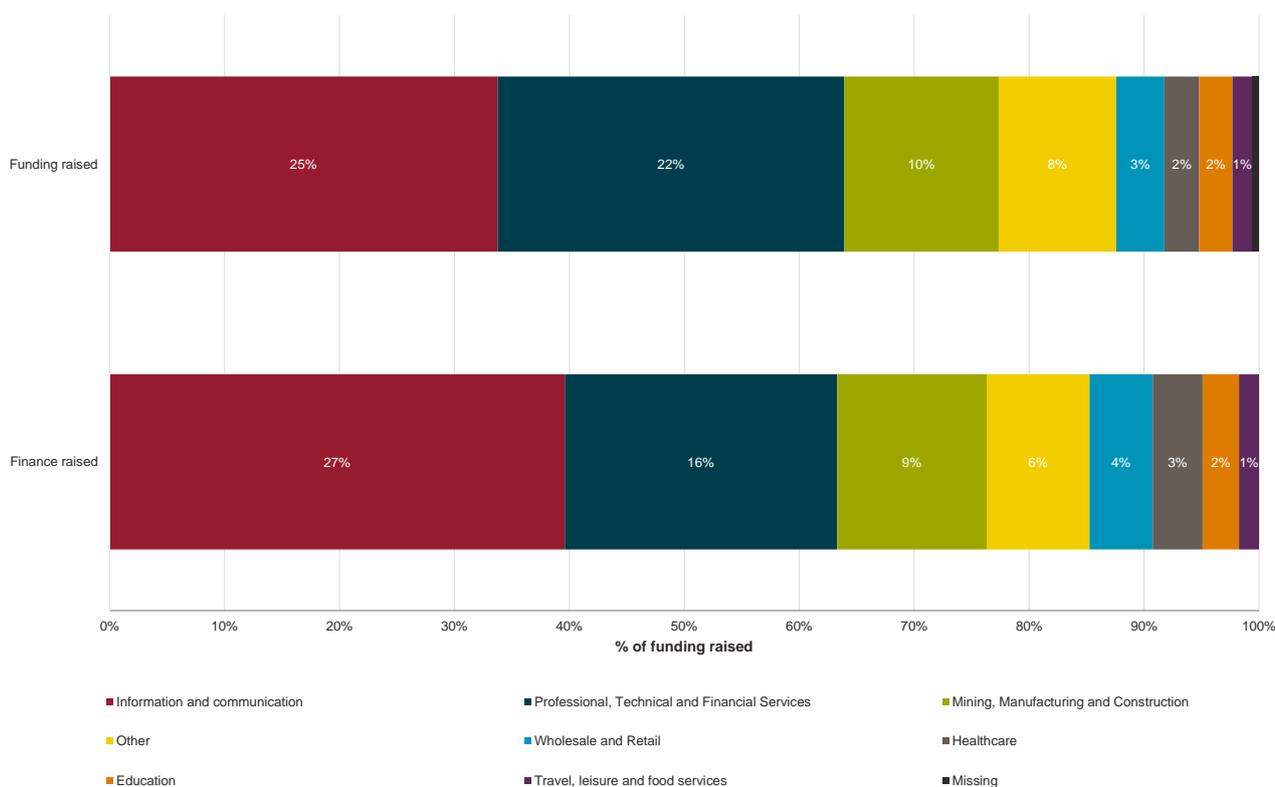
[STOP RECORDING]

[CLOSE]

Annex D – Funding and finance raised by EDGE beneficiaries

Figure 42 reports the breakdown of funding and finance raised by sector. The sector breakdown was similar for funding and finance. The businesses that were able to raise the largest funding and finance operated in the Information and communication, Professional, Technical and Financial Services, and Mining, Manufacturing and Construction sectors. The businesses that operated in these three sectors raised 73% of the funding, and 75% of the finance.

Figure 42 Breakdown of funding and finance raised by sector

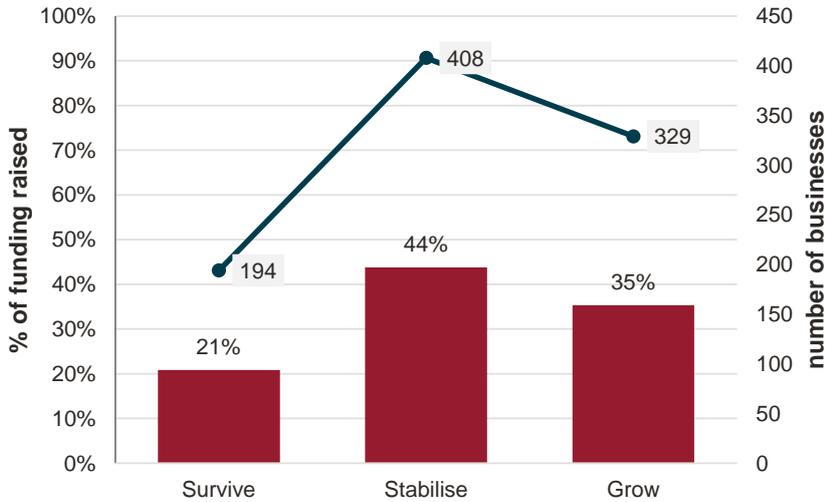


Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 503 businesses which raised finance, 931 businesses which raised funding. 4 dormant companies that raised funding are not presented in the chart

Figure 43 demonstrates the breakdown of funding raised by business persona. Businesses with the Stabilise persona raised 44% of the total funding, those with the Grow persona raised 35%, and businesses with the Survive persona raised 21%.

Figure 43 Breakdown of funding raised by business persona

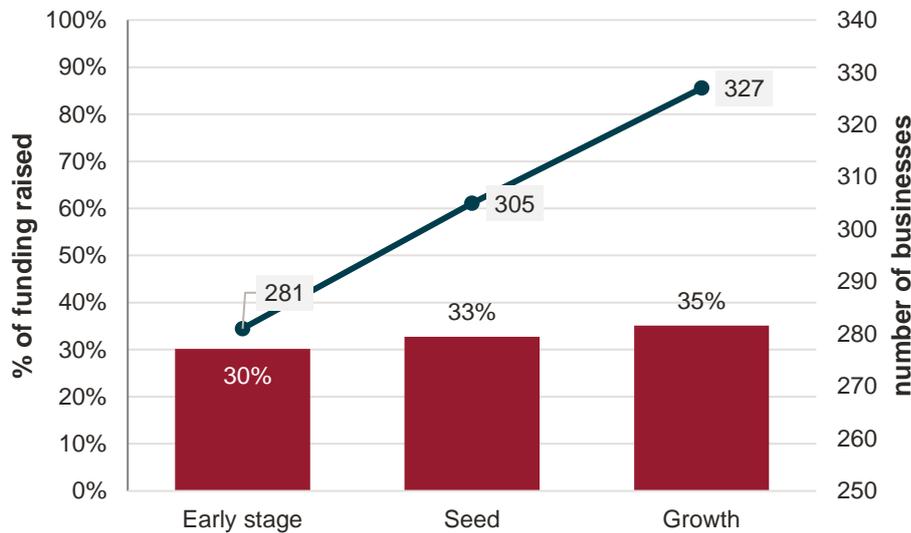


Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 931 businesses which raised funding

There was less variation across the amount of funding raised by life stage. As seen in Figure 44, Early stage businesses raised the lowest amount of funding at 30%, and Growth businesses raised the highest at 35%.

Figure 44 Breakdown of funding raised by business life stage

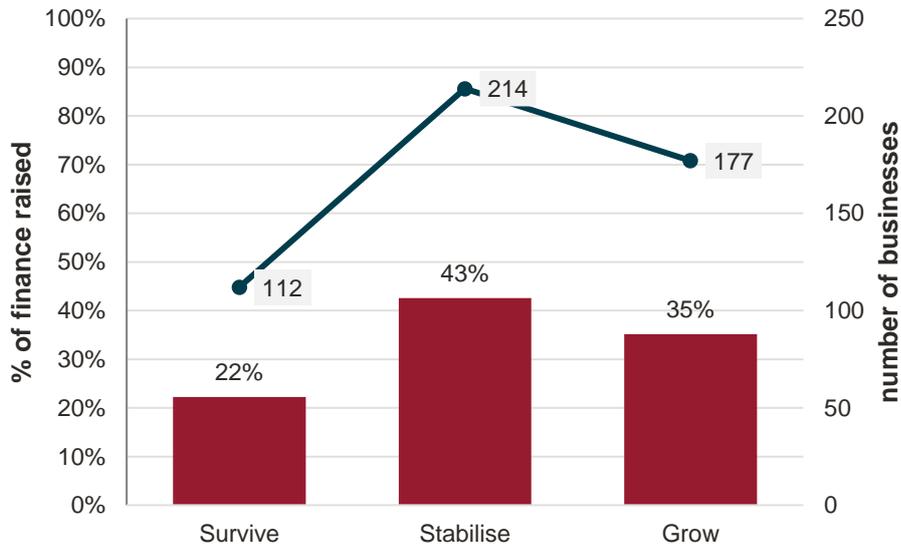


Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 931 businesses which raised funding

As seen in Figure 45, businesses with the Stabilise persona raised 43% of the total finance, followed by those with the Grow persona at 35%, and businesses with the Survive persona at 22%. This follows a similar distribution to the breakdown of funding raised.

Figure 45 Breakdown of finance raised by business persona

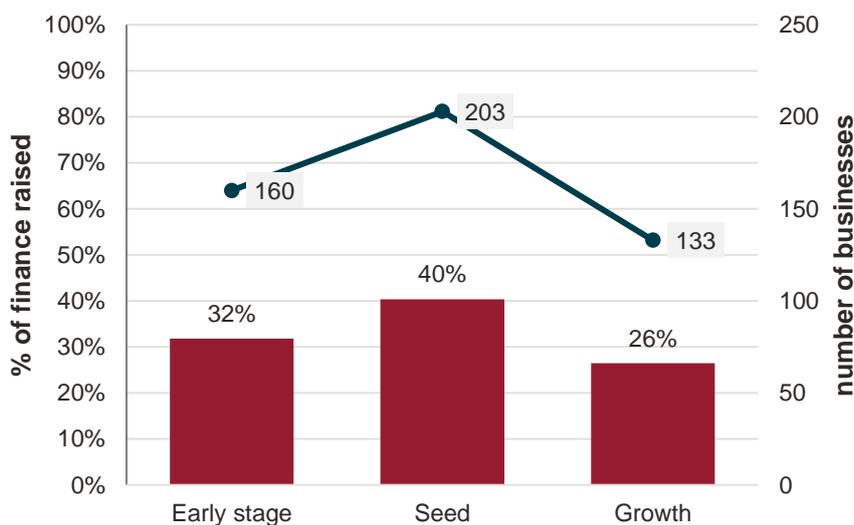


Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 503 businesses which raised finance

There was also variation across the amount of finance raised by life stage, as shown in Figure 46. Growth stage businesses raised the lowest amount of finance at 26%, followed by Early stage businesses at 32% and Seed businesses raised the highest at 40%.

Figure 46 Breakdown of finance raised by life stage



Source: Frontier analysis of CRM data received from IUK on Innovate UK EDGE COVID-19 business support beneficiaries

Note: Sample = 503 businesses which raised finance

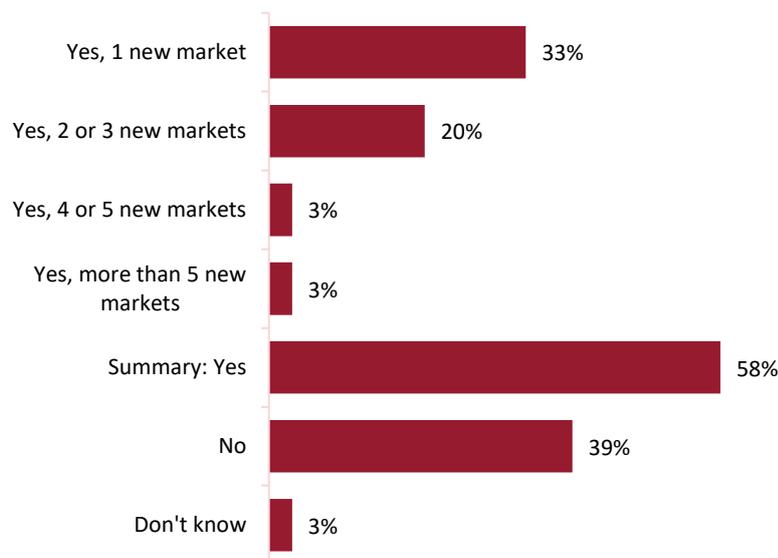
Annex E – Further analysis of survey results (descriptive charts)

Here we include further detail on the survey results. The key statistics and charts have all been included in the main body of the report (Section 6). We have included the charts summarising the findings related to some of the more descriptive questions here, along with detail on the base size and other notes as relevant. As these charts were more descriptive in nature (and not directly related to impact of the Innovate UK EDGE COVID-19 support), these have been excluded from the main body of the report.

E.1 New markets

There is survey evidence that a majority of respondents have entered new markets since 2020. Overall, as seen in Figure 47, 58% of respondents said they have entered new markets, which includes geographical markets, as well as new sectors, products and services. This comprises 33% who said they entered one new market and 26% who said they entered two or more new markets.

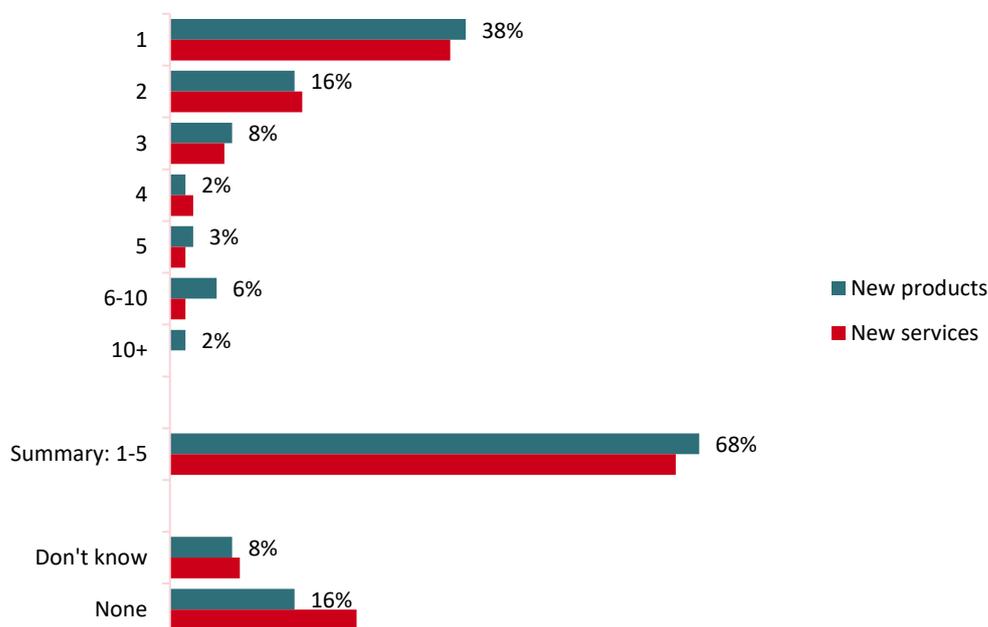
Figure 47 Number of new markets entered since 2020



Source: Frontier and BMG analysis of survey data

Note: M01. Now thinking about capturing new opportunities... Has your organisation entered any new markets since 2020? Please think about geographical markets as well as new sectors or products or services
Base = all respondents (633)

Respondents who have entered new markets since 2020 (58%) were asked how many new products and/or services, if any, their organisation had introduced over the same period. As show in Figure 48, majority of the respondents (54%) who have entered new markets have introduced one or two new products since 2020. 16% have not introduced any new products. Majority of the respondents (53%) also indicated they have introduced one or two new services. Just under a quarter (24%) had not introduced any new services at all.

Figure 48 Number of new products and services introduced since 2020

Source: Frontier and BMG analysis of survey data

Note: M03 How many new products and/or services, if any, has your organisation introduced since 2020?

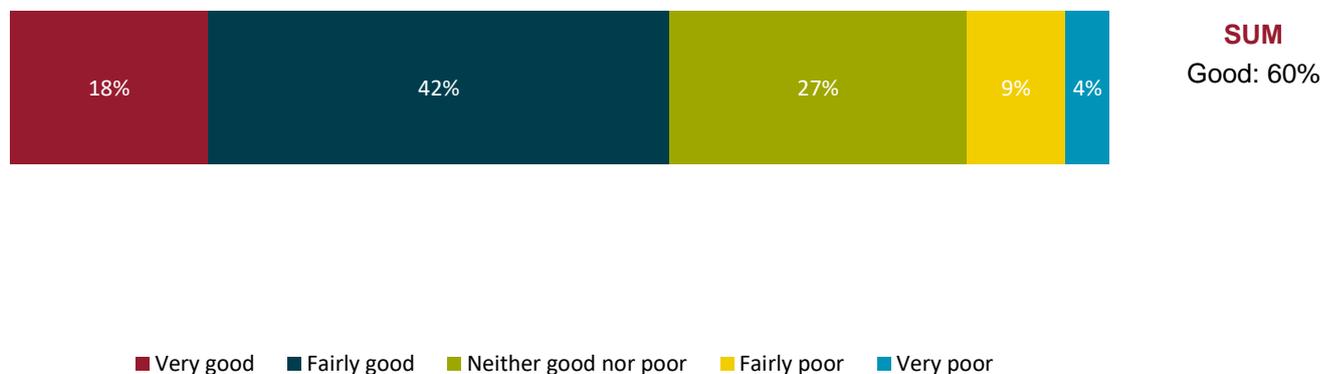
Base = if entered new markets (330)

E.2 Business growth

Looking at growth specifically, all respondents were asked to rate their current¹⁰ capabilities for growth (Figure 49). Most businesses perceive their capability for growth positively. Three in five (60%) said their current capabilities for growth are good, with nearly one in five (18%) saying their capabilities were 'very good'. Only 13% felt their capabilities were either 'fairly poor' or 'poor'. 27% said their current capabilities were neither good nor poor.

¹⁰ This refers to current capabilities of businesses as at the time the survey responses were received, in Q1 2023

Figure 49 Current organisational capabilities for growth



Source: Frontier and BMG analysis of survey results

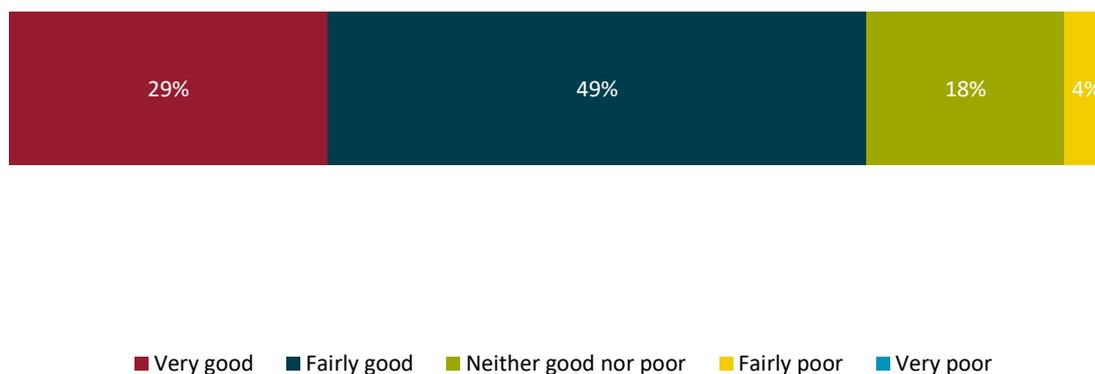
Note: C01/12 The growth of my organisation: How would you rate your organisation's current capabilities in the following areas?

Base = valid responses (616)

E.3 Strategic decision making

Respondents were asked to rate their businesses' current capabilities in relation to strategic decision-making about their market positioning. The responses are shown in Figure 50. Over three-quarters (78%) of respondents rate their current capabilities for strategic decision-making about their market positioning as good. Most of the remaining respondents (18%) were neutral about their capabilities in this field and only 4% said that their current capabilities in relation to strategic decision-making about market positioning are poor.

Figure 50 Current capabilities for strategic decision making about market positioning



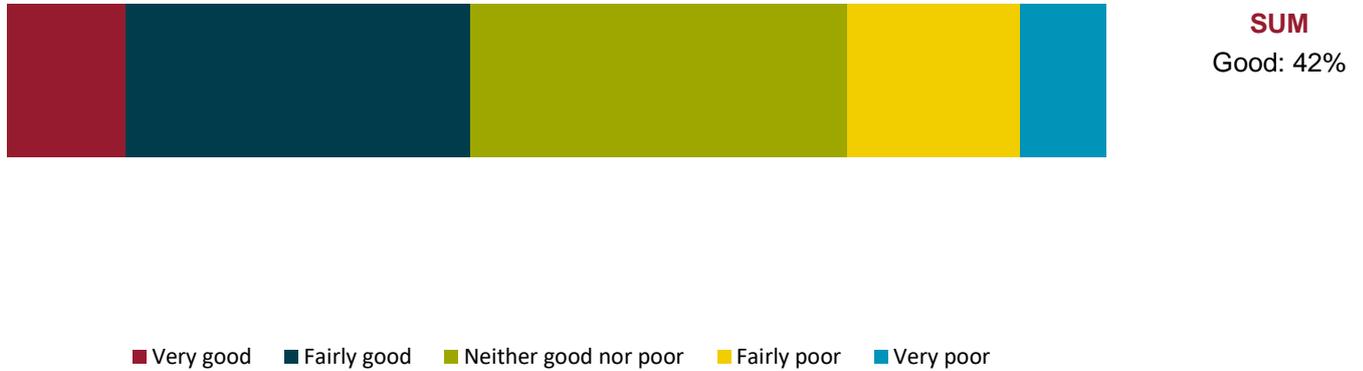
Source: Frontier and BMG analysis of survey data

Note: C01/4 Strategic decision making about the market position of the organisation: How would you rate your organisation's current capabilities in the following areas?
Base = valid responses (623)

E.4 Profitability

Respondents were asked to self-report their organisations' current capabilities in relation to profitability. As shown in Figure 51, two-fifths (42%) of respondents rated their current capabilities for profitability as good, while over one-third (35%) rated their capability as neither good nor poor. 23% rated their current capabilities in relation to profitability as poor.

Figure 51 Current capability for profitability



Source: Frontier and BMG analysis of survey data

Note: C01/13 The profitability of my organisation: How would you rate your organisation's current capabilities in the following areas?

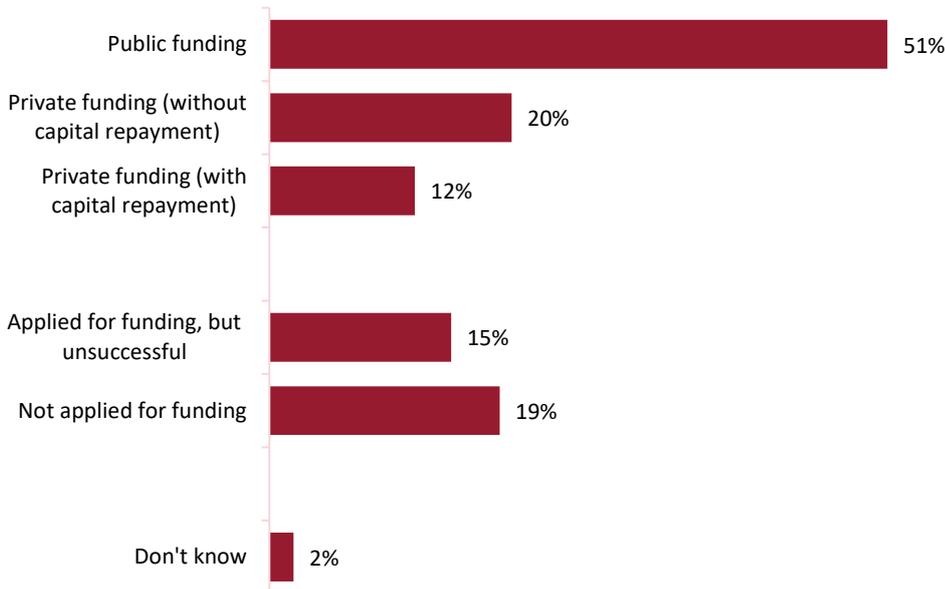
Base = valid responses (599)

E.5 Investment, funding, leverage, IP and products

New investment and funding

Most respondents reported being successful in accessing some form of finance since 2020, either public or private, as shown in Figure 52. Majority (51%) of respondents who have accessed funding have received public funding, while 30% have received private funding which includes both private funding with and without capital repayments. 15% of respondents report having been unsuccessful in their application for funding, while 19% say they have not applied for any funding.

Figure 52 Access to funding since 2020

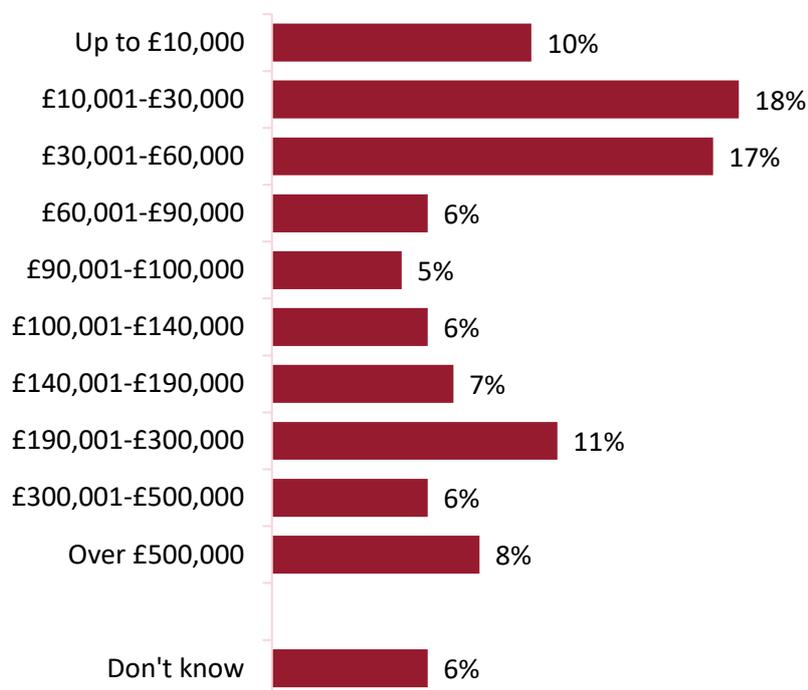


Source: Frontier and BMG analysis of survey data

Note: F01 Has your organisation been successful in accessing any public or private funding since 2020?

Base = all respondents (633)

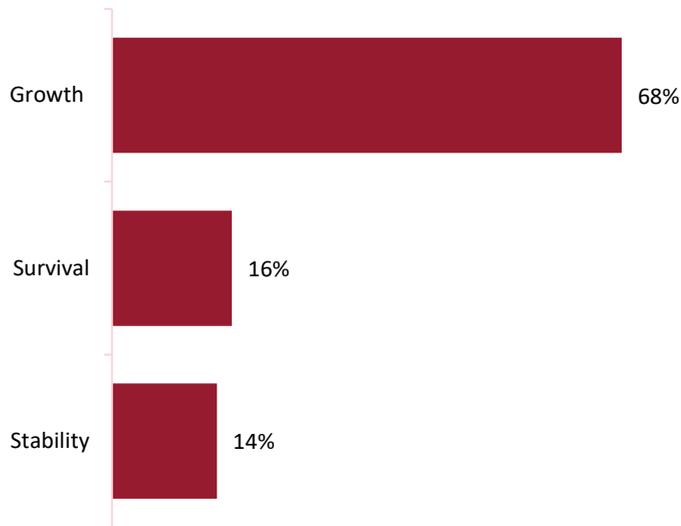
The average amount of public funding received by respondents who sought and were successful in obtaining this money was around £220,000. Figure 53 shows the breakdown of public funding received by respondents.

Figure 53 Amounts of public funding received since 2020

Source: Frontier and BMG analysis of survey data

Note: F01A How much public funding has your organisation received since 2020?
Base = if received public funding (324)

When asked what the main reason was for raising publicly available funding, most (69%) respondents said it was to allow their organisation to grow (see Figure 54). It is worth noting that while growth may be given as the reason for accessing publicly available money by a majority of businesses, there are no statistically significant differences in the reasons given by businesses with different COVID personas.

Figure 54 Reason for accessing public funding

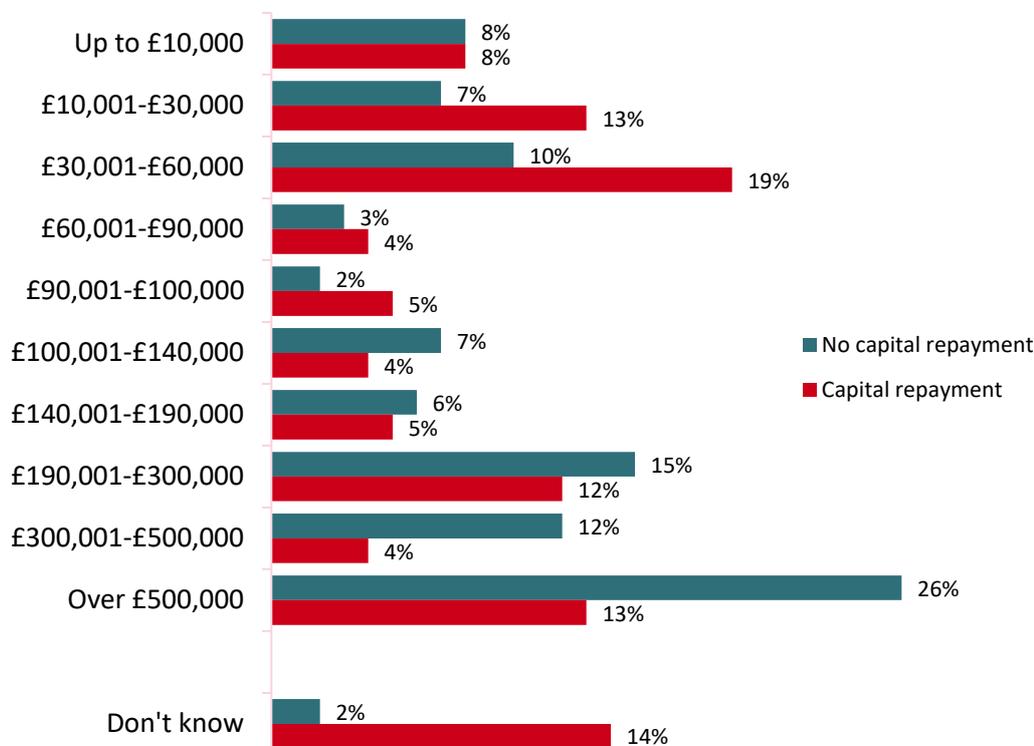
Source: Frontier and BMG analysis of survey data

Note: F02/1 Public funding: And what was the main reason for raising this funding?

Base: if received public funding (324)

As noted above, analysis of private funding is divided into funding with and without a capital repayment attached. Figure 55 provides the breakdown of private funding with and without capital repayment that have been received since 2020. The average amount of private funding without a capital repayment attached received by respondents is around £790,000. This compares to an average of around £360,000 of private finance with a capital repayment received since 2020.

Figure 55 Amounts of private funding with and without a capital repayment received since 2020



Source: Frontier and BMG analysis of survey data

Note: F01B How much private funding has your organisation received since 2020? We are interested in private funding that has no requirement to pay money back

Base = if received private funding without a capital repayment (125)

F01C How much private finance has your organisation received since 2020? We are interested in private financing where there is a requirement to make repayments.

Base = if received private finance with a capital repayment (78)

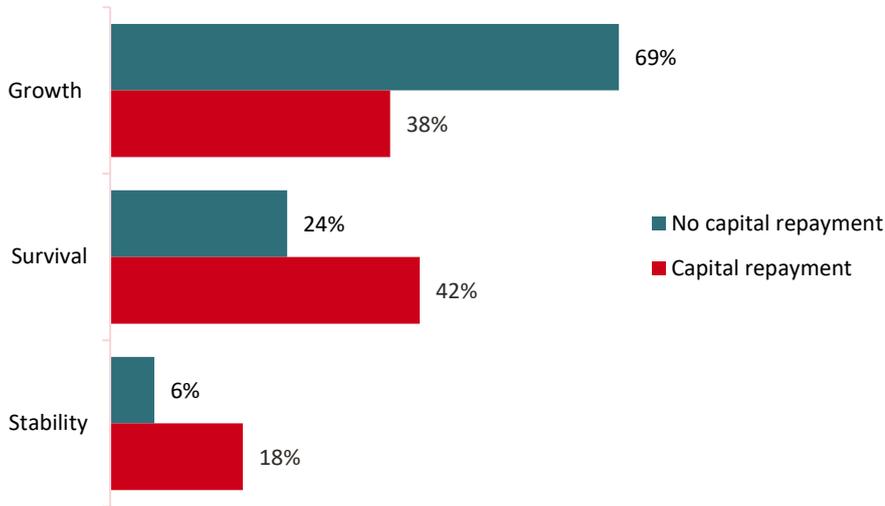
Source: BMG and Frontier analysis of survey data

Note: F01C How much private finance has your organisation received since 2020? We are interested in private financing where there is a requirement to make repayments.

Base = if received private finance with a capital repayment (78)

The majority (69%) of respondents who accessed private funding without a capital repayment did so in order to fund growth within their organisation (see Figure 56). In contrast, the most popular reason for accessing private funding with a capital repayment was business survival (42%).

Figure 56 Reason for accessing private funding/finance



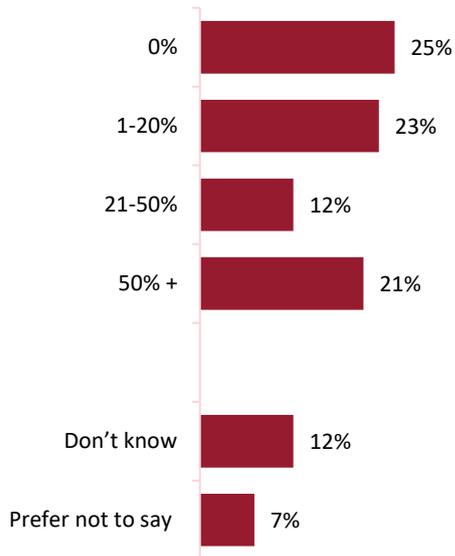
Source: Frontier and BMG analysis of survey data

Note: F02/2 Private funding that has no capital repayment: And what was the main reason for raising this funding?
 F02/3 Private finance that has capital repayment: And what was the main reason for raising this funding?
 Base = if accessed private funding (125); if accessed private finance (78)

New products and IP

Most (62%) respondents say they have gained new or additional intellectual property or assets (IP) since 2020. Among those with new/additional IP, 23% say that their new/additional IP accounts for up to 20% of their current revenue; 12% say that between 21-50% of current revenue is accounted for by the new IP; and 21% say that half or more of their current revenue is attributable to their new/additional IP (see Figure 57).

Figure 57 Proportion of current revenue accounted for by new/additional IP



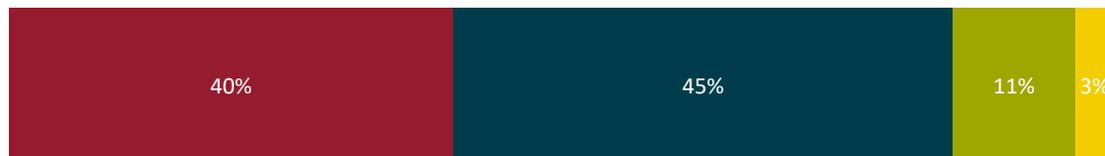
Source: Frontier and BMG analysis of survey data

Note: C02. M06 What proportion of your current revenue does this new IP account for? (where current refers to the time as at when the survey response was received, in Q1 2023)
 Base = if gained new/additional IP (393)

Innovation culture

The survey asked about various aspects of innovation including innovation management and innovation culture. Most (86%) respondents rate their current capabilities in innovation management as ‘good’, compared to just 3% who say they are ‘poor’.

Figure 58 Current capabilities for innovation management



■ Very good
 ■ Fairly good
 ■ Neither good nor poor
 ■ Fairly poor
 ■ Very poor

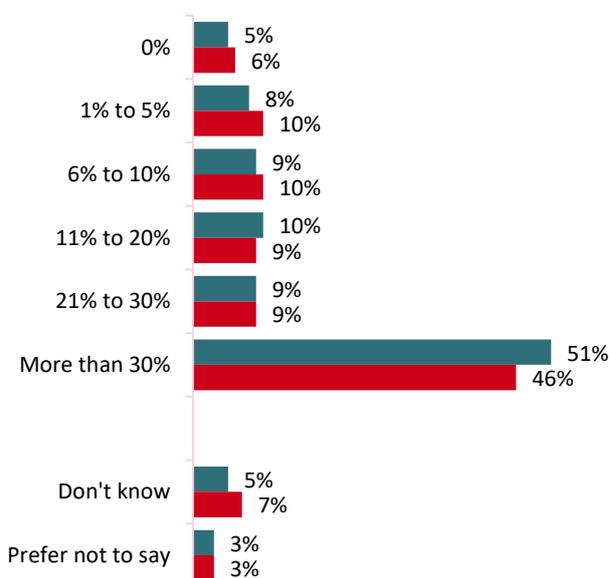
Source: Frontier and BMG analysis of survey data

Note: C01/9 Management of innovation in my organisation: How would you rate your organisation's current capabilities in the following areas?

Base = valid responses (622)

As shown in Figure 59, half (51%) of respondents report that 30% or more of their organisation's revenue was spent on RD&I in the previous financial year. This compares with 46% who spent a similar amount in 2020. A comparable proportion of respondents spent nothing on research, development and innovation last year and in 2020 (5% and 6% respectively).

Figure 59 Proportion of revenue spent on research, development and innovation in last financial year and 2020



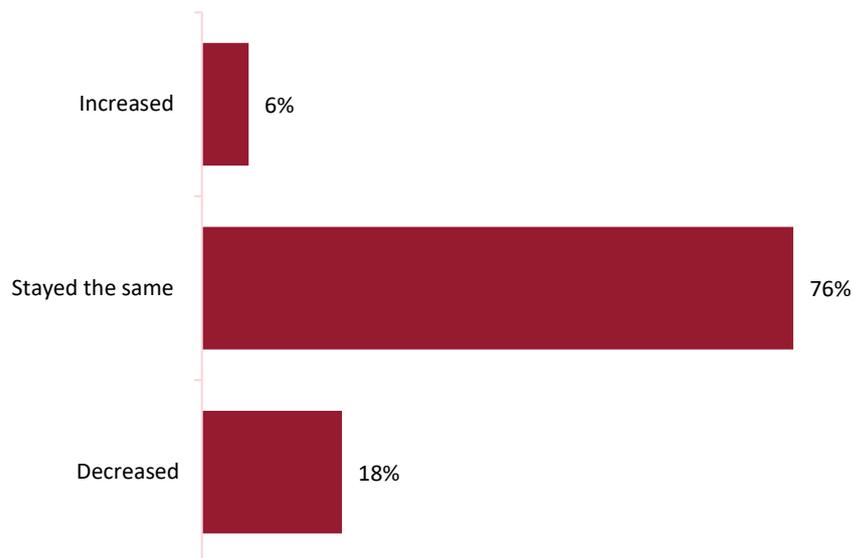
Source: Frontier and BMG analysis of survey data

Note: C03A What proportion of your organisation's revenue was spent on research, development and innovation in the previous financial year? Please think about all research, development and innovation activities undertaken in the previous financial year

Base = all respondents (633)

The survey also asked about Research, Development and Innovation (RD&I) spend as a key innovation input (Figure 60) and how current spend compares with 2020. Most (76%) respondents report that the amount of their revenue spent on research, development and innovation since 2020 has stayed the same. 18% say their spend in this area has decreased, while 6% report an increase. Again this could reflect a number of other factors including general challenges in the business environment during the COVID-19 period, nature of the firms (with some being pre-revenue over much of the period in question), or spending from longer term IUK or other grant.

Figure 60 Change in revenue spent on research, development and innovation since 2020



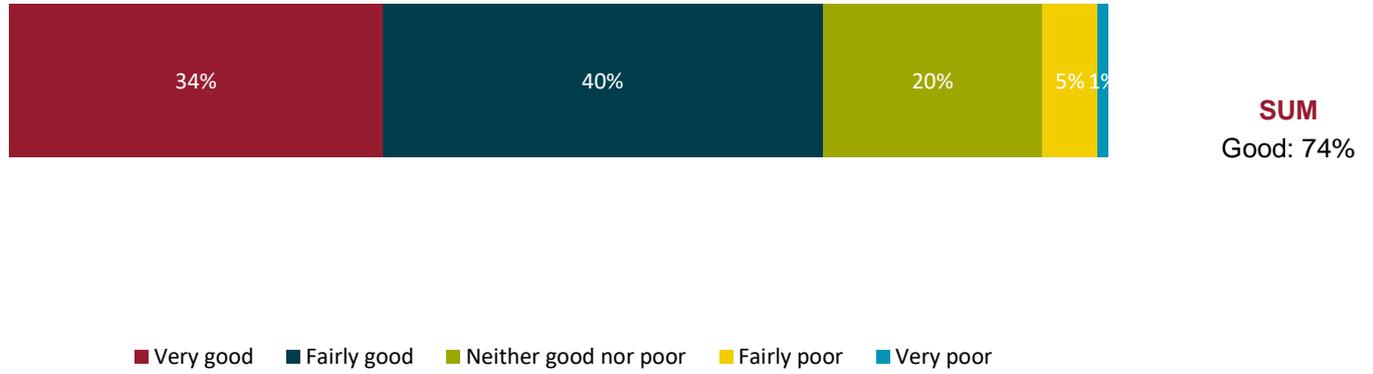
Source: Frontier and BMG analysis of survey data

Note: C03A What proportion of your organisation's revenue was spent on research, development and innovation in the previous financial year? Please think about all research, development and innovation activities undertaken in the previous financial year
C04A And what proportion of your organisation's revenue would you estimate was spent on research, development and innovation in 2020? Please think about all research, development and innovation activities undertaken in 2020
Base = if reported revenue spent on research, development and innovation (567)

Knowledge sharing and collaboration

Respondents were asked to rate their current capabilities for knowledge sharing and collaboration (see Figure 61). Around three-quarters (74%) rate their current capabilities for knowledge sharing and collaboration as good compared to 6% who said their capabilities were poor.

Figure 61 Current capabilities for knowledge sharing and collaboration



Source: Frontier and BMG analysis of survey data

Note: C01/1 Knowledge sharing and collaboration with other organisations: How would you rate your organisation's current capabilities in the following areas?
Base =valid responses (615)

Frontier Economics Ltd is a member of the Frontier Economics network, which consists of two separate companies based in Europe (Frontier Economics Ltd) and Australia (Frontier Economics Pty Ltd). Both companies are independently owned, and legal commitments entered into by one company do not impose any obligations on the other company in the network. All views expressed in this document are the views of Frontier Economics Ltd.

