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# University Enterprise Evaluation

## Final Report

Prepared For: One NorthEast

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● DEVELOPMENT & TRAINING

● FACILITATION & SUPPORT

● RESEARCH & EVALUATION

● STRATEGY & CHANGE

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# 1 INTRODUCTION

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The 'University Enterprise' programme funded by One NorthEast forms an integral part of a portfolio of investment into strengthening levels of innovation and improving the skills base of North East England. A total of £3.3m of single programme resource has been invested in the region's five universities (Durham, Newcastle, Northumbria, Sunderland and Teesside).

The programme was designed to support:

- **Embedding enterprise in the fabric of universities** – ensuring that 'enterprise' is seen as a core part on the universities' missions
- **Realising positive changes in perceptions about enterprise** – establishing self employment and business creation as viable career options for the region's graduates, and acknowledging that business spin-out and licensing agreements arising from the research base are critically important
- **Extending capacity and capability to better respond to the enterprise agenda** – providing flexible resource to the universities to extend the nature and reach of their enterprise activities, while ensuring greater integration between HE and the region's enterprise support network.

In addition, the programme would contribute to the region's NTF output targets.

While each of the universities took a different approach, it was felt by the universities and One NorthEast that a region-wide evaluation of the programme as a whole would be beneficial. The region-wide evaluation would sit alongside those being undertaken in each of the individual institutions. The evaluation would seek to inform how best regional funding could support enterprise related activities in higher education in the future.

The KSA Partnership was commissioned in early February 2009 to undertake the evaluation of the 'University Enterprise' programme. The evaluation was completed in May 2009 and this report outlines how we went about the evaluation, captures what we found and indicates the areas where we feel attention may need to be directed to.

# 2 EVALUATING THE ENTERPRISE INITIATIVE

## 2.1 Purpose of the evaluation

The purpose of the evaluation as defined by One NorthEast in the invitation to tender was to **provide a regional level assessment of the effectiveness of the ‘University Enterprise’ programme**. The evaluation was not intended to be an institution by institution assessment of the five university-led projects. Instead a composite picture across the region was to be created taking into account the relative merits of the different approaches and clarifying how best the enterprise in higher education agenda could be sustained and oriented towards meeting regional priorities in moving forward.

In preparing our proposal we set out some key lines of enquiry that aligned to the purpose and key themes for the evaluation. The key lines of enquiry, as agreed at the scoping stage, and associated evaluative questions are summarised in the table below.

Table 1 – Key lines of enquiry

Key line of enquiry	Evaluative questions
<b>Performance</b>	To what extent have individual projects met their own aims and objectives?
<b>Effectiveness</b>	What worked well and what has worked less well? And, why?
<b>Impact</b>	To what extent have the projects realised the ambitions of students, academics, alumni and other relevant stakeholders? And, what evidence of impact is there?
<b>Additionality, displacement and deadweight</b>	How much of what has been achieved through these projects might have been achieved anyway? How does supported activity relate to other funded enterprise activity?
<b>Strategic added value</b>	How far have the projects contributed to the strategic aims of the enterprise agenda of the individual universities? And, what additional or

	unanticipated outcomes have emerged?
<b>Learning</b>	What are the key lessons learned? What examples of good practice have emerged? How does what has been developed contribute to the wider enterprise agenda in the region and nationally?
<b>Sustainability</b>	To what extent is the activity becoming embedded and is sustainable in the future? And, what other support is being used and what further support might be needed?

## 2.2 Evaluation methodology

For the purpose of this project we organised the work into three phases of activity – baseline research, stakeholder consultation, and analysis and report preparation. While we identified these phases as discrete areas of activity in the proposal, the delivery of the evaluation was very different. In practice, the approach was negotiated and agreed with the primary contact at each university which allowed us to be sensitive to the different situations we found. This led to some variations across the five institutions which are captured in the individual case studies (see Appendix 1).

The common elements of our methodology are, however, briefly described below.

- The baseline research involved a review of existing documentation at a national and regional, and institutional level – this included:
  - **National and regional level**
    - Relevant policies and strategies
    - One NorthEast’s business case for the ‘University Enterprise’ programme
  - **Institutional level**
    - Business case submitted to One NorthEast
    - Claim forms (where supplied)
    - Progress reports submitted to One NorthEast
    - Performance data on businesses and jobs created, as well as learning opportunities
    - Other supporting evidence (e.g. institutional strategies, working papers, evaluation and research reports)

- In addition, we reviewed relevant literature that highlights current policy, thinking and practice around enterprise and the role of higher education
- The stakeholder consultation was designed to validate and extend what could be gleaned from the collated documentation – it involved interviews with:
  - **Internal stakeholders**
    - A total of **19** individuals were interviewed across the five universities including the primary contact, the senior manager with responsibility for enterprise, heads of Business Development and other service areas responsible for the delivery of enterprise activity.
  - **Beneficiaries**
    - To gain the perspectives of beneficiaries, drop-in sessions were set up at Newcastle and Durham; a focus group was held at Teesside University with some of the incubator users; and an email survey was conducted at Northumbria. In addition Northumbria had undertaken their own consultation with beneficiaries.
  - **Other external evaluators**
    - Dialogue and research sharing with the external evaluator appointed by two of the universities
  - **External stakeholders**
    - A total of four telephone interviews were conducted with representatives from enterprise agencies in the region to capture their views on the relative impact and effectiveness of different approaches
- The analysis involved the KSA team making evaluative judgements against the key lines of enquiry and evaluative questions – in practice two mechanisms were adopted to take the analysis process forward:
  - Preparation and validation of an evaluative summary for each university drawing on interviews, documentary evidence and focussed evaluative activity. The headline summary presented qualitative and quantitative evidence collected, setting out where the programme began, what the strategic intent was, how the programme was delivered, what outputs and outcomes

were achieved, what the impact was and reflections, key messages and forward strategy.

- Cross-cutting analysis bringing together stakeholder perceptions, performance data and other supporting evidence to present a regional picture and draw out the key messages and areas for consideration by One NorthEast and the universities in moving forward.

**We would therefore like to thank those people who gave up their time freely to talk to us and provide the information we asked for. We especially appreciate the openness with which they told us their story.**



# 3 BACKGROUND AND CONTEXT

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## 3.1 A national perspective on enterprise in higher education

### 3.1.1 National context

The UK faces similar challenges as those of most developed countries – rapid social change with increasing emphasis on environmental sustainability and an ageing population alongside economic changes with the shift to service and knowledge-based economies, globalisation and the rise of emerging economies. Government has responded with a range of national policies and initiatives aimed at creating a more competitive economy where enterprise, entrepreneurship and innovation are the drivers for growth.

The recent Department for Innovation, Universities & Skills (DIUS) White Paper, ‘Innovation Nation’, highlights the importance of ‘unlocking the talent of all our people’ to prosper in the globalised economy. The Enterprise Strategy published by the Department of Business, Enterprise & Regulatory Reform (BERR) also demonstrates the importance of enterprise and entrepreneurship to the future of the UK economy. For organisations, businesses and communities to thrive and succeed, there is a need for individuals to develop more entrepreneurial and innovative mindsets, behaviours skills and capabilities.

Government recognition of higher education institutions (HEIs) as agents of economic and social growth has led to support and extra funding to enable HEIs to increase their engagement with the wider community. As a consequence, HEIs have increasingly become more involved in regional economic and social development through a range of activities in collaboration with business, industry and the third sector collectively termed ‘academic enterprise’. Such activity includes:

- Technology and knowledge transfer to business, industry, the community and public sectors including Knowledge Transfer Partnerships, consultancy and professional training
- Commercialisation of research outcomes through technology-licensing, the creation of ‘spin-out’ companies or joint ventures with existing companies

- Outreach and networking activity with local development stakeholders, business and community sector representative organisations
- Innovative non-research project-related activity focused on economic, social and/or cultural development, with external organisations.

In addition, through entrepreneurship education programmes, students can be exposed to environments that nurture entrepreneurial mindsets, behaviours and capabilities, which at a personal level allow them to deal with an increasingly complex world. Such programmes can also inspire them to found and lead new organisations and social ventures or to transform the organisations they lead and manage. In these ways, graduates are seen as key to national growth. Confident and talented entrepreneurial graduates are more likely to found and lead new organisations and social ventures, and have the capacity to transform the organisations they lead and manage. Through entrepreneurship programmes, HEIs can expose students to environments that foster entrepreneurial mindsets, behaviours and capabilities to deal with an increasingly complex and uncertain world.

### 3.1.2 A baseline for enterprise in higher education

#### **Academic enterprise**

Investment into academic enterprise related activity has been made across the higher education sector since 2001 through the Higher Education Innovation Fund (HEIF). A recent evaluation in 2007/08 commissioned by HEFCE into the effectiveness and role of this funding to date demonstrated that the overall HEIF investment of £600m has generated between £2.9 and £4.2bn in value. The evaluation also concluded that significant progress has been made in realising a culture change within higher education to embrace 'third stream' working,

Data has been collected by HEFCE through the Higher Education Business Community Interaction Survey (HE-BCIS) since 1999. It provides information on a range of activities from the commercialisation of new knowledge through to the delivery of professional training, consultancy and services, as well as to activities intended to have direct social benefits.

#### **Student and graduate enterprise**

The National Council for Graduate Entrepreneurship (NCGE) was formed in 2004 with the aim of raising the profile of entrepreneurship and the option of starting your own business as a career choice amongst students and graduates. By understanding the circumstances in which graduate entrepreneurship can flourish, NCGE's goal is to influence, and inspire, an increase in the number of

students and graduates who give serious thought to self-employment or business start-up. It is not only focused on graduates starting businesses, but understanding, developing and promoting a culture of entrepreneurship within Higher Education through research, education and facilitation. NCGE aims to become the national focal point for graduate entrepreneurship and will collaborate with bodies across the UK.

In 2007, NCGE undertook a survey of 127 universities across England, to evidence the scale and scope of enterprise provision and engagement for the first time. This was the first time such a survey had been conducted and its aim was to demonstrate the current scale and scope of enterprise provision and engagement and that this would subsequently inform future benchmarking and comparative studies.

At a national level, some of the headline statistics were:

<b>Student Engagement</b>	<ul style="list-style-type: none"> <li>• Rates of student engagement have grown, the current student engagement rate in 2007 was 11%</li> <li>• Gender split is relatively balanced at 53% male; 47% female</li> </ul>
<b>In-curricula provision</b>	<ul style="list-style-type: none"> <li>• Curricula provision accounts for 36% of enterprise and entrepreneurship activity</li> <li>• Business and management schools are responsible for 61% of provision (9% engineering; 8% creative; 1% health)</li> <li>• 80% of provision is at undergraduate level; 87% for full-time study</li> </ul>
<b>Extra-curricula provision</b>	<ul style="list-style-type: none"> <li>• Accounts for 64% of enterprise and entrepreneurship activity</li> <li>• Wide range of opportunities provided</li> <li>• Strong reliance on short term funding</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• More than 80% of extra-curricula activity is from the public purse</li> </ul>
<b>Entrepreneurial university characteristics</b>	<ul style="list-style-type: none"> <li>• &lt; 50% of universities displays the range of entrepreneurial characteristics across infrastructure, staff development and policy that are crucial to institutional development and long-term culture change</li> </ul>

### 3.1.3 How the HE sector is shaping up to address enterprise education

NCGE's findings in 2007 revealed some areas of focus to shape future enterprise and entrepreneurship education, specifically the need to:

- Increase student engagement rates
- Improve the quality, consistency, equality of exposure and impact of provision
- Encourage institutional culture change
- Establish sustainable funding structures.

To meet and address these areas, there is a need to scale up and embed enterprise and entrepreneurship education within institutions to expose all students to the opportunities and learning experiences.

However, it is also important to recognise the challenges limiting HEI's capacity to deliver more enterprising and entrepreneurial graduates – those identified by NCGE include:

- A complex policy environment in which funding is short-term, fragile and often focused on projects/events rather than on long-term capacity building and educator development
- Varying degrees of embedding entrepreneurship education across institutions
- Evidence of reliance on short-term initiative funding and reliance on the enthusiasm of individuals – both resulting in this activity being inherently fragile
- Varying levels of engagement from business schools
- Varying extent to which formal objectives have been set for entrepreneurship education and evaluation methods established
- Many combinations of different learning and support arrangements with some variable evidence of effectiveness
- Focus on conventional pedagogies – tension exists between traditional, formal academic teaching methods and assessment and opportunities for 'live' learning in which entrepreneurial practice and experience maybe introduced.

NCGE also identified that HEIs are taking different approaches in respect to enterprise in HE – these are the fully integrated and embedded model (the 'optimum'), the intermediate (University-led) model and the external support model (which is stakeholder driven). These are described in more detail in Appendix 2.

## 3.2 A regional position on enterprise in higher education

### 3.2.1 Regional economic strategy

The Regional Economic Strategy (RES) aims to address how the North East will achieve the economic growth necessary. The North East experiences relatively low GVA compared to other regions, particularly in the south. There are a

number of interrelated ways in which this issue can be addressed – by increasing the number of people in employment, by improving productivity of existing businesses and by increasing levels of the region’s business stock. In response the RES has identified the need to move the region towards achieving a GVA per head which is 90% of the national average and this will, in part, require the region to establish a further 22,000 VAT registered businesses by 2016.

The ONE Higher Education Support programme was established to address a number of priorities identified in the RES – including:

- Raising awareness of enterprise as a concept and working with all communities (graduates, postgraduates, staff and alumni) in universities for them to realise enterprise and self employment is a viable and rewarding option
- Supporting individuals and teams at university to identify and develop the skills, tools and resources required to start up in business
- Providing business support specific to those from the HE sector
- Supporting micro-businesses and individuals to grow their businesses and register for VAT
- Emphasising the importance of young people in higher education as future entrepreneurs, as graduates are seen as a key source of business ideas, skills and enthusiasm – they are also more likely to have the capability to develop knowledge based businesses
- Encouraging and supporting graduates and those with higher level skills to remain in the region.

Furthermore, in an increasingly globalised economy, economic growth will rely on the development of knowledge based businesses. The region has therefore identified strategic sectors where there are existing strengths in the region that could benefit from additional support to maximise growth and competitiveness. These are: process industries; healthcare and health sciences; energy and environmental technologies; digital and creative industries; automotive; knowledge intensive businesses; defence and marine; tourism and hospitality; and, the food and drink industries.

The Strategy for Success has focussed on the development of excellence in the scientific and technical research base, enabling the commercialisation and application of research achievements supported by the Centres for Excellence and NStar. This is being taken forward through the Three Pillars approach that builds on particular strengths in process technologies, new and renewable

energy sources and related environmental technologies, and healthcare and health sectors. The growth of these sectors relies on the commercialisation of science and innovation emerging in the North East, thereby offering significant opportunities for regional economic growth. Each of the Three Pillars is supported by Centres of Excellence:

- Centre of Excellence for Life Sciences (CELS)
- Centre for Process Innovation (CPI)
- Centre of Excellence for New and Renewable Energy (NaREC)

Centres of Excellence carry out research and development, and in addition, co-ordinate the commercial exploitation of technologies and new products emerging from research activities. There are other centres for excellence which include the Centre of Excellence for Nanotechnologies (Cenamps – is working with the universities to focus on new and enabling technologies such as molecular engineering to underpin the work of the three areas above) and Codeworks that works to support innovation in the digital and new media sectors.

Innovation Connectors have also been identified as places with the greatest potential for supporting and developing innovation able to stimulate economic regeneration. These provide leading edge facilities to support research and development activity and commercialisation. The Connectors also operate to create and promote employment opportunities and facilitate networks to increase co-operation between SMEs in key sectors. These include:

- Newcastle Science City
- Digital City in Teesside
- Sunderland Software City
- Design Centre for the North
- NETPark

### 3.2.2 Funding for enterprise activity

As the enterprise agenda started to emerge in 2001, a number of regional Scientific Enterprise Centres were established as a result of the national Science Enterprise Challenge Initiative. The North East Centre for Scientific Enterprise (NECSE) was established with the purpose of raising awareness of the importance of business enterprise at all levels across the universities, including both staff and students, and to legitimise commercial activity as a valid aspect of academic life. It has also aimed to foster understanding and co-operation between academics and the business world to ensure the commercial exploitation of technological

innovation. This initiative finished in 2005 but was the primary driver behind the establishment of the regional Business Plan Competition, Blueprint, and it funded curriculum development projects that built enterprise into the curriculum.

The Blueprint competition was launched in 2003/04 and has been successful, not only in raising awareness of the enterprise agenda in the region's universities but in acting as a real creator of regional businesses. The competition is beginning to have a significant economic impact and the continued success of the regional final with high attendance levels is a measure of how important the business community sees this activity. To date, the competition has resulted in over 1,000 business plans being submitted, the establishment of over 160 businesses and the creation of nearly 300 jobs across the region. Almost all of the 2007/08 finalists were incorporated and trading, some very profitably.

Over the same period Teesside University received Single Programme funding to establish its incubation and hatchery provision. There was also an investment through ONE, the Economic Social Fund (ESF) and the ERDF (Economic Regional Development Fund) called New Ventures that supported enterprise activity in Sunderland, Newcastle and Northumbria universities from 2002 to 2006. This funding enabled these institutions to begin to establish enterprise activity both within and out of the curriculum and to start to build up specific support for early stage start up.

The complexity of funding prior to 2006 is illustrated by the suite of funding accessed by one of the North East's universities. The overall picture is the same for all the universities – they spend significant time seeking funding to support the implementation of their strategies and plans.

#### **Funding accessed**

Examples of funding accessed between 2002 and 2006 included:

- Northern Rock Foundation providing three years of revenue to provide on campus business advice using external business advisors
- ERDF funding for the universities of Newcastle, Northumbria and Sunderland to act collaboratively through the New Ventures project in providing staffing, incubation space and enterprise activities
- HEIF2 funded staffing and enterprise activities
- Research Councils' 'Roberts Funding' to support enterprise skills training for research postgraduate students
- EPSRC CTA funding to fund postgraduate curriculum development in science and engineering subjects
- HEACF (Higher Education Active Community Fund) provided for residential enterprise courses
- NECSE funded curriculum development at undergraduate and postgraduate level for science and technology
- Private sponsorship for business plan competitions

- Significant sponsorship in kind by companies, professional organisations and business support agencies

### 3.2.3 Regional performance

#### Academic enterprise

The HE-BCIS survey provides an indication of how well the region's universities are performing on academic enterprise. Despite some fluctuations income from academic enterprise related activities in the North East universities has increased from just under £70m in 2002/03 to £85m in 2006/07. This increased income is as a result of a wide portfolio of services to business and the commercialisation of research. Over the same time period, the number of disclosures has more than doubled from 72 to 174, spin-outs have increased from 12 to 23 and graduate start ups have nearly trebled from 31 to 88.

Similarly, total revenue into the region from Intellectual Property (including software licenses, non-software licensing and sales of shares from spin outs) has increased from £238m in 2004/05 to £615m in 2006/07.

Table 2 – Institutional breakdown 2005/06

Income (£000)	Durham	Newcastle	Northumbria	Sunderland	Teesside
Collaborative research	27992	18018	384	662	1446
Consultancy	11518	6111	2248	684	1127
Equipment and facilities	154	308	68	92	32
Regional and development income	1748	4234	1255	4002	4536
<b>HEI TOTALS</b>	<b>41412</b>	<b>28671</b>	<b>3955</b>	<b>5440</b>	<b>7141</b>
<b>Disclosures</b>	47	55	8	8	45
<b>Spin outs</b>	12	6	0	1	0
<b>Graduate starts (number established)</b>	1	0	9	18	16

Table 3 – Institutional breakdown 2006/07

Income (£000)	Durham	Newcastle	Northumbria	Sunderland	Teesside
Collaborative research	30443	15993	116	1669	1839
Consultancy	9022	5487	787	572	1145
Equipment and facilities	223	2308	28	102	38
Regional and development income	1520	10120	746	2982	2554
<b>HEI TOTALS</b>	<b>41208</b>	<b>33908</b>	<b>1677</b>	<b>5325</b>	<b>5576</b>
<b>Disclosures</b>	37	72	13	4	48
<b>Spin outs</b>	13	9	0	1	0
<b>Graduate starts (number established)</b>	0	11	36	19	22

Looking at the institutional breakdown over two academic years a picture of activity emerges with Durham and Newcastle Universities generating most of the income from collaborative research and consultancy. Disclosures and spin outs from these two institutions are also high in line with their research income. However, there is also a high number of disclosures from Teesside University. Over the past two years, Teesside and Sunderland universities have had a



consistent output of graduate start up businesses and Northumbria has had a particularly high number of graduate start ups for 2006/07 at 36.

### **Student and graduate enterprise**

In 2005 NCGE identified that there was a general failure across the North East universities to establish 'enterprise' within their core mission statements and this was reflected in their HEIF allocation. All the North East universities have, however, made significant progress in addressing this issue and indeed those outlined in 3.1.3 over the period from 2005 to date.

In reference to the national survey by the NCGE (2007) and how the North East benchmarks against the national average there are a number of observations to note:

- The gender balance shows a stronger male bias with the male:female ratio at 62:38 compared with the national ratio at 53:47
- Extra-curricula activity plays a stronger role in engaging students at 71% than the 63% average
- 67% of the curricula provision in the North East is through the Business School against 61% for the national average – in 2007 there was no curricula provision in engineering
- The core funding contribution made by the HEIs to the agenda in the North East (9%) is on a par with the national average (10%)
- The ONE investment into the agenda is above average at 18% against an average of 13%
- Facilities for start-up and curriculum development investment in the North East are on a par with national averages. In addition to this ONE is one of the highest providers of start-up funds.

# 4 PROGRAMME OVERVIEW AND IMPACT ANALYSIS

This section draws together information presented by the universities and evidence gathered through follow on research (documentary reviews, interviews, surveys, focus groups) to give a cross-cutting overview of the current positioning, practice, performance and impact of enterprise activity funded through the ONE and HEIF programme. It begins with an overview of the ‘University Enterprise’ programme.

## 4.1 Strategic investment

As noted earlier NCGE had identified that there was a general failure amongst North East universities to establish enterprise within their core mission and this was reflected in their HEIF allocations. One NorthEast used Single Programme funding to assist the region’s HEIs to embed enterprise education and support into their core activity, to build capacity and capability to deliver activity, and in this way impact on cultural change within higher education and thereby on ‘third stream’ outcomes. Funding was to be flexibly applied and used to enable universities to better align enterprise activity within their mission and core activities.

Table 4, Table 5 and Table 6 provide an overview for each of the universities of the level of investment made by One NorthEast and the intended outcomes and target outputs.

Table 4 – Regional funding allocation and target leverage

University	ONE investment	Target Leverage	Total target investment
Newcastle	£ 670,000.00	£ 1,055,200.00	£ 1,725,200.00
Northumbria	£ 694,674.00	£ 444,591.00	£ 1,139,265.00
Durham	£ 568,950.00	£ 390,464.00	£ 959,414.00
Teesside	£ 670,000.00	£ 649,000.00	£ 1,319,000.00
Sunderland	£ 670,000.00	£ 670,000.00	£ 1,340,000.00
Regional Totals	£ 3,273,624.00	£ 3,209,255.00	£ 6,482,879.00

Table 5 – Intended outcomes across all universities

Strategic outcomes	Teesside	Sunderland	Newcastle	Northumbria	Durham
Students aware of how and where to access enterprise support and satisfy their demand	✓	✓	✓	✓	✓
Explore the distinctive role enterprise education plays in the attitudes, skills, capabilities of individuals		✓		✓	
Increased enterprise support capacity within staff	✓	✓	✓	✓	✓
Integration and embedding of related enterprise activity within the university	✓	✓	✓	✓	
Improved levels of business support to new start ups	✓	✓	✓	✓	✓
Higher levels of entrepreneurship amongst new graduates, better prepared for employment	✓	✓	✓	✓	✓
Conversion of graduates (alumni) from employment to entrepreneurial activity or in support of commercialisation activity from within or without the region		✓	✓		
Staff to realistically consider options of embracing enterprise education as part of the curriculum	✓	✓	✓	✓	✓

Table 6 – Target outputs across all universities

Outputs	Durham	Newcastle	Northumbria	Sunderland	Teesside	Regional
	Target	Target	Target	Target	Target	Target
Jobs	33	95	17	90	54	199
Businesses created	30	68	75	115	44	217
Businesses surviving 12+ months	7	39	20	64	19	85
Businesses surviving 24+ months	7	13	15	23		35
Businesses supported	30	177	105	115	0	312
Knowledge based interventions/ collaborations				25		0
Skills	25	671	990	250	120	1806

## 4.2 Initial position and strategic intent

Table 7 and 8 presents a summary of what each university said with respect to their starting point when the programme began, what it was seeking to achieve and how enterprise fits with the strategic mission of the institution.

Some general points were commonly raised:

- There was already an amount of enterprise and commercialisation activity underway, although universities were at very different stages of development related to their strategic intent and varying levels of prior investment

- The flexible funding model and linkage to HEIF funding presented the universities with an opportunity to:
  - Develop and consolidate existing enterprise strategies to:
    - Embed and integrate enterprise within the university and the student experience
    - Develop the organisational and governance structures to support and enable enterprise
  - Extend and deepen the impact of existing strategies/activities particularly in the curriculum and for students/graduates
  - Innovate and experiment with the delivery and content of material, and with approaches to support business start-ups
  - Strengthen business start-up services and establish or extend hatchery and incubation facilities
  - Strengthen the commercialisation agenda
  - Build capacity and advocacy for the enterprise agenda

The programme in each university was noticeably in line with institution's wider positioning and strategy:

- Durham sought to build on existing practice and strengthen the strategic positioning and infrastructure of support for enterprise and knowledge transfer in a way that aligned with the research and teaching learning agenda. An incubator facility was to be established and a new GLEAM programme aimed at the arts and creative sector was to be piloted.
- Newcastle sought to build capacity and strengthen the contribution of enterprise and commercialisation to the university mission, extending the range and reach of activities, and embedding existing programmes in student/graduate enterprise and commercialisation. Engagement strategies with alumni were to be tested and incubator facilities developed across the campus.
- Northumbria sought to position enterprise in a way that would develop the strong vocational mission of the university, extending the range of flexibility of business start up services. Partnership relationships were to be strengthened thereby ensuring complementarity with other start up support in the city and the range of enterprise in the curriculum was to be increased and embedded.

Table 7 – Position as at 2006 and proposed opportunities for development

	Durham	Newcastle	Northumbria	Sunderland	Teesside
<b>Position at the onset of the ONE funded programme</b>	<ul style="list-style-type: none"> <li>• Emphasis on enterprise and entrepreneurial learning, primarily through the Business School</li> <li>• Active role in the North East Centre for Scientific Enterprise (NECSE)</li> <li>• Advocate of the region's Blueprint Competition</li> <li>• Participant in the Universities for the North East committees</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy led approach to commercialisation and enterprise development in place captured in Graduate Enterprise Strategy and Business Development Strategy</li> <li>• Programmes well developed with networks of support</li> </ul>	<ul style="list-style-type: none"> <li>• Little development around the enterprise agenda.</li> <li>• Graduate enterprise module developed by the Newcastle Business School</li> <li>• New Enterprise Scholars (Entrust scheme) available</li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise support framework in place – learning for enterprise, hatchery and incubator support (CreativityWorks), access to commercial premises (St Peters Gate), business support for researchers and academics, intellectual property rights advice for staff and students</li> <li>• Curriculum activity in the Business School available to other students</li> <li>• Skills programmes and external advice</li> <li>• Experimentation and a deepening of experience, but not embedded</li> <li>• Enterprise activity wasn't sustainable without external funding</li> </ul>	<ul style="list-style-type: none"> <li>• First University in the region to establish a Graduate Incubator facility via a Single Programme investment of £28m</li> <li>• Working Enterprise Strategy</li> <li>• Partnership arrangements and networks of support established</li> </ul>
<b>Opportunities identified to be addressed through ONE funding</b>	<ul style="list-style-type: none"> <li>• Rethink strategy for enterprise</li> <li>• Develop and implement a more coordinated joined up approach</li> </ul>	<ul style="list-style-type: none"> <li>• Continuation of HEIF3 strategy into HEIF4</li> <li>• Increase capacity and reach of enterprise and commercialisation activity</li> <li>• Strengthen linkage between student and graduate enterprise and academic commercialisation</li> </ul>	<ul style="list-style-type: none"> <li>• Significantly increase and embed availability of enterprise in the curriculum</li> <li>• Improving and increasing the range of flexible business start up services to capture and support individuals coming forward</li> <li>• Strengthen partnership working</li> </ul>	<ul style="list-style-type: none"> <li>• Build capacity and embed enterprise as part of the strategic agenda of the University</li> <li>• Develop a sustainable approach</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance and further develop activities identified under Enterprise Strategy</li> <li>• Support direct training, one-to-one mentoring and specialist support, commercialisation of research</li> <li>• Campaign aimed at raising awareness of enterprise amongst staff and students</li> </ul>

Table 8 – Initial intent and strategic positioning

	Durham	Newcastle	Northumbria	Sunderland	Teesside
<b>Initial Intent</b>	<ul style="list-style-type: none"> <li>Establish a dedicated enterprise centre</li> <li>Extend Blueprint to include a staff competition</li> <li>Create a new Gleam competition for the arts creative sector</li> <li>Establish an incubator unit on campus</li> </ul>	<ul style="list-style-type: none"> <li>Alumni – supporting commercialisation activity for graduates within and beyond the region</li> <li>Incubation – establishing facilities and processes to support early stage new venture incubation with pipeline or follow on agreements</li> <li>Capacity building – increasing support and delivery capacity in staff and develop student body to engage with enterprise and entrepreneurial activity</li> <li>Programme building – develop and embed enterprise and entrepreneurial activity with extra curricular and core curricular programmes</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise phase 1 strategy development</li> <li>New alumni activities</li> <li>Improving business start support and mentoring</li> <li>Improving hatchery and incubator provision</li> <li>Improving capacity to support software development and science based businesses</li> <li>Research and evaluation to better inform the enterprise and the graduate enterprise agenda in Northumbria</li> </ul>	<ul style="list-style-type: none"> <li>Explore the role of enterprise in the development of attitudes, skills and capabilities of students</li> <li>Gain greater understanding of what makes enterprising graduates and how the university can teach entrepreneurial behaviour</li> <li>Increase enterprise support capacity within the institution, including staff development, better planning of resources, curricular development and better equipped incubator space</li> <li>Contribute to increased diversification of the City of Sunderland economy by increasing the birth rate of particularly ICT and software knowledge based businesses through 'Software City' and NTI initiatives and participation in an holistic enterprise support service for the City</li> <li>Develop more entrepreneurial graduates, better prepared for employment in regional companies</li> </ul>	<ul style="list-style-type: none"> <li>Develop Graduate Enterprise via business mentoring support and an alumni network</li> <li>Improve commercialisation of research and innovation via professional support, training and access to small scale funds for idea development</li> <li>Explore social enterprise via work with groups and individuals to develop social enterprise as engines for local employment</li> </ul>
<b>Strategic Positioning</b>	<ul style="list-style-type: none"> <li>VC leadership and support</li> <li>Enterprise and knowledge transfer as integral parts of research and teaching and learning</li> <li>Objectives relating to student experience and regional impact</li> <li>Encompassed with the University's Regional Innovation and Outreach Strategy covering science, innovation and technology transfer; business development and enterprise</li> <li>Enterprise development encompassed in Employability Strategy which is part of Teaching and Learning Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Strategic coordination through PVC</li> <li>Establish enterprise and entrepreneurship within the core mission of the university</li> <li>Embed programmes, processes and support mechanisms to facilitate the development of a sustainable enterprise culture</li> <li>Increase the number, quality and viability of commercial opportunities emerging from the research, academics and graduate base</li> <li>Assist in maintaining the University's competitive position and contribute to the social and economic regeneration of the region</li> </ul>	<ul style="list-style-type: none"> <li>Strategic oversight through University's Research and Innovation Committee and associated strategy</li> <li>Monitored against seven HE-BCIS indicators</li> <li>Seen as mechanism to deliver the strong vocational mission of the university and contribute to civic mission and regional economic agenda (cost neutral)</li> <li>Guided pathways to support new business formation in partnership with local authorities and others</li> <li>Retention of graduate businesses on Tyneside</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise integrated within University's civic mission, part of its strategic partnership activity, and a key component of the student offer</li> <li>The University seeks to differentiate the focus of its activity rather than duplicate the work of its partners</li> <li>Where enterprise fits with the higher level skills agenda for students and graduates it forms part of the University's core business</li> <li>Where enterprise activities are part of a shared agenda (regional regeneration, etc.) partners should be prepared to invest into this and the University would align its activities in areas where it is best able to contribute</li> </ul>	<ul style="list-style-type: none"> <li>University committed to supporting productivity and competitiveness and growth of local and regional SMEs</li> <li>Monitoring through HE-BCIS indicators</li> <li>Integral to University's commercial mission, strategic partnerships and student offer</li> <li>Development and further exploitation of incubator facilities</li> <li>Part of a much wider programme of investment</li> </ul>

- Sunderland sought to deepen its understanding of the role of enterprise in student and graduate development and to strengthen its civic mission by establishing a clear and differentiated contribution for the university alongside its partners in local and regional economic and community regeneration.
- Teesside sought to strengthen its support for productivity and competitiveness of local and regional SMEs, exploiting existing investment in the graduate incubator facility, stimulating demand for enterprise, and providing a wide ranging skills programme for students and staff. In addition the university was looking to strengthen and optimise the structures of support and commissioning arrangements, improve commercialisation support and explore the potential of social enterprise.

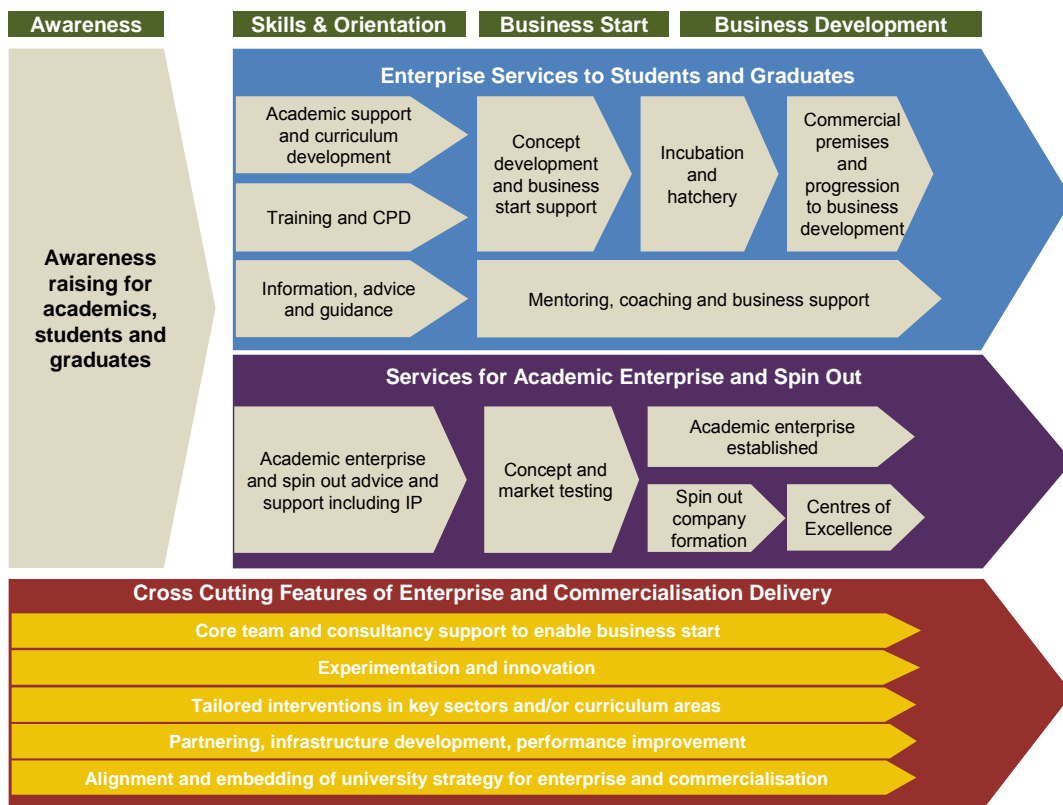
In each university some policies, infrastructure and existing networks of strategic and delivery partners were in place. The ONE and HEIF funding provided an opportunity to extend the range and reach of existing and new enterprise activity, support experimentation and innovation, build capacity and embed existing practice. The flexibility of the funding was an important factor in enabling the desired approach. The universities combined the ONE and HEIF funding with other internal and external funding streams in an increasingly strategy led approach which encompassed commercialisation (spin out and commercialisation services), training and CPD, teaching and learning, sectoral developments (linked to innovation connectors and sectors of interest), alumni relationships and strategic partnering.

This portfolio approach appears to have been very effective in positioning enterprise related activities within the research, teaching and learning and civic missions of each university. It does, however, make direct attribution of impact to one component funding stream in isolation difficult to evaluate.

### 4.3 Delivery and nature of activity

Figure 1 presents a generic delivery model for enterprise and commercialisation which emerged across all of the universities. The approach and activities of each university can be located within the model and each has examples of effective practice which may be of interest to others.

Figure 1 – Enterprise and commercialisation delivery model



We have prepared a case study presenting an overview of strategy, practice, performance and impact for each university. These have been validated by the university concerned and are presented in Appendix 1. The key activities in each university are summarised below:

### Durham

- Established the Enterprise & Knowledge Transfer Directorate combining Technology Transfer, Regional and Business Development and the new Centre for Entrepreneurial Learning
- Established the Centre for Entrepreneurial Learning, independent of the Business School, and with a presence on the Durham and Stockton campuses. It has a student and academic focus and an international dimension. The work of the Centre is supported by a network of external partners
- Established the Creative Gleam programme targeting recent graduates to start up businesses in the creative sector. Work was closely associated with Seven Stories (Ouseburn Valley) and a range of external partners.
- Extended the Blueprint competition to academics and provided start up support for business starts
- Established an incubator unit at the Mountjoy Science Park available to pre-start and early start businesses. Full and associate membership is freely provided giving access to a range of services



## Newcastle

- Established a Steering Group to support coordination and integration
- Supported commercialisation (academic enterprise and spin out) through a range of programmes that support individuals at different stages in the commercialisation process including: Science in a Spin, Coaching for Commerce and support for IP disclosures
- Delivered a wide range of student and graduate support activities through the Enterprise Development Unit (EDU) – an integral part of the Careers Service
- Continued support for academic and curriculum development through the EDU
- Established incubation space to complement other facilities
- Built capacity in the Commercialisation Team through targeted CPD and improved market testing capability at the feasibility stage of business start
- Explored alumni engagement but with few results at this stage

## Northumbria

- Used its commercial enterprise team to expand curriculum opportunities to the point where curriculum activities, modules and pathways are offered across six schools with further activities and modules under development. Modules exist at undergraduate and postgraduate level, engaging with over 1,200 students who have received action learning based enterprise modules lasting more than 30 hours
- Established a flexible programme of start up support with clear pathways to full trading in line with the vocational culture of the university, maximising access for students and graduates wishing to start up a business. By September 2008, Northumbria had started 150 graduate or student enterprises, each receiving mentoring access to private and public sector consultants who act as advisers for business start
- Introduced a Designer in Residence programme, capitalising on the strengths within the School of Design
- Introduced a student intern scheme to build demand from students and support alumni engagement
- Researched and developed partnership arrangements with local authorities and others to support progression of new start businesses including detailed research on the nature of effective research for enterprise and new business starts

## Sunderland

- Coordinated delivery through an Enterprise Operations Group
- Delivered a wide ranging awareness training programme
- Developed a framework of enterprise modules at three levels (free standing integrated components of courses of study)
- Provided enterprise hatchery support for students

- Provided incubator support for graduates and alumni through Creativitiworks with progression through to commercial premises at St Peters Gate
- Provided CPD and web based training for staff using UKSEC and NCGE
- Took forward strategy and delivery partnership arrangements with local partners, particularly Sunderland Local Authority, Business Innovation Centre and others to provide differentiated support to academics, students and graduates and signposting on to other support provision as appropriate. These will be used to support Software City and Entrepreneur Scholarships

### Teesside

- The programme was led by the Director of Academic Enterprise and delivered by the Academic Enterprise Team with a strong focus on quality and performance management using HEBCIS indicators as the means to report performance
- A well structured promotional and marketing campaign was delivered to stimulate demand
- A wide ranging and well structured enterprise development programme was made available to staff, students and graduates through a prospectus of activities
- Follow on interest was supported through a range of curriculum development and business start mentoring and advice
- Business start was provided by the Academic Enterprise Team linked to a network of specialists who were engaged through a robust commissioning and network management process
- New businesses were supported by the well established hatchery and incubation facilities
- An enterprise development fund was established to support academic enterprise through small amounts of flexible funding accessed by bids to an internal panel
- Social enterprise was initially delivered as part of the university's outreach programme but subsequently incorporated into the work of the Academic Enterprise Team

## 4.4 Reflections on practice

In the process of gathering evidence and preparing the case studies we asked for observations and reflection on the nature of delivery. These are collated here together with some observations of our own.

### The adopted approach

- Universities used ONE/HEIF funding to broaden the reach of their existing programmes and strengthen structures for leadership, coordination and delivery. Funding was predominantly used to support internal staffing and to source external specialist services.

- ONE/HEIF funded activities were part of a wider and more complex 'web' of resources which were deployed in support enterprise and commercialisation activities. Each university was clear what ONE funding had been used for but attribution of outcomes and impact was difficult. A number of universities commented that contract managed output models of investment do not align easily with the more strategic portfolio funding approach which had characterised the initial proposals. In this respect enterprise is better seen as part of the strategic relationship between ONE and the university, and more needs to be done to sustain flexibility in the contract relationships as the programmes are delivered.
- In discussion all universities commented on how the strategic nature of this funding had enabled them to clarify and position the enterprise agenda more effectively and to integrate it into the research, teaching and learning, and civic mission of the university. Enterprise is now much more clearly seen with respect to the core business and there is greater clarity that funding for strategic and curricula activities lies broadly within the remit of the universities but that extra-curricular activities are part of a wider shared agenda with partners and should be funded as such.
- Universities saw the need to have a better shared understanding of the measures of success and how these are interpreted. An example would be working to get greater clarity on the output measures for business starts – are these measured by volume and survival (as was the case here) or by growth and retention in the region which are the longer term strategic goals – put crudely do we want 200 new student or graduate enterprises which falter when the student leaves the region or finds work, or do we want 50 new businesses, located in the region on a stable pathway to growth. Naturally investment and support models change according to the emphasis adopted.

### **The link between emphasis and university character**

- There was a noticeable linkage between the emphasis in enterprise activity and university character and culture. Durham and Newcastle have a stronger emphasis on spin out of research activity whilst the emphasis in Sunderland, Northumbria and Teesside was more on their civic mission, vocational learning and services to business. Everyone emphasised the importance of enterprise to the student offer and student experience.

- These different stances could also be discerned in attitudes to a university's stake in its enterprise activities. Typically universities had little interest in having a stake in student enterprises and were happy to run these programmes cost neutral. Academic enterprise was sometimes seen as part of an emerging culture of commercialisation and policies for a return on investment have been established. Typically universities took greater interest in commercialisation of IP and spin out, and would hold a stake in the businesses formed through this process although 'pay back' was likely to be over relatively long timescales.
- Also noticeable was the emergence of specialist arrangements linked to areas of interest and strength (science, design, software, etc) and in some instances, there is a clear link to regional economic priorities. But as yet this is an under-developed area.
- When comparing the case studies with the NCGE models reflecting the range of approaches HEIs can take (see Appendix 2), it is probably a fair assessment that the North East universities sit somewhere between model 1 (fully integrated and embedded) and model 2 (intermediate – university led).

### **Centralised versus decentralised approaches**

- In approaches to delivery everyone had grappled with balancing centralised and decentralised approaches to development. Typically curricular activities were increasingly devolved and decentralised but stimulation of demand, business support services, incubation, hatchery and facilitation of specialist support would be centralised. Where there was connection to Centres of Excellence (or Innovation Connectors), or well developed subject or sector enterprise activity, then facilitated support would be provided from the centre as appropriate or as requested.

### **Research to build understanding**

- We encountered a number of examples of additional research and development commissioned with funding from other sources which was being used to further understanding of the enterprise agenda. These included a baseline study into student entrepreneurial attitudes and competences, the Partners in Enterprise programme and the NCGE baseline assessments.

- Universities commented that more needs to be done to understand the additionality that enterprise in HE brings to the region. There is little research in this area and some valuable areas of interest for exploration include: the net impact of graduate and academic enterprise on the region's economy; the potential for international business from the region's international student population now and in the future; the relative value and contribution of different modes of support to the growth pathway for new business starts; and, the net impact of enterprise as an attractor for students to the region.
- It is also noticeable that over the period of this programme structures for national and international networking of experience and interest in enterprise have strengthened support and legitimised academic involvement.
- For a number of interviewees the ONE funded programme would have benefited from an ongoing formative evaluation process which encouraged networking and sharing of lessons learnt, and provided valuable points of reflection as practice developed.

#### **Structures to support delivery**

- We noted a number of features relating to the evolution of structures and delivery processes including stronger performance management and commissioning, managed pathways of progression to business premises typically run by local authorities, the emergence of well defined and managed commercialisation processes, extension of infrastructure and support for student and graduate enterprise and business start, and strong strategic partnering relationships in which university enterprise was a component of wider area strategies for regeneration.

#### **Embedding enterprise in the curriculum**

- In a number of instances the starting point had been freestanding enterprise modules or open modules established in Business Schools. Over the duration of this programme there has been much greater cross fertilisation and wider curriculum integration, often encouraging students from a range of disciplines to work alongside one another. Their complementary skills and knowledge benefit one another and the impact of this has been observed. For example, students from the creative disciplines gain support in the business planning process from their peers in the Business School and conversely Business

School students benefit from the creative input and perspective from their peers. Such models and benefits have been also observed in MIT for instance.

### **Benefits realised**

- Universities felt strongly that the flexible funding resulted in increased internal capacity, providing incentives to engage and influence academics, and facilitated the use of external expertise where required. In this way, the funding enabling experimentation and innovation in areas where university resources were restricted (market testing, alumni engagement, etc).
- Beneficiary research with students was generally very positive rating highly university based business start and incubator provision, and highlighting the importance of high quality personalised support. Most student and graduate business starts wanted to maintain contact and links with their university.

### **Risks to success**

- In the early stages of establishing enterprise within a university its profile, success, approach and linkages both within the university and externally are highly reliant on a key individual or a small team. At this stage, enterprise activity or support is highly vulnerable. Changes in staffing across the region's universities in some instances have resulted in significant shifts in direction or emphasis of activity.
- The experience of enterprise 'animators' influences their credibility both with students and in building relationships internally and externally. For example, the lead of Creativitiworks had both entrepreneurial and academic experience which enhanced engagement with beneficiaries and engagement across the institution respectively. This 'hybrid' academic role is quite hard to fill but is recognised to be effective.
- Some things didn't work so well – engagement with alumni to secure new business back into the region, social enterprise as part of outreach services and outreach enterprise support to community based learners.

## Recurring themes

There were also some recurring themes in the views of partners as they reflected on practice:

- The underlying importance of continuation of HEIF funding but recognition of the critical role that ONE flexible funding has played
- Universities are best placed to engage with students and academics in the early stages of enterprise and business concept development but the process needs to be underpinned by a network of external relationships. These include partnerships with local authorities and others to support progression, contracting and service relationships, and also networks of specialist service providers to enhance services accessed locally.
- The importance of embedding enterprise in the curriculum and practice in academic schools and the impact this has in establishing a sustainable momentum.
- The effectiveness and importance of promotional activities and student internships in building awareness and stimulating demand in the student body.
- The apparent random connection between enterprise in the curriculum and the nature of new start-ups and where they come from. Student and graduate business starts tend to reflect the interests and hobbies of students and depending on the student population may well be international. Student business starts often display all the characteristics widely attributed to entrepreneurs.
- The wider acceptance of enterprise as an integral part of delivering services to students and commercialisation of services is having a direct impact on institutional culture.
- The difficulty of supporting student and graduate new business start in the areas of science and technology due to the high cost of entry.

## 4.5 The outputs realised

### 4.5.1 Outputs

Table 9 summarises performance against contract outputs for each university.

Table 9 – Performance against target outputs for all five universities

Outputs	Durham		Newcastle		Northumbria		Sunderland		Teesside		Regional	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Jobs	33	39	95	105	17	21	90	59	54	54	289	278
Businesses created	30	24	68	56	75	77	115	48	44	44	332	249
Businesses surviving 12+ months	7	0	39	26	20	22	64		19	23	149	71
Businesses surviving 24+ months	7	3	13	6	15	0	23				58	9
Businesses supported	30	22	177	151	105	98	115	168	0	82	427	521
Knowledge based interventions/ collaborations	8	4	177	107			25	32			210	143
Skills	25	197	671	661	990	1530	250	701	120	327	2056	3416

Notwithstanding any caveats on the data presented some conclusions may be drawn on the aggregated performance by the five universities involved in the programme. These are:

- Jobs created at 278, just falls short of the target of 199
- Businesses created at 249 falls short of the target of 332
  - This may reflect the delays in starting up activity in year one
  - The slow start of activity is also reflected in the survival rates at 12 and 24 months
- Number of businesses supported has exceeded the target at 521 as against 427
- Skills interventions have significantly exceeded the contract target (3,416 as against 2,056), and almost certainly underestimates the full contribution of the curriculum based interventions.

At a strategic level the milestones and strategic outcomes set in the original business cases and subsequently commissioned through ONE have almost wholly been met. Details on each of these assessments are included in the respective case studies.

#### 4.5.2 Leverage

The current Single Programme Investment of £3.3m has resulted in leverage of £2.9m from HEIF over a three year period enabling North East universities to embed existing enterprise activity and to develop a coherent and more consistent offer. This was in line with changes HEFCE announced In December 2005, in the way they intended to allocate HEIF at an institutional level and an offer was made to the region’s universities to match fund activity related to business start up.



Table 10 – Performance against target levels of leverage for all five universities

University	ONE investment	Target Leverage	Actual leverage	Total target investment	Total actual investment
Newcastle	£ 670,000.00	£ 1,055,200.00	£ 995,384.00	£ 1,725,200.00	£ 1,665,384.00
Northumbria	£ 694,674.00	£ 444,591.00	£ 447,463.00	£ 1,139,265.00	£ 1,142,137.00
Durham	£ 568,950.00	£ 390,464.00	£ 137,375.00	£ 959,414.00	£ 706,325.00
Teesside	£ 670,000.00	£ 649,000.00	£ 649,000.00	£ 1,319,000.00	£ 1,319,000.00
Sunderland	£ 670,000.00	£ 670,000.00	£ 670,000.00	£ 1,340,000.00	£ 1,340,000.00
Regional Totals	£ 3,273,624.00	£ 3,209,255.00	£ 2,899,222.00	£ 6,482,879.00	£ 6,172,846.00

The overall investment has enabled universities to innovate and develop their suite of services and support aligning their focus to institutional and regional priorities.

## 4.6 Plans for the future

Each university was asked to comment on forward strategy, sustainability and the likely impact of reduced funding. Universities are evolving their strategies for enterprise and will continue to use HEIF investment to support this. Typically enterprise and entrepreneurship is seen as integral to the universities' research and innovation, and teaching and learning strategies, and as an integral part of the student offer. However, a shift in institutional priorities may result in HEIF funds being directed away from graduate and academic enterprise activity – this presents an ongoing challenge.

- In Durham a strategy paper is being prepared for sign off by the Senate.
- In Newcastle forward strategy focuses on continuation of the current 'strategy led' enterprise and commercialisation activities and strengthening the alliance with Durham via the 'Angel Alliance'.
- In Northumbria the stage two strategy has been prepared and agreed combining curriculum development, business start-up support, hatchery and incubation and spin out support with an emphasis on building sub-regional structures to support business progression. In the longer term enterprise may become part of the institution's approach to active learning.
- Sunderland will consolidate and embed its enterprise framework, enterprise is written into academic strategy.
- In Teesside enterprise and entrepreneurship is included in an integrated Business Engagement Strategy which tackles widespread culture change across the university.

Mainstream funding, HEIF funding, ONE funding for innovation connectors, ESF/ERDF bids and other funding sources will enable the universities to continue to pursue the enterprise agenda with vigour. Yet the focus and the nature and scale of activity are likely to fluctuate in line with the sources and levels of funding available at any one time.

A great deal of progress has been made in achieving the strategic outcomes set at the onset of the programme. Universities are not now dependent on ONE funding but aspects of the work are. Commonly cited implications are:

- Enterprise in the curriculum will continue but innovation would be constrained.
- With no capacity for support, momentum for curriculum development would slow and eventually stop.
- Start up support would be cut down to a basic level, limiting the range of services offered. There would a direct impact on volumes of through put and eventually on the infrastructure available for support (enterprise teams, incubator and hatchery arrangements, etc.).
- Other sources of funding would be sought for enterprise activity but this will distort the strategy led approach in time.

## 4.7 The difference made

Assessment of impact can be understood at four levels and these are discussed below:

**Level 1** Awareness and understanding

**Level 2** Positive action taken

**Level 3** Capacity and capability

**Level 4** Strategic and sustainability.

### 4.7.1 Awareness and understanding

There is significant evidence to support the view that all HEIs have made a great deal of progress in extending the range, depth and reach of enterprise and entrepreneurship activities. Levels of engagement are increasing, there has been a radical growth in curriculum presence in some universities and demand for business start services and volumes of new business appear to be increasing.

There is also a greater diversification of enterprise activity with more discipline/sector specific programmes and tailored pathways of support.

Both centralist and decentralist models for promoting engagement have emerged and both seem to be effective.

It is also clear that the underpinning leadership, coordination and delivery structures have evolved and that self initiated research is being undertaken to explore and illuminate many aspects of the agenda relating to student orientation to enterprise and entrepreneurship, factors that affect the effectiveness of business support and more evolved and controlled commercialisation procedures.

At the institutional level greater strategic impact and better coordination is being achieved but challenges remain in delivering a fully integrated strategy with internal and external elements. Nevertheless each university is much clearer that enterprise and entrepreneurship is integral to their respective missions, albeit in different ways.

#### 4.7.2 Positive action

The funding strategy for this programme was predisposed towards positive action asking for each university to bring forward proposals which would embed enterprise activity and take forward their institutional strategies for enterprise. This was welcomed and each university has moved forward on an agenda which was broadly self determined.

The richness and breadth of activity presented in the case studies and the general performance of the programme overall provides detailed evidence of the range and effectiveness of positive action and greater clarity on future intent.

Funding encouraged and supported experimentation and innovation, and whilst not everything worked in the way it was anticipated, more robust and better coordinated systems for enterprise and commercial development and delivery are emerging and are informed by the experience.

#### 4.7.3 Capacity and capability

As a result of the positive action taken, capacity to take on and deliver the enterprise agenda in each university has moved forward. Animation of the enterprise agenda is often reliant on a central team for support and teaching input, but as academics become increasingly involved they seek facilitation and brokerage rather than developmental support. The net result is that whilst central teams retain a holistic overview of activity and act as first point of contact with the business community, concurrently academic schools and departments are driving more of their own discipline specific activity which the central teams may have less awareness of. The upside is that on the curriculum front this

dissipated model is increasingly self sustaining (but difficult to monitor!). There was little evidence of recognition or reward for those academics who champion enterprise activity and this might limit wider academic engagement particularly when it conflicts with other priorities.

With respect to business start up, provision has been extended and embedded in each university. At the start of this programme components of the generic enterprise and commercialisation models were present in some universities more than others; all universities now provide a full spectrum of services across the model to varying degrees.

A great deal of progress has been made in broadly establishing capacity and capability. The impact of small amounts of flexible funding, tailored to taking forward this agenda has had a disproportionate effect in increasing take up and creating momentum. It is debatable whether mainstream funding with the constraints that apply would have had or will have the same effect.

#### 4.7.4 Strategic and sustainability

As a result of this investment the universities have greater clarity about how enterprise fits into their wider strategic agendas. HEIF funding provides a mechanism to take forward enterprise activity. Some aspects of development will be taken forward by the universities under their own resources (curriculum development and delivery, etc.); some aspects will be supported as far as possible with cost neutral constraints because they fit the ethos and strategic priorities of the university. Where the agenda is based on shared priorities, where there is a need to sustain momentum and where innovation and experimentation can assist then the universities will continue to look to ONE as their regional regeneration partner to work with them in taking the agenda forward.

In the process of preparing these case studies we could find no evidence that funding from ONE had displaced other sources of funding. Instead it has enabled the enterprise teams in each university to lever more resources to support the enterprise agenda.

All the universities were generally able to identify activities which would not have taken place without funding from ONE and all are clear that the progress made in extending and embedding the agenda as described above would not have happened as quickly.

Without exception the universities point to the complex resourcing models which are applied and looked forward to strategic commissioning models which build greater shared understanding (between the Agency and the universities). Universities also cited the Memorandum of Understanding and integration with HE-BCIS KPIs as important mechanisms. One university identified a key role for

the Agency in advocating nationally the role of enterprise in HE in addressing regional regeneration.

A number of universities commented on the net impact of graduate and academic business start and spin out on regional regeneration and sector development. It was also felt more needed to be done to understand the dynamics and net contribution and impact to the region's economy through enterprise support. Only then would comparative assessment on the mechanisms for support really make sense. Existing evaluations shed light on this issue but the picture is very thin.

# 5 KEY FINDINGS

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In this section we reflect on some of the key messages and findings which have emerged. We have set out our findings in relation to the key lines of enquiry for the evaluation – performance and effectiveness, impact and strategic added value, sustainability and lessons learnt.

## 5.1 Performance and effectiveness

### **Key finding**

**1** *Each university has taken a clear and differentiated approach which has led to a wide range of activity being supported by the regional funds – the common elements of the adopted approaches include a focus on awareness raising and skills development, as well as enabling students and graduates to start up new ventures and academic staff to establish spin-out ventures from the research base*

We say this because:

- Common features emerged when we explored the programme strategy adopted by each university – these included:
  - Targeted marketing and awareness raising
  - Local strategies (very different in different places) for academic engagement
  - Business start, hatchery, incubator, progression to managed workspace arrangements
  - Facilitation role in engaging the specialist support but very different delivery models
  - Common interest in spin out but very different levels of activity
  - Strong links between enterprise activity in the universities and the region’s priority sectors (and Innovation Connectors) reflected in programme priorities

## 5.2 Impact and strategic added value

### 5.2.1 Impact and strategic added value

### **Key finding**

**2** *To varying extents all of the universities can demonstrate that the regional funds have enabled them to: provide strategic leadership in relation to the ‘enterprise’ agenda; exert influence by stimulating*

*activity that has met the strategic goals of their partners; lever substantial financial resources and mobilise in-kind support from partners; create synergies by improving internal co-ordination and alignment with external support; and, establish mechanisms for the successful engagement of a wide range and significant number of beneficiaries*

We say this because:

- Evidence points to strategic integration
- Performance (where we have the data) suggests that programme aims, outcomes and outputs have been achieved
- Systems and delivery models are focused on improving in quality and efficiency

### **Key finding**

**3** *The infrastructure in each university has been strengthened as a result of the 'University Enterprise' programme even though the fundamental interpretation of what the funding could or could not be used for was very different in each institution*

We say this because:

- The evidence for consolidation of infrastructure is strong:
  - Creating sustainable presence
  - 'Killing off' ineffective practice
- The flexible funding made universities think about what they really wanted to do
- Models of governance and the way in which these are deployment vary widely
- Interpretations of what could be done also varied widely with little, in the way, of collective understanding of how the resource could be used
- A number of universities have strengthened their underpinning approaches to research, monitoring and evaluation, commissioning and networking as part of this programme

#### **Key finding**

**4** *A culture of 'enterprise' is being embedded across all of the region's universities, albeit to varying degrees depending on where each institution started*

We say this because:

- Every university we have spoken to is clear what it is going to do about taking the agenda forward irrespective of ONE funding
- The span of investment (from 2002) and the flexibility of the ONE funding in this current round encouraged universities to find their own way and they have done this
  - The ONE funding was part of a matched portfolio of funding and, whilst in composite funding projects it is sometimes difficult to make direct attributions, changes in one source of funding are unlikely to stop the forward movement of the agenda – in this case the movement has been from a fund-led to a strategy-led (at the university level) set of activities
- Most significantly enterprise has entered the curriculum and become integrated with teaching and learning particularly where the curriculum is vocational – once established this is a very sustainable model
- Start up support is more sensitive to external funding but structures and models are well established and have been refined to work effectively in all the universities
- Levels of spin out and commercialisation activity vary according to the prominence in the university but often drawn on similar delivery models, service networks and strategic partnerships
- Activities to promote and market enterprise are increasingly sophisticated

#### **Key finding**

**5** *The universities are increasingly establishing partnering arrangements with external organisations (local authorities, enterprise agencies, Business Link) to ensure students, graduates and academics have access to specific start-up and/or spin-out support – in some cases this is paid for while in others it is not*

We say this because:



- Institutions are increasingly clear on what is and what is not their core business and are keen to ensure their provision is complementary and adds value – examples include providing business advisor support on campus, accessing specialist advice (e.g. legal, finance) and establishing access for graduates to existing incubator space in the region
  - It is a feature of the Northumbria model
  - Teesside has well developed models for partner engagement and commissioning of support
  - Sunderland has identified its key strategic and delivery partners, and works within a strong local strategic partnership

### 5.2.2 Additionality, displacement and deadweight

#### **Key finding**

**6** *ONE regional funding has been deployed as part of a portfolio of funding in taking forward the strategic intent of each university – it has been used to support a wide range of activity which has provided significant additionality*

We say this because:

- The universities have extended their ‘enterprise’ activities to new beneficiary groups (e.g. Alumni)
- The resource has enabled the universities to pilot and rollout new activities for existing beneficiary groups
- The scale of the activity and the number of beneficiaries supported would not have been possible without the additional funding, i.e. resource equals volume
- Flexibility has enabled experimentation and innovation which has deepened understanding of how the agenda can be supported:
  - Market research at Newcastle
  - Approaches to social enterprise at Teesside
  - Targeted CPD
  - Marketing
  - Evaluation and further research, e.g. baseline research at Durham
  - Commissioning models to quality assurance external support
  - Student interns
  - Etc. etc.

## 5.3 Sustainability

### **Key finding**

**7** *'Enterprise' has been actively embraced and embedded – all the universities have positioned the 'enterprise' agenda as an integral element of their core activities and aligned to other contemporary agendas that the institutions are responding to (knowledge and technology transfer, workforce development, employability, etc.)*

We say this because:

- Each university has used the flexibility offered by the ONE resource to shore up and take forward their enterprise activity
- Enterprise is monitored through well positioned internal strategic bodies and seen in the context of reporting on the HE-BCIS KPIs
  - Senior management posts (Pro-Vice Chancellors, Deans) have responsibility for enterprise
  - All institutions either have enterprise strategies, or enterprise is embedded within other institutional strategies (e.g. employer engagement, teaching and learning)
- Forward strategies illustrate emerging thinking, e.g.
  - Integrated business engagement at Teesside
  - Civic mission at Newcastle and Sunderland
  - Autonomy and self directed learning at Northumbria

### **Key finding**

**8** *The sustainability of core 'enterprise' related activity in each of the universities is not reliant on securing further external funding – however, in all cases the universities are seeking to secure external funding and strengthen partner relationships to support non-core 'enterprise' activity*

We say this because:

- The impact of this programme has been to create embedded and aligned enterprise activity
  - Each university is much clearer on how enterprise related activities align to their core business – it is seen as part of civic responsibility and has been developed through external partnering relationships, particularly with respect to business start and spin out support
- Universities contribute to but are not intrinsically funded to undertake economic regeneration related activity

- They are, however, best positioned because of mission, culture and location to:
  - Support the commercialisation of new knowledge
  - Encourage and support new high level skilled entrepreneurs
  - Integrate enterprise into the body of knowledge incorporated in degree programmes
- Key decisions revolve around what is core business for the universities, and when is it someone else's core business and what is an appropriate basis for joint working

## 5.4 Lessons learnt

### 5.4.1 Supporting enterprise activity in higher education

#### **Key finding**

**9** *As all of the universities have adopted a strategy-led approach, any hiatus in external funding which is not filled from another source can have a negative impact on the nature and scale of the 'enterprise' activity (i.e. it contracts) and the cumulative gain achieved through the continuous delivery of successful activity can be lost very quickly*

We say this because:

- All universities comment on the value of small amounts of flexible funding which can be used to build capacity internally – the additional funding from ONE has had three effects:
  - It has sustained momentum generated by previous investments
  - It has enabled a quantum mass of activity to be achieved – doing more, going further
  - It has enabled some experimentation around what really works – changing practice, illustrating the effectiveness or otherwise of certain interventions (social enterprise, community based learners, targeted support for potential high growth businesses), and testing effectiveness in how best to reach target audiences
- Effects of reduced funding will not be seen immediately but capacity will be lost and the current gains reversed

#### **Key finding**

**10** *The availability of relatively small amounts of flexible funding can proportionally have a greater impact than larger scale structural funds*

***– the flexible way in which the regional funds could be deployed was a key factor in the success of this initiative from a university perspective***

We say this because:

- Everyone we talked to also said it!!
- People commented on the effect it had on reinforcing the importance of the enterprise agenda at all levels and the impact it has had in influencing engagement of academics

**Key finding**

**11** *There is no right approach – the universities have found what works for them to create pathways of ‘support’ for students, graduates and academics alike which are maintained by internal and external expertise, and underpinned by well defined processes particularly in respect to spin-outs from the academic research base*

We say this because:

- As enterprise becomes aligned with the mission and strategy of the university it takes on the recognisable characteristics of that university:
  - Teesside – business engagement
  - Sunderland – civic mission
  - Northumbria – vocational degrees
  - Newcastle and Durham – knowledge creation and spin out

**Key finding**

**12** *An area that has proved particularly problematic but highly beneficial has been the engagement of university Alumni in the ‘enterprise’ activity – approaches have been tested and refined throughout the programme and the universities are starting to find an interpretation or application that works in their particular context and retains the established relationships*

We say this because:

- There is limited evidence of impact here but a good deal of experimentation
- Interpretations about where Alumni fit have changed and some programmes (not considered in this respect) are being effective in engaging Alumni

- Newcastle partnering with the Alumni Association and experimenting with models of engagement, but with little hard evidence
- Northumbria Designers in residence and ongoing links with start up design businesses

#### **Key finding**

**13** *'Enterprise' support is best delivered in context for awareness raising and skills development, and even though the support required by spin-outs and start-ups tends to be more of a generic nature, it too can benefit from being delivered/provided in context – this can ultimately affect the engagement of beneficiaries*

We say this because:

- It has been raised as an issue by all of the universities
- Northumbria could find little direct connection between its enterprise curriculum activity and new business start or new entrepreneurs suggesting that most new business were more likely to be linked to the student experience or personal interest one way or another

#### **Key finding**

**14** *Student and graduate start-ups have a tendency not to be discipline related – a possible explanation being that there tends to be a higher cost of entry when the start-up relates to the discipline studied which poses a greater risk. Where clear links do exist between the discipline studied and the availability of enterprise and start-up support (e.g. access to dedicated incubator facilities), an increase in discipline related start-ups has been seen*

We say this because:

- Experiences at Newcastle, Northumbria and Teesside bear this out

#### **Key finding**

**15** *There is an inherent vulnerability in the 'system' in that the success of the enterprise activity is critically dependent on the individuals who are responsible for creating the 'right' atmosphere, driving the activity and providing the requisite support*

We say this because:

- These are still early days, and although approaches are becoming embedded they are very reliant on a few animators in each institution and are very sensitive to the approach they take and the levels of resource and capability at their disposal

#### 5.4.2 Monitoring and evaluation

##### **Key finding**

**16** *While the universities have focused their energies on securing long-term cultural and behavioural change across their institutions to better support the 'enterprise' agenda, performance (in a project sense) continues to be judged on the delivery of tangible outputs rather than outcomes – a consequence of which is that under-performance in any area (i.e. a failure to deliver on outputs) can result in funding being withdrawn even though in another area the institution might have over-performed, and moreover no measurement of quality is taken into account*

We say this because:

- Universities comment on the need for a more strategic, less contract management model for regional programmes
- There appears to be little shared understanding in programme delivery terms on what needs to be 'tight' (i.e. what the bottom line is) and what can be 'loose'. The result appears to be:
  - A lack of mechanisms for sharing information and little information being shared
  - Evaluation as a 'bolt on' rather than formative process
  - Very different understanding of what can and cannot be done, and is and is not being done across the region
  - Programme drift towards contract outputs as the measures of success

##### **Key finding**

**17** *On the basis of what we've encountered there appears to be scope for a much better shared understanding across the region of what is being done, how success is to be measured, what is being achieved and which strategies are working*

We say this because:

- It has been very difficult to get systematic performance data
- Different universities have had very different views on what the terms of reference for funding was particularly relating to consultancy support, staffing, curriculum support
- In discussion there appeared to be little reference to or benchmarking of practice against other regional HEIs
- The extension of the enterprise agenda in universities is complex, multi-faceted and when adopted, increasing independent – HE culture is such that detailed organisational assessments of cross-cutting themes like enterprise become difficult to qualify and assess

### **Key finding**

**18** *The strands of, and framework and mechanisms for, an evaluation of the 'University Enterprise' programme should have been established and agreed at the outset of the programme so that reporting arrangements could have included the contractual monitoring requirements as well as the capture and sharing of evaluative findings*

We say this because:

- More than one university commented on the need for a more strategic approach and the need to see programmes such as this as mechanisms by which universities can work with ONE to contribute to the region's economic agenda
- There understanding of implementation of the enterprise agenda and how it is enable seems to be stronger in each university as a result of this intervention but than does not appear to have translated to the same degree to a shared regional understanding of how the enterprise agenda HE should be taken forward and how success might be measured
  - Should we measure success in terms of number of business starts or number of high growth businesses created?
  - How might contract outputs be reviewed as levels of understanding change?
  - How do we evolve a regional strategy for enterprise in which universities are positioned to take a key role and provide appropriate forms of funded intervention?

# 6 SUMMARY AND RECOMMENDATIONS

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## 6.1 Summary

One NorthEast invested £3.3m in conjunction with a further £2.9m from other sources including HEIF to:

- Embed enterprise in the fabric of universities
- Realise positive changes in perceptions about enterprise
- Extend capacity and capability to better respond to the enterprise agenda.

Everyone valued the flexible strategic emphasis which had been taken in commissioning this work.

Simple assessments of performance against targets and achievement of outputs confirm that for the most part the programme has delivered and in some cases (curriculum and skills) has made significantly greater progress than was expected. There are also strands of evidence across the board to suggest that demand from students, graduates and academics is increasing and activity levels are rising.

There is no doubt that sustainable infrastructures have emerged and if it wasn't the case in 2006, then it is certainly the case now that enterprise is firmly placed within a strategy led environment in each university and much more deeply embedded in practice than was the case. The emerging robustness of commercialisation processes, business start support and wide spread curriculum activity is beyond doubt.

The emergence of academic networks and international interest have added legitimacy to the activity.

That said, some areas have proved more difficult to address: social enterprise, alumni engagement, creating business return to the region, etc. These are still at an experimental stage. It was also clear to us that there are structural divisions which have not been overcome – academic engagement remains a challenge in some areas, curriculum activity is at differing levels of maturity and stability, and in a harsh financial climate funding for innovation and extra curricular enterprise activity will be harder to secure.



Whilst the universities are increasingly well placed to take forward their own enterprise related strategies for teaching and learning and spin out of research, it is less clear how extra curricular, student focused activities can be best supported and resourced. The position expressed in Sunderland seemed to sum this up well.

*“The University [of Sunderland] actively seeks to understand how it fits with the City and regional economy and how it can better contribute to it. Central to this is gaining clarity on what is and what is not core business, and therefore what the University should support and deliver, and what partners should support and deliver.”*

Fundamentally, a clear regional view is needed on the areas where enterprise in higher education can and should add value to the region’s economic growth and its international mission. Whilst significant progress has been in each university we found little evidence of an active regionally based community of interest (beyond the Universities for the North East’s Enterprise Committee) capable of working together to deepen understanding and strengthen the strategic use of resources to support this sector.

## 6.2 Considerations and recommendations

With the above in mind we offer the following points for consideration by One NorthEast and the region’s universities in moving forward.

### 6.2.1 For One NorthEast and the region’s universities

The recommendations for One NorthEast and the region’s universities are fundamentally about ensuring there is a greater shared understanding of the enterprise system in the North East and clarity over how partners can work collectively to improve it.

**Recommendation 1 – The enterprise in higher education agenda should remain a priority for the region and its universities, and be included in dialogue to support the Memorandum of Understanding between One NorthEast and each university**

There is strong evidence of a growing ‘commercial’ and ‘entrepreneurial’ culture in the region’s universities. Forward strategies and plans should continue to reinforce and sustain this movement, and at a strategic level this movement should provide a focus for dialogue between ONE and the universities.

**Recommendation 2 – Strategic outcomes (or indicators of success) for the enterprise in higher education agenda ought to be agreed for the region, and mechanisms established through which to effectively monitor progress towards achieving these higher level outcomes**

**Recommendation 3 – Greater clarity on how best to maximise the contribution of the region’s universities to the enterprise agenda and infrastructure that supports it should be sought**

The findings from this evaluation would suggest that universities are best placed to engage students, graduates and academics in enterprise activity. The universities have directed energy towards stimulating demand, supporting initial concept development and providing an appropriate environment within which to take forward early stage ideas. Further into the process of business formation and growth, then the universities become increasingly reliant on more specialist and external support (advice and guidance, facilities, etc.). This support is either ‘bought in’ or ‘brokered’. Clarifying the role and contribution of the universities, and the extent to which they are integral part of the ‘enterprise’ infrastructure in the region, will help to determine how these functions are best supported and funded in practice.

**Recommendation 4 – Develop mechanisms which help the North East universities better engage with the wider international enterprise agenda, while positively contributing to the region’s international and inward investment strategies**

Academic engagement remains a barrier to success. The emergence of international research interests and networks of practice relating to enterprise and entrepreneurship have greatly assisted in establishing credibility for the agenda within the academic community. There maybe an oppoportunity to strengthen the international reputation of the region by giving recognition to the emerging good practice which now exists.

### 6.2.2 For One NorthEast

The recommendations for One NorthEast relate to valuing the differentiation that exists within the region while ensuring activity contributes to the region’s economic priorities.

**Recommendation 5 – The approach that supported differentiation in interpretation and application of the enterprise in higher education agenda across the region’s universities should be continued**

**Recommendation 6 – Flexible, responsive and sustained funding should be made available to further support innovation, embed existing practice and**

**lever additional resources, as well as to secure cultural and behavioural change in the region's universities**

We believe a small amount of flexible funding tailored to locking home the progress made here would be invaluable. We recognise that universities are best placed to stimulate business start from students and graduates but that such 'extra curricular' activities need to be cost neutral. As with all new business start activity a position on who pays for what needs to be determined which is in the best interest of the region.

**Recommendation 7 – Consideration should be given to providing tailored investment aligned to the region's strategic sectors and innovation connectors that supports enterprise in higher education**

The results from the evaluation demonstrate the emerging link between university enterprise and graduate business start activity related to the region's strategic sectors. These are strongest where entrepreneurship is a function of employment in the sector (e.g. creative, design, software) and weakest where there are high costs to entry (e.g. science and technology). We recognise that the strategic sectors and innovation connectors are fertile areas for new business start (graduate enterprise as well as academic enterprise and spin-out) and that tailored investment could encourage further development in these areas.

6.2.3 For the region's universities

The recommendations for the region's universities are all about how they can sustain momentum, enhance their response and maximise their contribution to the enterprise agenda in the region, as well as nationally and internationally.

**Recommendation 8 – A contemporary picture of the performance of the region's universities in relation to enterprise in higher education should be maintained**

The baseline of regional performance as depicted through the work of the NCGE in 2005 and 2007 should be regularly updated and extended to include the academic enterprise activity.

**Recommendation 9 – Establish stronger and more integrated approaches to supporting enterprise, knowledge (and technology) transfer and commercialisation activities in the universities**

All universities in the region have made progress in positioning activities within an integrated strategic framework, these need to be consolidated, further developed and would benefit from support through a regional strategic framework.

**Recommendation 10 – Explore mechanisms in which higher level skills programmes linked to enterprise and entrepreneurship can be better promoted within the workforce development and engagement strategies of each university**

The strategies being developed at Teesside University provide an interesting illustration in this respect.

**Recommendation 11 – Consideration should be given to whether more can be done to ensure better progression of university-based business starts and spin-outs into flourishing regional businesses**

**Recommendation 12 – Establish a forum to support higher education involvement in business start support and progression to commercial provision for business development and growth**

As universities extend their engagement with local authorities and other partners we believe a forum to support pathways of progression for new start businesses and continuation support strategies for growth businesses may be of value.

**Recommendation 13 – Organise an enterprise education symposium that draws on ‘beacons’ of practice in and out of the region to better position the region nationally and internationally in this field and as a platform from which to build communities of practice**

**Recommendation 14 – Consideration should be given to how best to retain the expertise held within each of the university’s internal ‘enterprise’ and ‘commercialisation’ teams in order to stabilise the continuity of this area of work**

**Recommendation 15 – Research into optimising the links between enterprise in HE and regional economic growth should be undertaken**

Insufficient is known about the nature of interaction and long-term impact of various aspects of enterprise in HE on the region’s economy. The region has a large international student population and little is known about how this supports longer term aspects of business growth. Gaining a better understanding of the economic impact of emergence of new business starts in knowledge sectors championed by the universities (Software City, Design, etc.) may also be important.

# APPENDIX 1 – CASE STUDIES

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## Durham University

### Input

- Interviews with:
  - Brian Tanner, Dean of Knowledge Transfer and Selina McCarthy, Assistant Regional Regeneration Officer
  - Dinah Bennett, Director, Centre for Entrepreneurial Learning
  - Lowry McComb, Director of Postgraduate Training
  - Max Brougham, Accountant/Business Support Manager
  - Beneficiaries of the incubator (TBC)
  
- Document review including:
  - Business case submitted to One NorthEast
  - Enterprise and Knowledge Transfer Strategy paper
  - The Blueprint Business Planning Competition 2003-08
  - Structure chart for Enterprise and Knowledge Transfer at Durham
  - Claim forms(1-9)
  - Progress reports for the Centre for Entrepreneurial Learning (Jan-08 to Mar-08, Apr-08 to Jun-08, Jul-08 to Sep-08, Oct-08 to Dec-08, Jan-09 to Mar-09), Blueprint competition (Oct 08 to Dec-08,Jan-09 to Mar-09), Incubator Progress Report (March 2008, Oct 08 to Dec 08 , and Creative GLEAM (Jan-08 to Jun-08, Oct 08 to Dec 08)
  - Data on businesses and jobs created by the Centre for Entrepreneurial Learning

The starting point for enterprise development

- Durham has always had a strong emphasis on enterprise and entrepreneurial learning, primarily through its Business School and its associated centres, yet this strength had not percolated throughout the institution
- More recently (but still going back nearly eight years), Durham's interest in enterprise development had been facilitated through the North East Centre for Scientific Enterprise (NECSE)
  - NECSE had two elements – technology transfer (Durham and Newcastle) and enterprise education (all five regional universities), and Durham's leading role in this initiative has influenced how the enterprise agenda has been moved forward
- Durham was also instrumental and has played a significant role in taking forward the Regional Blueprint competition – a 'best of the best' business plan competition which draws together the winners of each of the region's University's own business planning competitions
- Alongside Blueprint, Durham engages with the other universities on a regional level – the collaboration on 'enterprise' and 'innovation' has been realised through the already well established committees of Unis4ne (i.e. the Graduate Enterprise Committee)
- The ONE funding provided an impetus for Durham to rethink its approach to enterprise and invest in a more co-ordinated, joined up approach across the institution

#### Strategy and intent

##### Institutional strategy

- The Vice Chancellor is very supportive of the enterprise agenda linked to Durham's role in respect to regional engagement
- The University's strategy is centred on two primary foci of research, and learning and teaching – the enterprise and knowledge transfer agenda is not being seen as an adjunct to these but embedded within Durham's mainstream activities
- As such enterprise is not necessarily explicitly mentioned in the University's Strategic Plan to 2010 (Strategy 2010/2020 being developed) but it does align with a number of the institution's objectives related to the 'student experience' and 'regional impact'
- The University's Regional, Innovation and Outreach Strategy 2007-10 captures more explicitly the institution's ambitions in relation to 'science, innovation and technology transfer' and 'business development and enterprise' –

as such this strategy provides the coherence to much of Durham's enterprise related activity

- Targets include increasing the value of research funded by business and industry, increasing the amount of research that is commercialised, increase the scale of interaction with business and establishing a University Enterprise Centre
- The institution's Employability Strategy which forms part of the University's Teaching and Learning Strategy 2007-10 also supports a focus on enterprise development as a means by which to enhance the employability of Durham's graduates

#### Project intent

- Having assessed Durham's current positioning in respect to the enterprise agenda prior to submitting the business case to ONE, four priorities for action emerged – these were the need to:
  - Establish a dedicated Enterprise Centre on campus to co-ordinate the enterprise services offered to students and academics by the University
  - Expand the existing regional business plan competition, Blueprint, to embrace a staff competition
  - Create a new GLEAM programme specifically for the arts/creative sector
  - Create an incubator unit on campus adjacent to the Technology Transfer Office to enable embryonic companies to develop their business outside of the academic environment

#### What happened in practice

##### Internal reorganisation

- A new Enterprise and Knowledge Transfer (EKT) Directorate has been established (in October 2008) to support the University's response to the agenda – it comprises the Technology Transfer Office, the Business & Regional Development Office and the new Centre for Entrepreneurial Learning (see section 4.2 for further information)
  - Professor Brian Tanner is the non-Exec Dean of Knowledge Transfer
  - Brian works alongside other non-Exec Deans (outreach, internationalisation, environmental/sustainability) who all have a cross-institutional role, and reports through Professor Ray Hudson (PVC Regional

Strategy and Queens Campus) to UEC, the University Executive Committee, on these matters

- The role of the Technology Transfer Office (previously in existence) is to commercialise the research outputs of the University through providing support for IP protection (patenting, etc.), spin out opportunities, licensing and knowledge transfer
- The Business & Regional Development Office (previously in existence) provides a 'portal' to the University for business and the wider community, and for staff to access regional funding and opportunities for business collaboration
- By influencing policy at University and Faculty level, the Directorate aims to develop the University's EKT activity, further the integration of the University's international, national and regional strategies with EKT activity, and embed a culture of innovation

#### Centre for Entrepreneurial Learning (CEL)

- Delays in internal sign-off of the funding, arising as a consequence of reorganisation within the Business School, held up progress on establishing the Centre for Entrepreneurial Learning, which has now been established for 18 months
- The Centre for Entrepreneurial Learning is independent of the Business School. Its staff and the enterprise centre are currently located next to the School – there is also an 'enterprise centre' at the Stockton Campus
  - A strategic decision was taken to create distance between the Business School and the new Centre, in part, to signal internally the cross-cutting importance of the enterprise agenda and also to challenge the assumption that this agenda is all about business start – perceptions on this front have not necessarily changed as yet but it is recognised that this will take time
- Ultimately the Centre will move to a more centralised location in order to maximise student accessibility
- The Centre has a student and academic focus, although the emphasis in its early days has been to establish (rapidly) the student facing activity whilst time was spent on identifying academic champions to work with in all of Durham's colleges as part of a more incremental approach
- The Centre is funded through a variety of sources not just the ONE funding and subject to agreement by the University its revised business plan will be underpinned by HEIF funding to cover core costs for a four/five year period



- The Centre's business plan now has five objectives (extended from the original three) to ensure its work has an international dimension and profile – the three original objectives focus on activity related to students (in and out of the curriculum but contextualised), working with academics and bringing entrepreneurial businesses into the University to make the experiences 'real'
- It is not clear from the summary of activity which ones were directly funded by the ONE resources; however, a broad range of activity has been supported some of which was previously 'housed' in the Business School (e.g. GLEAM)
  - A substantial number of learning activities have been supported through workshops, GLEAM, the Enterprise Module and the MSc Computing Science Enterprise Module
- Much of the Centre's activity is supported by external partners

#### Creative GLEAM

- The ONE funding was used to support the design and delivery of the Creative GLEAM programme – the model was based on the original and highly successful GLEAM programme
  - While the programme was deemed to be a success it has not been decided whether a sector specific programme such as Creative GLEAM will be run again in the future – part of the spark generated by such programmes relies on having a diverse mix of 'interests'
- The programme was targeted at recent graduates who intend to start up a business in the creative sector of the North East
- Workshops have been run covering a wide range of 'content' areas including idea generation and validation, mentoring to support new ventures, networking and stakeholder management, developing your customers and developing a business case
- The workshops have been held at the Seven Stories, situated in the Ouseburn Valley
- The programme is supported by a stakeholder group involving representatives from the Arts Council, Northern Cultural Skills Partnership, NCC, Ouseburn Trust and local businesses – all of whom have given their time in kind

## Blueprint competition

- Because of restructuring changes in the institution and some staffing changes, the Graduate School inherited the running of the Blueprint competition in 2006. The School is separate to and independent of the team that co-ordinate the regional competition.
- Competition entrants are provided with one-to-one mentoring and support, and can attend a number of workshops related to the practicalities of setting up a business (five were delivered in November 2008)
- Not all businesses are based on intellectual property, some are linked to 'know-how' and some are lifestyle businesses. All are supported through the competition and beyond regardless of the outcome and, where appropriate, are encouraged to resubmit plans in subsequent years.
- Individual start-up support was enabled through the ONE investment, buying out 0.5-0.6 FTE of a Business Support Manager. This service will be continued through HEIF investment.
- Compared to other competitions in the region, there are not a large number of undergraduate entries. There are a number of possible reasons for this:
  - o There are fewer modules within the curriculum (three: one in Computing Science, one in Biological Sciences and an open module for L1 and L2 students in Business Enterprise, developed by CEL. Both the Computer Science and open module are delivered by CEL staff) that involve business planning or simulate business start-up.
  - o Durham University is the only regional university that has not moved over to a semester system, so the timing of the competition is more of an issue. The final of the competition is around April/May when students are focussed on imminent examinations.
  - o Different elements of enterprise activity delivery and support are split across different services and with little visibility in the curriculum - greater emphasis is required on promoting and marketing the overarching enterprise 'offer'.
- To increase undergraduate entries in future years and to generate interest earlier on in the process, it is intended to run some 'Ideas generation' activity sessions in June this year as a precursor to promoting the competition at the beginning of next academic year, so entrants have some time over the summer to develop their ideas.

- There is no pattern to submissions in terms of subject/discipline areas. However, to date science and technology entrance numbers have been low and no science and technology prize was awarded this year. The Graduate School takes a broad interpretation of enterprise, and one that includes intrapreneurship and social enterprise, and this reflects policy drivers from RCUK and DIUS

#### Incubator unit

- The ONE investment was used to set up the incubator on Mountjoy Science Park, adjacent to the Technology Transfer Office and this was launched in February 2008
- This facility is available to prestart and early start businesses. It does not provide individual units to each start, but offers 'hot desk' arrangements. There are two levels of membership, Full and Associate, but both are free. Full membership provides the user with 24/7 access, have their own keys and are at the point of incorporating their business. Associates can access the space in office hours and are at the pre-start stage.
- Services include: access to computers, printers, photocopying, library, and can loan out laptops. The incubator manager runs the facility and provides individual mentoring and support but is not physically based in the incubator. Users can either be staff or students. Until recently, usage was predominantly staff spinning out businesses although more students are starting to use the facility.
- Companies registered with the incubator in 2008 are Durham Photonics Ltd, Durham Smart Imaging Ltd, Zeph Renewable Technologies Ltd and EDC Connect Ltd.
- The incubator is well established as a facility and is building links across the institution to different strands of enterprise activity. However, there is recognition that more could be done to reach potential users. Plans for the future include, better linkage with the Careers Service to identify students interested in self employment, a more formal programme of workshops/seminars, to build better links with the academic schools and links with the recently formed student-led entrepreneurial society. The desire to increase interest is balanced by the recognition that there is not staff capacity to deal with a 'surge of interest' and that if demand did increase, more filter mechanisms would be required to identify those most committed.

#### Reflections

Reflections include:

- The flexible nature and timeliness of the resource provided by ONE catalysed the University to think about its approach to enterprise, and while the internal structural changes may have come about at some point in time they would not have occurred so quickly without this investment
- Centre for Entrepreneurial Learning and indeed some of its activities (e.g. Creative GLEAM) would not have come about without the renewed impetus provided by the ONE funding
- Perceptions of enterprise and how it is defined varies across the institution, Durham is commonly seen to be more focussed on 'the hard end' of enterprise' – ideas with strong intellectual property and the potential for high growth. This has implications for the marketing and communications strategy for enterprise related activity and support.
- Although cross-referrals are starting to be made, for example CEL refers GLEAM attendees to the opportunity of the Blueprint competition, there is still some way to go, in providing students with a clear first point of contact for enterprise activity/support and there doesn't seem to be a co-ordinated communications approach for the collective 'enterprise offer'
- Whilst the separate strands of activity share information and discuss activity through the Business Relations Forum (meets bi-monthly) there is greater potential for a more co-ordinated approach to engaging students
- Whilst capability to deliver enterprise activity to students has been drawn from existing posts, individuals' primary roles are not necessarily 'student facing' and this has implications for the ability to build rapport or raise aspirations within the student body
- To gain further reach into the student body, there is recognition that maybe more activity needs to occur at a college level. For example, Josephine Butler College has adopted enterprise as a feature of the college and has employed its own development officer (former entrepreneur) to develop internal activity. Some consideration is being given to inter-college competitions to increase interest and activity.
- Investment has resulted in the establishment of an incubator space. However, funds available for running costs are limited. There is recognition that if more resource were available there would be value in establishing a more comprehensive support package for users and to reaching the 'untapped market'.

## Evidence of performance and impact

### Performance

- Very much at the early stage of a reinvigorated approach to enterprise and as such anticipated outputs have been on the low side, but the activity supported by ONE now forms part of a wider strategic approach and the reporting period has been extended to the end of July.
- Outputs delivered by Enterprise Support Durham as at end March 2009\* are as follows:

Output Target	Actual		
Jobs created	33	39	
Jobs safeguarded	0	4	
Businesses created	30	24	
Businesses surviving 12-months	7	3	
Businesses supported	30	22	
Knowledge base/business creation	8	4	
Skills (learning opportunities)	25	63	

\*The monitoring period on outputs achieved will run until end July 2009. As such the above figures are subject to change. No formal target on jobs safeguarded in the FAL and therefore this is an additional achievement

#### Highlights:

- 4 additional jobs safeguarded and against a project target of 0.
- 63 Skills outputs
- Anticipated over achievement on the Businesses surviving 12 months and Knowledge base business collaboration by end July 09
- For the Blueprint competition 2008/09 there were 47 entries, a modest increase on last year for which there were 39 entries.
- Progress against milestones are as follows:

MILESTONES    DATE    COMMENT

Appointment of Director for Enterprise Centre	April 2007	Achieved –
October 2007		
Official Opening of Enterprise Centre	September 2007	Achieved –
October 2007. First advisory group comprising internal and external members met in April 2008. Enterprise Centre based at Stockton campus also established.		
Appointment of Enterprise Development Managers (X2)	September 2007	
Achieved – October 2007		
Durham University Blueprint competition	June 2007	Achieved –
ongoing. Graduate School took over Blueprint in 2006/7		
2007/08 Entries – 39 Twelve finalists in Durham Blueprint		
2008/09 Entries – 47		
Launch Blueprint Staff competition	November 2007	Achieved –
October 2007		
GLEAM project commences	January 2007	August 07 – for creative based
businesses. Glead 2009 has had 18 participants. An online platform and website for GLEAM is being developed.		
Enterprise Centre work plan developed	September 2007	April 08 –
ongoing		
HEIF 4 approved (embracing enterprise)	May 2008	March/April
2008		
Evaluation of activity commenced	May 2008	March 2009 – ongoing
Review of funded activity based on evaluation	March 2009	To be informed
by above		

### Impact

- Durham has undertaken a baseline study (conducted by Woodholmes, not publicly available at the time of writing) on students' entrepreneurial attitudes and competences
  - Involved surveying 2,000 students in year one

- Forms part of a longitudinal study which will, in part, provide the basis for assessing the impact of Durham's enterprise activities

- From a student perspective the implementation of Personal Development Plans (PDPs) across the University will provide a mechanism through which students can take a holistic view of how their academic studies and extra-curricular activities are benefitting them – while the PDPs will be optional they do provide one way in which students can reflect on the enterprise related activities they engage in. In addition, the development of the 'Durham Award' will enable students the opportunity to reflect on the value and added benefit of undertaking extra curricula activities around academic studies in the development of transferable and employability skills.

- The activity and renewed impetus particularly around student and graduate enterprise has led to the creation of Durham Entrepreneurial Society, a new student-led society at Durham which within a few weeks had over 100 student members

Note: the interviews with beneficiaries (TBC) may provide further detail on the benefits realised and the impact of the enterprise activities.

#### Forward strategy and focus

- A strategy paper provided by the Dean of Enterprise and Knowledge Transfer has been prepared for consideration and sign-off by Senate – the paper describes how this area will be supported through the Enterprise and Knowledge Transfer Directorate

- One element of the strategy involves putting in place departmental 'champions' who will embed the enterprise and knowledge transfer activity in the University's core research and teaching activity

- As such enterprise and knowledge transfer is not seen as a third strand of activity but as an embedded element of the research and teaching functions of the University. This will be further strengthened in the forthcoming 2010/2020 strategy for the University with new emphasis on Corporate Environmental and Social Responsibility

- The anticipation is therefore that each of the established units will continue to provide support and deliver a programme of activities, funded through investment made by the University (including its HEIF resources) as well as external 'project' based funding

- e.g. for the Centre for Entrepreneurial Learning its strategy is not to grow the Centre per se but to grow its activity by creating additional capacity through

private and public sector funding, gifts (e.g. Alumni), secondees and other in kind support (e.g. Business Advisers, mentors)

- The forward strategy for the University also involves strengthening relationship with Newcastle University (and One NorthEast) through the Angel Alliance – a specific focus of which will be enterprise (start-ups and spin-outs)



## Newcastle University

### Input

- Interviews with:
  - o Robin Lockwood
  - o Gareth Trainer
  - o Douglas Robertson, Director of Business Development
  
- Document review included:
  - o Business case submitted to One NorthEast
  - o Progress reports (to be received)
  - o Claim forms (to be received)
  - o Beneficiary interviews (to be conducted)

The starting point for Enterprise Support at Newcastle University (2002/06)

Newcastle has already adopted a strategy led approach to enterprise and short term funding initiatives

- The University has for some time taken a strategy led approach to the deployment of short-term funding and as such the ONE funding contributed to not only to the institution's Graduate Enterprise/Entrepreneurship strategy but also to the Business Development strategy (knowledge and technology transfer, spin outs, etc.), and consequently aligned very well with the institution's mission

ONE funding enabled increased capacity to be developed

- HEIF investment had increased funding available but not solely for enterprise related activity, so ONE funding was useful in this respect. ONE funding arose at a point when other funding sources were coming to end – North East Centre for Scientific Enterprise, Single Programme New Ventures, etc. It enabled the University to take forward its HEIF3 strategy and part way through the HEIF4 strategy to align its investment

- Resource from ONE was relatively small but critically important to the University, primarily because it enabled increase in volumes of activity accelerating impact and improving sustainability

Prior to ONE funding, activity was taken forward through two related but separate strands.

- Student/graduate enterprise had a high profile across the University with a dedicated pre-start support unit driving forward the activity (both within and outside of the curriculum)
  - o Internal restructuring led to the unit being absorbed within another service (the Careers Service) and the profile of the activity being diluted through an attempt to embed 'enterprise' as a core element of the Service's activity
  - o In recognition of the possible 'dilution' of the agenda, the Entrepreneurial Development Unit was established within the Careers Service to co-ordinate the service's activity as well as work across the University's faculties and schools to support the embedding of enterprise in the student learning experience
- Commercialisation – set up in 1988 this area of activity had had some successes but did not have the support for real impact. The approach was to support academics in starting a business (like students). The university would take no active role in business beyond start up. A proof of concept fund also became available from 2004 in response to a dip in spin out activity

Strategic coordination and leadership was already in place

Student/graduate enterprise had been led strategically at a senior level in the institution (DVC/PVC) and the delivery/coordinating body internally now sits within the Careers Service having moved 'homes' on a number of occasions

- The University's draft 'Vision for 2021: A World-class Civic University' highlights three core functions for the university – one of which centres on 'teaching and learning, and the wider student experience' and an underpinning principle relates to fostering a culture of independent learning, critical thinking and enterprise
- Similarly under 'research and innovation' there is an emphasis on developing an innovation culture embedded throughout the University
- The mission of the Careers Service is 'to develop enterprising students who can...' which links directly to the University's employability strategy/agenda, and teaching and learning strategy

## Strategy and intent

The new funding provided an opportunity for academic and student enterprise to combine activity to take forward the culture change relating to enterprise in the institution. It would contribute across a range of strategies including Science City. The aim was to:

- Establish enterprise and entrepreneurship within the core mission of the university
- Embed programmes, processes and support mechanisms to facilitate the development of a sustainable enterprise culture
- Increase the number, quality and viability of commercial opportunities emerging from the research, academics and graduate base
- Assist in maintaining the university's competitive position and contribute to the social and economic regeneration of the region

Four themes of interventions were proposed:

- Alumni – with a focus on supporting graduate businesses and facilitating spin outs
  - o Supporting commercialisation activity for graduates within and beyond the region
- Incubation – testing the demand for and developing on campus incubation support processes
  - o Establishing facilities and processes to support early stage new venture incubation with pipeline or follow on agreements
- Capacity building – extending staff and student enterprise capacity across the university
  - o Increasing support and delivery capacity in staff and developing the student body to engage with enterprise and entrepreneurial activity
- Programme building – integrating enterprise into existing programmes and developing new ones
  - o Developing and embedding enterprise and entrepreneurial activity with extra curricular and core curricular programmes

The result would be:

- 95 jobs created
- 68 businesses created
- 177 business supported
- 177 Knowledge based businesses created
- New enterprise skills for 761 people

The university would match £670k from ONE with its £1055k funding from HEIF to create an investment portfolio to support its strategy for enterprise. Funding would be directed predominantly towards the consultancy and salary costs necessary to provide specialist expertise to take this initiative forward.

What was done

Delivery

Commercialisation

Funding was used to raise the level, range and quality of support available.

Activity included:

- The Science in a Spin programme was continued. This provided awareness raising and support for academic researchers to encourage spin out – too few people on the ground with out resources. The programme supports 35 – 50 people a year and has resulted in a number of disclosed opportunities. It has tackled issues of disclosure which arise through publishing research and conference papers and provide advice and guidance on commercialisation. Academics now understand that the shift needed from ‘me or my business’ to a ‘business based around my knowledge’ in which a management team are put in position to exploit the commercial opportunities and the academic does not necessarily take a leading role in running the business.
- Coaching for commerce. Providing 1:1 coaching and mentoring to academic entrepreneurs (early stage researchers) to further develop their business ideas based around their research related knowledge and expertise.
- Commercialisation The increased capacity enabled 150 disclosures from inventions last year. A robust business process has been established to rank and prioritise disclosures and to identify winners. ONE funding enabled a greater

number of disclosures to be supported and developed through the provision of specialist external help. It also enabled specialist expertise to be sought in areas which the core team could not support (e.g. CPI on catalysts – chemistry and chemical engineering, also assessing the suitability of patenting and other IP protection to particular ideas and providing early stage evaluation). Prior to this enterprise evaluation funding was very limited.

### Enterprise

Student/graduate enterprise activity was a core part of the University's business prior to ONE's investment. At the start of this programme a great deal of the activity was reliant on external funding sources. Over the last three years the university has increasingly committed its resources to supporting this agenda through mainstream/block grant funding as well as special initiative funding from HEFCE (e.g. HEIF).

Support programmes are delivered through the Careers Service. At the start of the programme enterprise was integrated across the services to mainstream activity throughout the Careers Service and via the Graduate Skills Framework. The EDU was formed to spotlight entrepreneurship as a valid and supported application of enterprise.

ONE funding supports only a proportion of EDU's activity. All core activity is funded by the university. Interventions are context specific and retain a strong (psychological and physical) link to the University, even when they are supported by external expertise (e.g. business advisers). That part of ONE funding to EDU (30% of the institution's allocation has been deployed to the EDU/Careers Service for 60% of the outputs) has been focused on translating 'ideas into action' (i.e. the business start end of enterprise development). Funding enabled additional activity to be developed and piloted. The resource supported:

- An additional member of staff in EDU (capacity building) taking the team to five in total
- A wide range of other enterprise support activities:
  - o The Graduates into Business programme
  - o Breakfast Club
  - o Executive Lounge

- o Business incubation
- o Enterprise Challenge Awards Ceremony
- o Delivery of the Business Enterprise and Business Enterprise for Postgraduate Students modules [note: the delivery of the modules is not predicated on the funding being available]
- o Enterprise and Entrepreneurship Educator Programme (for academic staff)
  - Curriculum development undertaken to enable academics to write enterprise modules specific to their areas. Take up has been good but inevitably stronger in some areas than others particularly where:
    - o Academics want to do it
    - o Parallel to process in discipline
    - o Fit to nature of employment linked to discipline area

#### Problems faced

There remains a core issue of how academics see the fit of enterprise to their curriculum area. For some enterprise may be seen as a 'dumbing down' of their discipline or a diversion from the core body of knowledge in that area, particularly in disciplines such as engineering where the timetable is very full and there is not much space for additional input.

#### Incubation

Finding space took time. Space is now being made available for student start ups (via EDU) in addition to the INEX building for university spin outs, space available at the Medical School and the GMP facility in Centre for Life – the latter being available for rent. Beyond this, supported space is seen as the domain of the City Council and partnership relations have also recently been established with the Greensfield Business Centre in Gateshead.

#### Leadership and coordination

Governance through a steering group has not necessarily been the most effective although it has helped to break down silos of activity in the institution. Enterprise is already embedded in the University's fabric and as such mechanisms for co-ordinating activity and lines of reporting are well established.

## CPD

The flexible nature of ONE funding has enabled well targeted CPD to take place, particularly in building capacity in the Commercialisation Team. This was a new team with a range of expertise which has benefited from a systematic up-skilling activities including Praxis courses designed to improve support for commercialisation - this has added real value. This investment was seen as critical in an agenda that is 'ramping up' nationally and institutionally, particularly as it is difficult to recruit and retain good business development staff. Investing in existing staff increases engagement and retention.

## Funding

Inter-institutional issues in managing and deploying the resource.

## Alumni

Funding was used to explore the extent to which enterprise and business start activity could be aligned with the Newcastle University Alumni association's GOLD - Graduates of Last Decade – initiative by seeking to attract alumni back to the region. The approach was experimental and a number of events and presentations were held and supported. In practice this turned out to be a resource intensive process and the Commercialisation Team lacked the capacity to follow through on weak leads. No break through has been achieved as yet.

## Evidence of performance and impact

### Performance

Outputs	Target	Actual
Jobs	95	105
Businesses created	68	56
Businesses surviving 12+ months	39	26
Businesses surviving 24+ months		
Businesses supported	177	151
Knowledge based interventions/collaborations	177	107

## Impact

Three years on under the guidance on new Vice Chancellor, enterprise remains high on the University's agenda – a new vision for the University has been agreed (Our vision is of Newcastle as a civic university with a global reputation for academic excellence) and through this the institution recognises the need to be globally ambitious and regionally rooted.

The enterprise agenda will therefore continue to contribute to the aim of 'To play a leading role in the economic, social and cultural development of the North East' and will play out through two related strategies – one in respect to 'engagement' and 'innovation' but as of equal importance is the link to the teaching and learning agenda (and within it the student experience).

A number of areas of added value from the Enterprise Activity Fund were highlighted during the interviews:

- Bolstered strategic intent – bolsters argument for sustaining activity and provided a means to rationalise the need for action
- Embedding delivery structures, governance structures – creating sustainability
- Integrated staff from schools into the enterprise agenda
- Better marketing data analysis and report (changed behaviour)
- EAF helped with experimentation in areas not considered direct core business where it is hard to argue internally for development funding
- Better policy and strategy awareness - fit with other initiatives and also a more intensified, more integrated approach linked to the new Vice Chancellor view of Newcastle as a civic university
- External consultants enabled better market awareness and quality of plans
- Strengthened the commercialisation process:
  - o Helped weed out plans which are not worth investing in so greater time and resource could support a smaller number of projects with greater potential



- o Used funding to enhance patent portfolio (never had a dedicated patent budget)
- o Philosophy changed – paid patent drafting fees resulting in improved quality
- o CPD for commercialisation team
- o Better market research and awareness
- o Flexible consultancy for commercialisation and backfilling
- Supported innovation and experimentation where rationale against institutional core business is weakened
- Interim management in team providing interim management in new spin out companies

What contribution did the ONE funding make

ONE funding acted as a ‘catalyst’ as part of a strategic framework underpinned by core and project funding – flexibility in the system arises from the project funding which more often than not allows the University to take forward and implement new ideas and/or pilot activity in new areas while building on good practice

- o An example would be the ‘Coaching for Commerce’ programme

It is difficult to directly attribute effect when funding from one source (ONE) is part of a complex relationship or ‘jigsaw’ of some core funding but mainly project funding. Nevertheless it is clear that the funding did allow the university to take risks. ‘Additionality’ arose in that the funding enabled more activity to be delivered and more and more diverse beneficiaries to be engaged – the focus has been on ‘start up’ and ‘spin out’ both of which are equally important to the University, and the activity has centred on ‘awareness raising’, ‘competence building’ and ‘action’.

It needs to be recognised that when performance is measured by outputs and failure to deliver on these has consequences for the University, the tendency can be for institutions to go for the ‘safe option’ rather than to innovate/experiment.

Given the adopted strategy to build a wide base of interest through cumulative activity for long-term gain, any hiatus in funding can be critical, particularly if it is not filled through other sources, as the 'cumulative gain' can be lost (very quickly!).

#### Lessons and reflections

During the interviews a number of lessons and reflections were identified:

##### Attribution is hard

- It is not easy to show whether businesses would have started anyway

In this complex funding model the university continues to underwrite enterprise and spin out activity

- The cost of commercialisation activity is more than the return to the university financially. However, other more strategic benefits are recognised and the university is committed to the agenda.
- The costs of patenting, running a team, cashing in shares not realised for the long term and leakage of new business for which the University does not get a direct return

We need to think more carefully about whether we want new business creation or successful business creation and reflect this in funding models

- The focus is on creation of new businesses – this does not necessarily relate to creating successful businesses that have the potential for growth and to be sustainable, i.e. there is a tension between quantitative and qualitative outputs and these have different implications for regional economic regeneration
- Better market analysis, better business plans resulting in fewer businesses with greater capacity to grow
- Tension between metrics and ambition to create businesses which are really successful

There are issues relating to perceived constraints of ONE funding

- ONE did not want to support posts, there was a natural concern over propping up infrastructure. That said the perception is that value for money is

better with a post and it is easier to create a sustainable infrastructure in university

Funding such as this can be catalytic in enabling culture changes to take place internally

- Always a tension between why are we doing this – so some catalytic external funding – impact of levels of awareness, policies, partnering arrangements can be explored and established.

The flexibility of the approach taken by ONE was instrumental in its successful application

- The adopted approach works very well to a point – the flexibility for each University to interpret the ‘enterprise’ agenda in a way that aligned with their mission and strategy was valued – it also meant that a broad interpretation of the agenda could be made as the funding was not just restricted to ‘skills’ (even though that’s where the funding came from within the Agency)

The evaluation process should have guided the programme throughout

- Evaluation at the end of the three year funding cycle adds little value to the universities and in some ways is also too late for the Agency in terms of continuing to support a focus on ‘enterprise’ rather than continuation of the projects per se
- Consideration should therefore be given to identifying the priority agendas for a ten year period (e.g. enterprise) and committing as far as possible to sustaining activity in these areas using the three year funding cycle. This would mean undertaking evaluations such as the region-wide as well as individual institution evaluations at the end of year two so that learning can be fed into strategies and plans in a timely manner

Output /contract models do not sit well with strategic investment

- There also needs to be a shift away from the notion that performance equals outputs as this approach does not encourage institutions to over-perform, in fact quite the opposite – if they under-perform in one area they lose out (e.g. funding is clawed back) but conversely if they over-perform, they are not rewarded

The Agency plays a key role as an advocate for enterprise inside and outside the region. It enables universities to lever additional funding around regional priorities

- Having the Agency as an advocate for enterprise 'in and out' of the region is critically important, particularly when resource is put behind this advocacy, as it enables the universities to lever other funding and/or influence other partners/funding bodies

#### Forward strategy and focus

- Forward strategy involves a continuation of the current strategy but also the strengthening relationship with Durham University will be exploited through the Angel Alliance – a specific focus for which will be enterprise (start-ups and spin-outs)
  - o The successful ECIF (Economic Climate Innovation Fund) bid to HEFCE has also brought in a further £488k to support activity in this areas including:
    - ▣ Enterprisers' Courses – the Centre for Entrepreneurial Learning at Cambridge University will provide Enterpriser Courses for 80 unemployed and under-employed Newcastle graduates of the last ten years
    - ▣ Business Start-up grants – the Careers Service will offer start-up grants of up to £2,000 for Newcastle graduates of the last decade who are considering setting up their own businesses in the region.
    - ▣ Business Start-up advisers – to accommodate under-employed graduates of the last ten years, the Careers Service will extend the availability of trained on-campus business advisers from two days to three days per week and offer evening appointments.
    - ▣ Coaching Postdocs for Commerce – the need for postdoctoral researchers to acquire skills for the workplace outside higher education is ever more pressing during the recession. A new programme of mentoring will be open to up to 50 residents of the North East who are, or have been, postdoctoral researchers at Newcastle University.
- For Newcastle the perspective is not to continue a 'project' but to sustain an important agenda for the institution and the region, and through a well defined strategy the University can respond flexibly to opportunities to secure additional, external 'project' based funding

- With respect to commercialisation, two priorities are identified: stimulating new business with real potential to grow and developing technology resulting in great license deals
- With respect to the EDU, the strategy moving forward is based on:
  - o Sustainability of activity that has 'worked well' will rely on making a strong case to the University and/or exploring external funding sources
  - o Core activity will continue
  - o New strategy and business plan for the enterprise and entrepreneurship agenda is being developed with Director of Business Development; last business plan was up to 2007 so effectively working without one for just over a year
  - o Angel Alliance – Newcastle-Durham partnership will have a focus on graduate enterprise to, in part, mitigate risk associated with the commercialisation agenda and will also have a greater collective draw to attract the right calibre of management expertise to support and run spin-out businesses.
- Given the adopted strategy to build a wide base of interest through cumulative activity for long-term gain any hiatus in funding will be critical, particularly if it is not filled through other sources, as the 'cumulative gain' can be lost (very quickly!)
- Direct impact would be on volumes, innovation, experimentation and areas considered non core business but of importance to the region.

## Northumbria University

### Input

- Interview and evidence collection with Roger Candy, Northumbria Commercial Enterprises
- Telephone interview with Prof: Oisin McNamara, Director, Research, Regional & European Affairs.
- Interview with Tim Nichol: Associate Dean Newcastle Business School
- Email survey with academics and external stakeholders
- Desk review covering: ONE project documentation, programme, performance, strategy and evaluation documentation

### The starting point for Enterprise Support at Northumbria University (2002/06)

In 2002 Northumbria University had undertaken little development around the enterprise agenda. A graduate enterprise module had been developed by the Newcastle Business School and the New Enterprise Scholars (Entrust scheme) was available.

By October 2006 with HEIF and ONE Enterprise Support programme funding available, Northumbria embarked on a two fold strategy to strengthen the position of enterprise within the University, developing the capacity of the university.

£631,522 was available for three years through ONE (raised in 2008 to £694,674) to match a further £444,591 available through HEIF, a total programme value of £1,139,265 for the three year period. Investment would be centred on:

- Significantly increasing and embedding the availability of enterprise in the curriculum
- Improving and increasing the range of flexible business start up services to capture and support of people coming forward

Impact would be measured in terms of increased activity and greater organisational capacity using a combination of measures covering volume, diversity and the effectiveness and quality of provision.

Programme milestones focused on strategy development, new alumni activities, improving business start support and mentoring, improving hatchery and incubator provision, improving capacity to support software development and science based businesses, research and evaluation to better inform the enterprise and the graduate enterprise agenda in Northumbria.

Funding would be used to meet the costs of providing knowledge, consultancy, management and administration: salaries (£115K), consultancy (£220K), professional fees (£190K), travel and administration (£140K), and evaluation (£5K)

The direct outputs would include:

- 15 jobs created
- 75 businesses started (20 more than 1 year)
- 105 businesses supported
- 990 skills - action learning on enterprise

Strategy and intent

Enterprise Support in Northumbria is positioned in the context of the strong vocational culture of the University. As with the other universities in the North East the ONE funded Enterprise Support programme is part of a much wider programme of activity spanning:

- Curriculum development
- Student and Graduate Enterprise support
- Incubator and hatchery provision
- Academic Enterprise
- Spin out
- Collaborative research

- CPD, training and workforce development
- Knowledge Transfer
- Commercialisation of Intellectual Property
- Commercialisation and revenue generation from university services and activities

The HEIF / ONE funded programme and other enterprise activities are used to link the university to the region's wider economic agenda. Northumbria maps its priorities against the RES and identified a number of important sectors for development including:

- Design
- Bio Sciences
- Energy and Photovoltaic
- ICT / Software Design

Strategic oversight of enterprise activity is maintained through the Research and Innovation Committee and its associated R&I Strategy. This is now being reviewed and will be rewritten as two separate business plans in its next phase of development. The plan for Commercial Enterprise is positioned within this broader and longer term strategy. Enterprise Support in Northumbria is expected to be integrated and pervasive, and underpinned by user driven models of support.

For Northumbria, enterprise support is seen as a means:

- To enable the university to contribute to the economic and social well being of the region (and the universities students and graduates) and
- For the university to profit from commercial activity.

Activities funded through Northumbria Commercial Enterprise are for the most part used to support the university's civic mission and are expected to operate cost neutral. They are focused on areas of market failure or immature / latent markets.



The Research and Innovation Committee monitors performance against the 7 KPIs which are reported to HEBCIS. In addition Enterprise forms part of the strategic discussions and agreement between ONE and Northumbria which are embedded in the newly established Memorandum of Understanding.

The University has developed new strategic partnerships with local authorities (LAs) in the context of Enterprise Support. Links with Gateshead Council have centred on the Gateshead International Business Centre and the Greensfield Business Centre where Northumbria now operates a hatchery facility. Links with North Tyneside Council / North Tyneside Local Strategic Partnership centre on the Saville Exchange Centre where Northumbria has operated a hatchery facility for several years. Links have also been developed with Northumberland Council.

These LA partnerships play an important part in sustaining an entrepreneurship value chain which begins with initial local advice and mentoring, provides incubator and hatchery links to the university and local authority partners and then supports migration to local authority and other locations for further business development. This process is underpinned by internal client centred consultancy hatchery and incubation facilities and guided pathways to fully fledged businesses which in turn sustain contact and may act as alumni in the future.

Northumbria sees retention of sustainable graduate businesses on Tyneside as a key strategic goal for its business start activities. The University is central to the generation of a knowledge based economy in this sub-region. It has a central role in economic development on Tyneside and seeks to address this aggressively through Enterprise Support.

#### What was done

For Northumbria, the HEIF/ONE funding contributed to a wider pool of funding which supported a number of strands of development, including:

- The costs of the Northumbria Commercial Enterprise Team
- Development of enterprise in the curriculum
- Enterprise start up activity, hatchery and Incubation
- Sector specific support & spin out activity

- Alumni
- The Partnership in Enterprise project

These are summarised below:

#### Enterprise in the curriculum

The goal was to maximise access to action learning based enterprise modules in as many academic schools as possible. By 2009 enterprise curriculum activities, modules and pathways are offered across 6 schools with further activities and modules under development. Modules exist at undergraduate and graduate level, engaging with over 1200 students who have received action learning based enterprise modules lasting more than 30hrs.

The Commercial Enterprises team have expanded curriculum opportunities by working with groups of key staff at all levels providing whatever help was needed in whatever way was appropriate:

- Collaborating to jointly develop modules and programmes
- Brokering input into modules with outside speakers
- For those schools that have a clearer view of how they wish to integrate enterprise into their programmes, the team provides more occasional advice and support.

Some schools have well established systems and know what they want e.g. post graduate enterprise module in design is the keystone module for the whole post graduate portfolio with other the team develop, deliver and facilitate support for the programme. The team expect that in five years time, activity based enterprise action learning will be available in all the schools, in multiple forms that meet the needs of the learners and the curriculum.

In Design and Arts these activities have already become self generating. The team facilitate external contacts; provide advice and support and an informal quality assurance role.

## Enterprise Start-Up / Hatcher and Incubation

### Start Up

The goal was to provide a flexible programme of start up support with clear pathways to full trading in line with the vocation culture of the university, maximising access to effective support for students and graduates wishing to start up a business or venture of some kind.

By September 2008, Northumbria had started 150 graduate or student enterprises. Each has received mentoring, typically a 4/ 6 month programme with on average 4/5 interventions, but is tailored and/or extended according to individual needs. As these new businesses mature a need for specific longer term business support is emerging around capitalisation and strategies for growth. Support to new start businesses includes:

- Point of contact throughout life cycle
- Coaching development with some expertise in business start around conceptualisation
- Signposting to broker specialist services
- Providing incubator and hatchery support
- Pathway to Local Authority including accommodation

Enterprise Support uses a number of private and public sector consultants to act as mentors and advisors (legal, financial etc) to our start up businesses . It is considered critical that effective, specialist advisors be available to our enterprises from their inception.

The pattern of start up is as set out in the table below:

Over 150 businesses have been supported since 2003. They employ over 265 people and contribute £2m to the local economy.

Clients include 'conventional' students (Full and part time), mature students and New Enterprise Scholars (Entrust scheme). The Enterprise Support model works best for students 'located' within the university. It is less appropriate for learner

entrepreneurs in the community. Other agencies (e.g. Entrust) are better placed to give this sort of support. A partnership scheme under development with Gateshead Council working with entrepreneurs in Gateshead through the URBACT/RuNUPhas potential to address the needs of community based learners.

Enterprise Support is looking to expand its support work towards greater community involvement. This will be framed around partnership with LAs and other community partners. The Partnership in Enterprise (HEFCE SDF Connectivity and Best Practice for Local Enterprise Partnership) has created a general strategic approach for this kind of work.

### Hatchery and Incubation

Northumbria Enterprise Campus operates three hatchery facilities:

- The Wynne Jones Building on the Newcastle campus houses 6 to 7 tenants (9/10 entrepreneurs) with typically an additional 5 non-tenancy start ups also using the facilities at any one time.
- The Saville Exchange in North Shields (North Tyneside Council / North Tyneside Local Strategic Partnership) houses 4 to 5 tenants (7/8 entrepreneurs) . In all cases tenancy is for a 6 month period.
- the Greenesfield Business Centre (Gateshead Council) houses 2 to 3 tenants (4/6 entrepreneurs)

In addition reduced rate accomodatio is negotiated on behalf of start up businesses for example at Gateshead International Business Centre.

No hatcheries providespace for materials storage or physical operations.

### Reflections

Experience of delivering the programme prompts a number of important observations:

- The funding from ONE enabled a way of providing a flexible service able to respond to the range of clients needs, both in terms of advice, support and accommodation needs.

- Making enterprise integral to programmes rather than a 'bolt-on' approach helps undergraduates to identify that there are discipline specific skills they are developing that overlap with the enterprise skill set and promotes self employment as a viable option upon graduation. It provides a context with which they have some familiarity and therefore greater confidence.
- The Graduate Enterprise module run from the Business School enables students from a range of disciplines to set up a real trading business for a year.
- Students provide very positive feedback on the benefits from hearing about the experience of entrepreneurs within their programmes. With most of the speakers being from the region, this clearly demonstrates that there is enterprise activity within the region and is a viable career prospect. However, speakers need to be chosen carefully; students are more likely to respond to speakers that they can identify with and are only a few years further on in their careers, compared with older more experienced entrepreneurs.
- Modules that utilise external business people to assess plans or presentations in a way that simulates what happens in the work place is highly motivational to the students, and results in the production of more professional work
- Partnership arrangements are used to secure free or low cost business accommodation within the North East. Links are strongest with Gateshead and North Tyneside.. Links are also good with Northumberland.
- As businesses become established moving on space is very important; having start-ups in house has resource implications for the university and needs to be carefully managed so that any potential conflicts between start-up requirements and teaching and research requirements is avoided,
- Whilst partnership arrangements are important to provide migration opportunities for start-up businesses, there are benefits to having some hatchery space in close proximity to the university. It enables the businesses to draw upon different areas of expertise available in the individual schools. It also demonstrates very visibly to the existing student body that the university produces successful start up businesses and that this is a valid career choice.
- As enterprise becomes embedded within the Schools, academic interest and participation grows. The role of a central department to support enterprise in the curriculum is important to ensure effective practice is shared, they can broker relationships between School and external delivery agents and retain an overview of enterprise activity overall.
- New starts appreciate the support given by the team and the links with Business Link and other external agencies and consultants. This team

concentrates on good generic / conceptual support with technical and expert support secured through funded arrangements

- The team has modest funding needs to support external activities, and partnership arrangements. Informal partnership relationships are preferred to formal contracting links.
- Focussed activity in a particular discipline (design for example) fosters a network of graduates that learn from each other in their start up activities is an effective way for them to grow sustainable businesses together and foster the growth of the sector in the region.

#### Spinout / Sectors of strategic importance

Enterprise support also contributes to university linked spin out activity with a specific focus on software and science business based solutions. The primary focus has been on:

- Supporting enterprise growth in the creative ICT sector
- Developing the enterprise curriculum in the built environment at undergraduate and post graduate level to accelerate business creation

To date three new businesses have emerged through this route. In general spinout activity has remained broadly separate to the work of the Academic Enterprise Team and the majority of funded support has been directed towards start up.

#### Alumni / Student Interns

An intern scheme was introduced in 2007, initially 4 students in 2007/8 and 4 2008/9 to develop motivational and awareness raising activities for existing students and alumni, particularly promoting opportunities for start up support. They contribute significantly, in conjunction with the Student Union, to the growing culture of enterprise in the University.

Interns play an important role in supporting the annual Northumbria University Business Plan Competition. The most recent competition had over 180 entrants making it one of the largest competitions of this type in the UK.

## Other Developments

Partnership in Enterprise (HEFCE SDF Connectivity and Best Practice for Local Enterprise Partnership 20078)

Northumbria is seeking to develop as an exemplar of best practice in collaboration with local partners. It sees local partnership solutions and local progression pathways as vital to its vocational and enterprise agenda.

It has been a central participant in the HEFCE SDF Connectivity and Best Practice for Local Enterprise Partnership which it has used to undertake extensive research across the North of England on the needs of university business start ups for support. The research sought to explore how university partnership arrangements with Further Education, Economic Development Departments of Local Authorities and others can be used to extend, improve and increase the effectiveness of support for entrepreneurs. A number of events and a joint business support / policy symposium 05/08 were held to focus on integrated support for graduate enterprise.

## Evidence of performance and impact

### Performance

Table 1: Outputs

Table 2: Milestones

### Curriculum

By 2009 enterprise curriculum activities, modules and pathways are offered across 6 schools with further activities and modules under development. Modules exist at undergraduate and graduate level, engaging with over 1200 students in the academic year 2008/9:

1. Enterprise Support have expanded vocational discipline modules, pathways and complete programmes across curriculum areas in academic

schools. This, rather than, generic enterprise teaching, is our main development focus.

Enterprise Support have expanded the Graduate Enterprise module by bring learners from other discipline areas and other academic schools into the business school – making GE more widely accessible. Graduate Enterprise is now being embedded in a number of disciplines (design, fashion, arts, ICT etc)

i. Vocationally orientated approaches to enterprise development within academic schools are more appropriate for our culture and curriculum in the context of specialist vocational learning. As Vocationally orientated approaches to enterprise development expands within the University demand shifts from being outside driven to influence for demand for services coming from within schools – innovating for themselves. For example Design School graduates and staff actively support the enterprise programme

Over the past two years over 1200 learners will have received action learning based enterprise modules lasting more than 30hrs.

Contextualising enterprise within a discipline and embedding it in the teaching and learning process is central to the Northumbria University model.

#### Business start

Over 150 business starts supported since 2003

1. 76 businesses started in the period 2006-08 of which 51 were actively trading
2. 30 were in design (making, managing, consultancy, fashion)
3. 8 in ICT creative
4. 7 in multi-media and film
5. 6 each in retail and distribution and health

- All received mentoring and 12 had taken up hatchery provision. 37 businesses required only 1 or 2 mentoring interventions. 19 took 8-20 mentoring sessions

- For business which had started more than 1 year ago (37) only 1 had ceased trading 23 were trading fully and a further 13 had entered employment but continued to trade.



- 105 people were involved of which there were 72 males and 33 females
- Support was also given to a further 15 existing businesses as at 2006
- The business start programme is amongst the largest university programmes in the UK.

Other evaluative evidence

#### Evaluation Case Study – Northumbria University Partnership in Enterprise

Northumbria University participated in the Partnership in Enterprise programme. Partnership in Enterprise (HEFCE SDF Connectivity and Best Practice for Local Enterprise Partnership 20078)

The objective of the project is to provide a framework for:

- improving the quality of the support available to new businesses supported by universities in order to provide responsive services that are valued by entrepreneurs;
- expanding university enterprise support programmes and increasing their capacity in order to help more entrepreneurs than the partner universities can support alone;
- widening participation within university support services for a broader community of business start-ups through Further Education and LAs;
- increasing the efficiency and effectiveness of support arrangements for entrepreneurs.

Through the programme, 25 new business starts and 35 individuals identifying themselves as ‘owner-managers’, ‘partners’ or ‘directors’ running their own business were interviewed in the North East of England. 96% had started their businesses from scratch with (79%) ‘in the start-up phase of development and still reliant on support services’. (21%) classified themselves as being ‘nearly set-up and about to exit support All businesses had been based at, or experienced enterprise / business start up support from North East Universities.

The overwhelming majority of respondents indicated that they would always like to have some form of support made available to them and retain some contact with the university supporting them

#### Initial contact

Over one-third (36%) indicated that they went to a university (enterprise support unit/careers service/course tutor) for initial advice:

- 21% initially approached Business Link
- 11% went to the Project North East Group (PNE)
- 7% approached the Prince's Trust
- an LA, an RDA, NESTA, Entrust and Financial Inclusion Newcastle (FIN) were each used by one start-up in the sample (4% each)
- the remaining two businesses (7%) could not say or did not remember which organisation they used first.

#### Support organisations

The majority of the respondents mentioned multiple support providers; the most cited answers included PNE, Business Link, Entrust, Universities and the Prince's Trust. Other commonly cited contacts included the National Council for Graduate Entrepreneurship (NCGE), friends, family members and peers. The Arts Council, the Department of Trade and Industry (DTI), United Kingdom Trade and Investment (UKTI), Business Incubation centres (BICs) and Codeworks were also referenced.

#### Types of support

The areas of support commonly demanded by respondents included 'General Considerations for Start-up', 'Taxes, Records and Returns', 'Income, Corporation and Other Business Taxes', 'PAYE and National Insurance' and 'Sales and Marketing'.

Support relating to 'Finding and Managing the Money' and 'Business Names and Structures' were particularly important to new start-ups, whereas, 'Protecting Your Business and Its Ideas' and 'Financial Support towards Premises' were more relevant to more established start-ups.

## Needs

The areas of support where demand was least filled were 'Negotiating an Accommodation Contract', 'IT and E-commerce', 'Finding and Managing the Money', and 'Financial Support towards Premises'. Large numbers of start-ups indicated a greater demand for 'Finding and Managing the Money' and 'Financial Support towards Premises'..

General and financial considerations for starting-up and access to fit-for-purpose accommodation emerged as of particular importance to the start-ups in the North-East sample.

## Pattern of Start up Businesses at Northumbria – Key Findings

- the vast majority of start-ups are from self directed students and partnerships
- most starts are founded on practical know how, professional and personal skills. Businesses are rarely based on intellectual property although design rights and copy write are important
- start-ups begin small, grow the customer base and typically self finance business development
- start-ups are sophisticated, trading geographically widely and sourcing internationally from the outset
- Businesses are strongly and innately customer centered and most have an existing customer base at the point of seeking mentoring
- Management is based on a day to day running plan and evolves. They typically want minimal support and guidance
- Businesses are independent, committed to their business concept and want to remain autonomous
- Commitment is entirely to their business concept with little commitment to the idea of enterprise or being an entrepreneur

## Impact

Northumbria is able to demonstrate compelling evidence to show impact on:  
Integration and diversity in the curriculum, and business start and progression.

Flexible funding made available from ONE has had a significant impact in embedding the enterprise and business start agenda

Funding from HEIF supported the university's basic enterprise programme. The funding from ONE enabled expansion, innovation, new development and experimentation. The flexibility of the funding model and its focus on local activity and capacity building was greatly regarded. It enabled the university to cement its core strategies.

'small amounts of flexible funding are much more effective than highly structured programmes which do not align with the universities priorities'

The result is a significant expansion in both curriculum development and business start activity. Enterprise is seen to be aligned with the vocational mission of the university and to be integral to it. A great deal of enterprise curriculum activity is now embedded and self sustaining.

ONE funding has enabled local incentives and support to be offered to Schools underpinned by a client centred consultancy service provided by the Commercial Enterprise Team and this has been a significant factor in enabling growth.

ONE funding also enabled extension and development of the business start services and again the approach adopted by the university has proved effective as performance figures demonstrate.

ONE gave a flexible resource to support the enterprise strategy in the university

- Flexibility gave greater reach and depth to activity and consolidated the strategy
- Facilitated spin out activity and securing external support
- Enabled innovation
- Cemented core strategies

A culture change is taking place

There is growing evidence of a cultural impact taking place in the way schools approach their vocational disciplines and a growing recognition that the enterprise and entrepreneurship agenda needs to be addressed with students, making an explicit link to their discipline and future career prospects.

The programme attracts graduates wanting to establish design led enterprises within the region. It enables individuals to follow up interest from undergraduate projects to further develop products/design ideas for market as well as having access to support and advice with regard to business skills. The programme has built up a network of designers sharing knowledge and experience. This has been a notable impact of this strand of Northumbria enterprise activity and there is a community of entrepreneurs within the creative industry raising the profile of design led northeast based companies. Graduates learn through 'doing' enterprise and the visible nature of the work provides live case studies of exciting professional practice for undergraduates.

These changes are embedded within the School's ethos and its curriculum and so are fully sustainable.

The university has clarified how enterprise related to its core business

- Legitimising activity in areas which may be questionable as core business
- Established which aspects of enterprise are included as core business
- Contributes to the way in which the university achieves its civic mission and supports economic regeneration of the region
- Impact has been many more times effective than larger sums from HEFCE etc
- Enterprise activity has been supported by academic papers, research and symposia

A programme which is integral to the core business has emerged with partnership arrangements in place to extend reach and capacity

- Well developed partnership arrangements – LAs, Entrust, NStar etc

## Lessons

The organic informal approach has enabled rapid growth, embedded locally. In Northumbria form is following function as new ideas emerge

The approach has been organic and developmental with a focus on relationships and has moved rapidly as a result. The focus has been on culture rather than structures and is strongly aligned with other ways of working in the university. This is felt to have been very effective. However there are limitations:

- Development has taken place with little involvement from Career Service and Academic registry
- Value of independence (from school & careers services) provides freedom to innovate

The Enterprise Support model does not presuppose any formal model of enterprise – either in curriculum or in start up support. This may be perceived as a limitation in the context of general proselytising of enterprise as an ideology. However a pragmatic approach to enterprise has been developed at Northumbria. We work with learners and entrepreneurs to jointly develop – and jointly validate – whichever model of enterprise works best in each context. This enables us to progress rapidly with minimum waste of resource or time.

Enterprise needs to be seen as part of the wider CPD solution for teaching and learning

Northumbria is cautious about action learning for staff around enterprise as there is already a great deal of activity on Action Learning in general CPD. This agenda has been embraced by some but not others but there is currently no demand from staff for formalised CPD around enterprise – demand exists for informal support for staff Enterprise Support is committed to working with learners, entrepreneurs and staff as far as possible on their own terms .

The capacity built under the Enterprise Support programme is now contributing to the HEFCE ECIF rapid response activity to deal with the effects of economic downturn

Flexible ONE Funding was critical to facilitating the momentum created

There is a feeling that the progress could not have been made without funding from ONE.

- It has helped to establish partnerships people (a little money helps)
- Money as mandate to negotiate with people – a little money open doors

Future funding needs to be about strategic investment focussed on outcomes and light touch monitoring

- Need enough funding to keep a body of activity moving and to promote it via the press
- New structures just to get money may sabotage strategy

The overall impact of HE business start activity needs to be more thoroughly understood. Collectively Universities in general and Northumbria in particular are able to contribute significantly to the business stock on the region and city region.

- Northumbria has already made a statistical impact on the stock of SMEs this over a 5 year period
- Data is difficult to gather and some research has already been done, however we need a more systematic evaluation of what the net impact on region's economy actually is –what companies are coming in, how new start businesses migrate and grow in the region beyond initial start, what effect it is having on sub-regional / regional performance and the criticality of HE enterprise to this process and how HE can better engage with the regional plan

#### Forward strategy and focus

##### Future

The second phase enterprise strategy is been prepared and agreed and is based on evolving onwards from what has been achieved under phase 1. The key features are:

- Curriculum
  - o Focus on higher level and post graduate study
  - o Built around vocational study area of learners
  - o Bespoke to disciplines
  - o 1000+ learners per year / 100+ post graduate
- Enterprise start up support
  - o Continue initial enterprise support

- o Support for companies trading for 1 or 2 years needing capitalisation and larger scale employment support
- o Support for sustainability for potential high growth companies
  - Regional / Hatchery & Incubation
- o Extend sub-regional positioning based on existing arrangements
- o Extended partnerships with local authorities and other partners
- o Network building of specialist support building on existing relationships (finance, legal etc)
- o Partnership with Entrust on New Enterprise Scholars
  - Spin out
- o Continuation of stage 1 support
  - Student interns / Alumni
- o To be continued

A number of development issues are identified:

- The need to build on LA and sub-regional structures to embedded start ups
- Taking a more focussed approach to curriculum development including reporting and understanding curriculum development in a more sophisticated way
- Better understanding how process of progression is enabled

The anticipated impact will be:

- Curriculum diversity
- Core services and relationships established
- A further strategic review and revision in 3 years fundamental when there is a curriculum presence in all schools, extended hatchery provision and more formal regular links with LAs etc



It is expected that over a five year period this strategy will lead to the current Enterprise arrangements being embraced within a wider framework for autonomous self directed learning

#### Effect of reduced funding

Northumbria is committed to moving forward with its second phase strategy. Reduced funding will however have an impact. This would be as follows:

- Enterprise in the curriculum would continue and there would still be some innovation. The issue would be around capacity and enabling self generated momentum
- With respect to start up this would be rationalised to basic provision, limiting the range of services offered
- Other sources of funding will be sought for its activities - particularly investment for enterprise as training and internally as part of work undertaken with particular schools hardest hit by the current downturn such as the built environment
- ONE funding has enabled extended capacity and significant movement, reduced funding will affect capacity and in time momentum

With less funding the team would concentrate on core business, undertake less development and innovation and then in time less business.

## University of Sunderland

### Input

- Interview with David Donkin
- Interview with Angela Forsyth
- Desk review covering: ONE project documentations, performance and strategy documentation
- ONE Business case – Enterprise Support Sunderland 2006

The starting point for Enterprise Support at Sunderland University (2002/06)

Sunderland University had received funding for enterprise prior to the 2006-09 ONE / HEIF funding. A range of activities had been undertaken which included:

- An existing enterprise support framework which was graduate focussed and included learning for enterprise, practical enterprise support for students during courses of study (the Hatchery), incubator support on graduation (Creativitiworks), access to first commercial premises (St Peters Gate) business development support for researchers and academics and intellectual property rights advice for staff and students
- Some activity in the curriculum in the Business School, available to students in other Schools
- a general business plan start up module.

A Masters in enterprise in biotechnology run by a scientist who also had a business (brewery)

- A variety of skills programmes involving external professional partners (accountancy, tax, legal etc)

By 2006 there had been some experimentation in providing enterprise education and a deepening of experience, but little was fully embedded and enterprise activity certainly wasn't sustainable without external funding.

The fundamental objective was to use HEIF / ONE funding to position and embed enterprise as part of the strategic agenda of the university, building capacity to embed an Enterprise Support Framework across the institution.

Some core objectives and goals were agreed:

- To explore the role enterprise plays in the development of attitudes, skills and capabilities of individuals
- Gain greater understanding of what makes enterprising graduates and how the university can teach entrepreneurial behaviour
- Increased enterprise support capacity within the institution, including staff development, better planning of resources, curricular development and better equipped incubator space
- Contribute to increased diversification of the City of Sunderland economy by increasing the birth rate of knowledge based businesses particularly in ICT and software related fields under the 'Software City' and NTI initiatives
- Develop more entrepreneurial graduates, better prepared for employment in regional companies
- Complement and support other enterprise initiatives within the City of Sunderland to contribute to a holistic enterprise support service for the City

The direct results would be:

- 2.5 jobs created
- 90 businesses created
- 90 businesses supported
- 25 knowledge based businesses supported
- Leverage of £670K against ONE £670K funding
- 250 people participating in skills programmes

The programme of activities would be accessible to all staff and students in the university but would also include non accredited enterprise learning opportunities and events open to residents in the region and the university's alumni.

The programme would build on existing strong links with Business Link and a partnership between the University the NE-Business Innovation Centre and Sunderland City Council which had already established 'Science Park' status for the City and introduced New Entrepreneur Scholarships to support business start in some of the most deprived wards in the City. It would also build on the New Ventures project (2003) carried out in partnership with Newcastle University and Northumbria University and funded by Business Link.

An existing team and delivery structures had been established. Funding would be deployed to enable core staff to be maintained on a sustainable basis and added to as appropriate.

#### Strategy and intent

In reviewing progress the emerging strategic position at Sunderland can be described as follows

- The University now sees enterprise as a main point of interest seeking to provide the best opportunities it can for students to become enterprising graduates and regarding being enterprising is a core skill
- This commitment to enterprise and entrepreneurship is a shared agenda. Civic engagement is central to the University's positioning and strategy, and enterprise and entrepreneurship is a key part within that mission and of the university's engagement with its core partners which include Sunderland Local Authority, the Regional Development Agency, and the Business Innovation Centre (enterprise agency of choice).
- Because of its civic mission, the university also ensures enterprise is supported where immediate economic impact is less obvious, for example, in areas such as healthcare, the arts and social enterprise. The Framework for Enterprise supports this, creating enterprise interventions that support a 'pipeline of ideas' and allows for many different types of outcome, not just business start ups.
- The Framework for Enterprise also seeks to raise awareness of the potential for the exploitation of ideas and knowledge so it is considered by all the possible sources of ideas – students, staff, and alumni and encourages the development of ideas as a normal part of academic activity.
- The University actively seeks to understand how it fits with City and City Region's economic agenda and how it can better contribute to it. Central to this

is gaining clarity on what is and what is not core business and therefore what the university should support and deliver and what partners should support and deliver in practice. Stated simply

- o Higher level skills development and research is the core business of the University
- o General business startup outside of the University community is not core business and but the University seeks to support partners in this aim.
- o Civic responsibility and regeneration are shared agendas with the core partners
- Position on enterprise has now become much clearer
- o Where enterprise fits with their higher level skills agenda for students and graduates it forms part of the university's core business
- o Where enterprise activities are part of a shared agenda (regional regeneration etc) and partners are prepared to invest into this the university would align its activities in areas where it is best able to contribute
- o The university now seeks to differentiate and focus its activity rather than duplicate the work of its partners
- o There is some staff spin out activity but this is relatively limited (3 businesses in 3 years). However, for the most part business start-up is related to student and graduate activity and is not 'IP rich' but more likely to be related to 'know-how' and specialist knowledge and skills. Start-up support falls within the civic mission of the university and therefore, it does not seek to gain a return from business creation and doesn't hold equity in new businesses.
- Enterprise and business start activity is now supported by a complex mix of funding and increasingly is becoming embedded. It therefore is now seen as an important component of the Memorandum of Understanding between ONE NorthEast and the University.

#### What was done

Staff and infrastructure to support enterprise activity was already in place. Programme tactics were geared to extend and deepen the range, reach and impact of existing programmes whilst strengthening integration into the wider enterprise agenda in the City.

#### Delivery

The delivery structure was as follows:

- Awareness raising delivered via the University Business Gateway, Opportunities Centre and a range of promotional and awareness raising activities
  - o Students are attracted to take on enterprise related activities via as wide a variety of modes of engagement as possible (beer mat competitions, activity both in and out of curriculum activities, etc)
- Enterprise modules within and outside the curriculum delivered by key academic staff
  - o Students can now elect to do a module relating to enterprise as part of course of study, tailored to their discipline
  - o There has been strong take up by academics and given the open system nature of these activities it is now difficult to say precisely how much activity is going on. We can say that the range is wide, and that some examples of good practice exist.
  - o The University also offers an option to students to do a 48 week placement allowing them to develop their own business as an alternative to a more typical year out work placement, although this has not been taken up widely to date.
- The Enterprise Operations Group have worked to establish a framework of modules that can be adopted by all faculties at three levels with the ultimate goal that enterprise education becomes a feature of all programmes:
  - o Level 1 – Introduction to enterprise and what it means to be enterprising
  - o Level 2 – Faculty specific modules e.g. Professional Practice for Arts
  - o Level 3 – Module focussed on the skills, knowledge and expertise required to starting up a business.
  - o In this way, a development path is created for students to progress along as far as they wish.
- Support for students enterprise related study via a dedicated hatchery
  - o This builds on business start up support by offering hatchery provision to students interesting in taking ideas forward as a result of developing business plans in programmes of study and enterprise modules
  - o Hatchery provides 1:1 development support (enterprise corner in careers / hatchery – hot desk – hatchery in faculty of business)

- Generally businesses which emerge through the hatchery tend to be about services or products of interest to a student/young person market place. Perhaps this is unsurprising given proximity to a large internal student base. There has also been a relatively high number of businesses setup by overseas students with an import/export dimension. The difference in setup rates between home and overseas students has now become much closer.
- Support on graduation via Creativitiworks
  - o This provides hatchery support for alumni after graduation. Full members can access start up space and support in the facility, associate members have their own premises but can access support.
  - o It develops the concept of supported transition
  - o Both the Hatcher and Creativitiworks give licence agreement to use facilities for 6 months at a time.
  - o Having a sector focussed hatchery that is part of an academic faculty, Arts, Design and Media makes it easier to reach students and stimulate interest in enterprise and entrepreneurship. However, institutionally it makes it harder to manage as there can be conflicting priorities between the institution/faculties levels about the extent of support and investment for activity.
  - o A key success factor within Creativitiworks is that it has been led by an individual that has both academic credibility (operating as a lecturer within the faculty) and has entrepreneurial experience through running a gallery
- Support to growing businesses and options to move to commercial premises at St Peters Gate
  - o If graduates chose to go into business, they can then move to incubators in St Peters Gate with step wise support
- Specialist IPR, financial and knowledge transfer advice from (Student Recruitment and Business Partnership) SRBP staff. Staff support:
  - o Business ideas of students
  - o Business ideas of staff
  - o Business ideas of alumni
  - o Business ideas of tenants requiring high quality office space
- Mentoring, advice and support from role models, mentors, entrepreneurs in residence etc

Activities take place across the university and the level of input into the curriculum varies from faculty to faculty . The Business Development Team coordinates but does not control this process. Currently the Business School runs the hatchery and the Faculty of Art and Design runs Creativitiworks. The Business Development Team support commercial premises at St Peters Gate and spin out activity.

#### Leadership and Coordination

This was as follows

- Coordination (by SRBP team) of enterprise activities and links with BIC, NCGE, Blueprint
- Leadership by the Assistant Director SRBP, steering via a university wide Framework for Enterprise Committee which reports to the University Futures Committee

#### CPD

A key element of the University's Enterprise Plan is to provide training to staff in enterprise and entrepreneurship so that it becomes a key element of what they do. This includes:

- o Providing support to enable staff to teach/facilitate the development of enterprise and entrepreneurial skills within the curriculum and programmes of study
- o Supporting and promoting cross-Faculty collaboration in programme development and delivery which enables less experience staff to draw upon the Enterprise expertise of others.
- o The provision of web-based teaching and learning resources and professional development opportunities including access to training programmes and practitioner networks such as UKSEC and NCGE.

Although a range of CPD has been undertaken it is still not clear what the most effective strategies are.

#### Funding



Given this wide range of activity, the university has deployed a complex portfolio of funding to support the enterprise agenda. HEIF / ONE funding has levered further resource (course development, teaching, other funded enterprise activity etc) and whilst it is difficult to place a precise cost on this the full cost of enterprise related activity is much larger over the past 3 years than the £1,340K programme cost. The funding model was as follows:

- Specialist staff paid for out of single programme with a point of focus on enterprise and business start activity
- University now covers cost of internal advice provided to support course development
- Careers advice and specialist advice are funded from HEIF

Specialist capacity and specialist advice (accounts / legal) is funded through HEIF

#### Partnering and regeneration

Core partners are Sunderland Local Strategic Partnership (via its Economic Prosperity Group), Sunderland Local Authority, the BIC and the University. Interventions are based on an alignment of activity in which each partner/funder brings and aligns their distinctive capability. The university contributes an infrastructure for enterprise and capacity and capability for working with learners with higher level skills.

The key in providing effective partnership support is referral to those parts of the partnership system best able to provide appropriate support. In practice the university refers start up businesses to wherever is best for them, offering a range of pathways to progress through (Business Link, NSTAR, BIC, etc) recognising that this what the businesses will do anyway and their survival is the most important outcome. While this may work for the businesses a funding emphasis on counting outcomes can become a practical problem, affecting relationships and sometimes mitigating against an effective referral process.

- A Sunderland Software City Hatchery is planned, which has its own separate funding. but will - come under the University Enterprise Support Framework

#### Alumni

There has been some activity to strengthen alumni involvement but this has not been formalised and there is little development in this area as yet.

## Evidence of performance and impact

### Performance

Outcome	Target	Actual	Comment
Jobs created	90	59	Further monitoring for 12 months
Businesses created	90	48	
Business supported	115	168	
Knowledge businesses	25	32	
Leverage	£670K	£670K	
Skills	250	701	

### MILESTONES DATE COMMENT

Development of new post-graduate alumni initiatives December 2006  
Postgraduate programmes established that contribute to self employment and business start-ups are MA 3D Design Innovation, MA Animation and Design, MSc Software Design, MSc Enterprise in Biotechnology, MSc Tourism and Events.

Development of software development programmes December 2006  
The MSc in Software Enterprise is aimed at graduates who are intending to start a software enterprise. It will provide students with the necessary software and business development skills, as well as the knowledge and motivation to develop their own enterprise.

MA in Animation and Design covers issues of freelancing and self employment in the film, special effects, games, independent film and computer industries.

Update enterprise strategy for the University March 2007  
An enterprise strategy has been drafted and is being considered by Futures Committee for introduction in Academic Year 2009-10

Identify and plan response to specific enterprise needs of software development companies July 2007  
A course designed in partnership with the NE-BIC

has been running with the aim of providing the initial business ideas to be developed in the software hatchery. A total of 22 students were initially recruited to the project which began with a session to cover ideas generation and creative thinking. Workshops then included down to business, sales and marketing, understanding accounts and the business plan. Nine students successfully completed the programme and are serious about considering the possibility of starting a software business utilising the services of the software Hatchery which will open in May 2009.

Review and revise provision of hatchery and incubator space at the University  
 October 2007 Incubator space is offered at the Hatchery (Business School based), Creativitiworks and St Peters Gate, with support from dedicated staff and access to expertise from professionals such as accountants and lawyers. In 2008, the idea of a Software hatchery was also put into action that would be established under Software City.

Encourage creation of more science based businesses December 2007  
 November report indicates they explored ways of including science students more directly within the Framework for Enterprise.

Report of what makes enterprising graduates March 2008 To be completed

Report on specific needs of new software based businesses July 2008  
 To be completed

Conference on best practice in university enterprise education December 2008  
 To be completed

Evaluation of programme against lessons learned and best practice from regional, national and international perspectives March 2009 To be completed

#### Other evaluative evidence

HE-BCIS data indicates from 2005/06 to 2007/8 that the number of graduates starting up businesses in any one year has gradually increased from 18 to 21. However, the proportion of those surviving 3 years has doubled resulting in the number of active firms increasing from 24 in 2005/06 to 45 in 2007/08. In terms of economic impact therefore, these firms produced a collective turnover of

£880K in 2007/08 compared with £250K in 2005/06 and in terms of the employment created this has increased from 30 FTE to 64 FTE respectively.

## Impact

The end result of the past three years of enterprise activity is that enterprise is more formally embedded, more mature, meeting a higher level of demand than before. The university is increasingly clear on what is, and what is not, its core business. As a result enterprise activity will continue, guaranteed at current levels to the end of academic year with a follow on review on where to go in the next two years using HEIF to take this forward.

Some key outcomes can be identified:

- Enterprise is now written into academic strategy and the mission statement and is therefore highly sustainable – it has become part of the fabric of the university. This marks a shift in hearts and minds to a long term commitment where it is built into academic strategy.
- The ONE investment resulted in links being established across those working at an operational level, delivering services and support that were previously independent. The Enterprise Operations Group have worked together to develop the framework for enterprise. A ‘bottom up’ approach has meant that the enterprise strategy for the institution has been informed by the activity and input of this group.
- Experimentation has become embedded and is stable particularly in culturally creative media businesses
- 90 businesses have been created and whilst there aren’t many companies which show meteoric growth most businesses do survive to a stable 3 or 4 person business
- Infrastructure in the university is established and positioned alongside that of the BIC and the Local Authority

## Lessons and reflections

In reviewing progress a number of issues and reflections were identified:

- There is some tension and subsequent balance between centralised and decentralised activity. The existing developments across the curriculum indicate a generally decentralised approach but certain expertise (e.g. business development) is best located centrally. Further work is needed to understand the extent to which in a curriculum sense business start is context specific or context free. That said some working principles are emerging:
  - o Enterprise support needs to be as close as possible to the source of development - business school, creative businesses from art and design etc
  - o A centralised specialist support is needed once businesses ideas start to form
- The Enterprise Framework could benefit from leadership by someone with a track record in supporting graduate enterprise at a strategic level
- There appears to be no clear link between outputs (where and when businesses start) and participation in enterprise modules
- Enterprise has grown well in areas where there is a direct link to nature of follow on work and where there are low barriers to entry (knowledge capital, creativity)
- There has been least success in science than in other areas (almost certainly because of the high cost of entry to new business starts in this area). However, the University is considering providing laboratory space within a redeveloped Science block dedicated to those who wish to pursue business start-ups or self-employment in a Science related field.
- The environment in which enterprise support is given has changed:
  - o North east is a different environment now – greater access to venture capital etc – enterprise support environment is generally a lot better
  - o There is a constant need to address value for money models
- The strategic driver was what could be levered with HEIF funding to create an investment portfolio to do something significant and with continuity. The flexible funding provided by ONE has enabled real development to take place inline with the university's mission and goals. This has been a real success. Relatively small amounts of money with the least encumbrance are considered to achieve the greatest amount of impact and benefit. We need to constantly recognise the distorting impact of targets.
- Working in partnership to take forward a shared civic mission is central to Sunderland's strategy. The key to success lies in partnering properly with other initiatives and identification of which activities can the university is best place to engage with.

Good practice from Sunderland includes:

- Areas linked to creative activity including the Glass Centre
- Other areas of good practice include the university working with its partners to use neighbourhood funding to take enterprise into deprived communities

#### Forward strategy and focus

The University has consolidated and embedded its enterprise support framework. Enterprise is written into academic strategy and in this respect is both stable and sustainable.

Enterprise activity is guaranteed to continue at current levels to the end of academic year with a follow on review on where to go in the next two years using HEIF to take this forward.

The most likely impact of reduced funding would be to scale back and be more efficient in delivery, streamlining activity to make savings.

#### Annex 1 – Input documentation

ONE Business case – Enterprise Support Sunderland

Sunderland University Enterprise Plan

Sunderland University Enterprise Funding Expression of Interest

Progress Report – June 2007

Progress Report – April-September 2008

Progress Report – October 2008 – March 2009

## University of Teesside

### Input

- Interview with Karen Clegg, David Pratt, Eileen Wicks
- Follow on focus group with Eileen Wicks, Neil Hannah, Sue Clark and some incubator users
- ONE Business case – Enterprise support Teesside
- June 2008 progress review
- NGCE Entrepreneurship survey
- Enterprise Support Project Activities
- Academic Enterprise Team Structure
- Teesside University Consultancy Policy Review
- Teesside University Business Engagement Strategy
- Teesside University Enterprise Development Programme
- Desk review covering: ONE project documentation, programme, performance, strategy and evaluation documentation

### The starting point for Enterprise Support at Teesside University (2002/06)

At the onset of this programme Teesside University had been the first University in the region to establish a Graduate Incubator facility via a European funding programme investment of £28m. It had a working Enterprise Strategy which committed the university to a range of targeted initiatives to support productivity, competitiveness and growth of local and regional SMEs. It also had an existing range of other related programmes and activities which included:

- Institute of Digital Innovation linked to Digital City, a key area of expertise and prime generator of new business. Single programme funds supported Digital City support with start up and incubator space provided by the university's enterprise infrastructure
- Knowledge House to complement consultancy and other businesses support. This project focussed on developing the commercialisation expertise of staff



- Coaching and Understanding Enterprise (CUE) was designed to generate demand for one to one support provided by this project
- An ESF / ERDF (£12m) programme for graduate business start and knowledge transfer
- And a range of other Single Programme initiatives: (LSC Enterprise Women, Bridges into Entrepreneurship and Entrust Graduate placements, MSc Enterprise Management, Centre for Entrepreneurship, Food Technology Centre, Raising Aspirations in HE)
- Track record of working closely with Business Link, effective referral mechanisms, BL Adviser on campus.

ONE funding enabled the University to enhance and further develop activities identified under its enterprise strategy and funded from HEIF. Single programme funding was predominantly used to support:

- Direct training
- One to one mentoring and specialist support
- Support for the commercialisation of research

The activities were to be underpinned by a promotional campaign aimed at raising awareness of enterprise amongst staff and students.

The University also saw an opportunity to further develop the social enterprise agenda, employing a consultant to develop opportunities in this area.

#### Strategy and intent

Fundamentally, by 2006 Enterprise Support was very active and but had focussed its services around the investment in facilities. The new HEIF/ONE funding provided an opportunity to develop this further as a general service across the university. HEIF/ONE funding would add to and extend existing enterprise activity creating critical mass focused on:

- Graduate Enterprise: via business and mentoring support and an alumni network
  - o Dedicated support for graduate business
  - o Alumni network to develop stronger links with successful University alumni to encourage relocation to the region and provide strong role models for aspiring businesses
  - o Mentoring support using business leaders as guides and mentors

- o Outsourcing of professional advice and guidance
- Commercialisation of research and innovation via professional support, training and access to small scale funds for idea development to support spin out ideas from academic staff ( a developing area for the university)
- o Dedicated support for spin out and commercial activity
- o Commercialisation programme supporting individuals with commercial ideas
- o Enterprise development fund to encourage and support staff with commercial ideas to take them forward
- o IP protection fund to support design and copyright applications
- Social enterprise via work with groups and individuals to develop social enterprise as engines for local employment

The result would be:

- Increased enterprise support capacity within the institution, including stronger commercialisation focus and a more embedded staff development programme
- Integrating and embedding of related enterprise activity within the university
- Improved levels of business support to new start ups
- Development of specific actions around social enterprise
- Higher levels of entrepreneurship amongst young graduates

The precise outputs were:

- 54 jobs
- 44 businesses created
- 19 businesses surviving 21+ months
- 44 knowledge based interventions
- Leverage of £694K
- 120 Skills

What was done

Delivery

The project focussed on business start up activity with the objectives of:

- Delivering high quality premises and support for graduate start up
- Increased capacity of central and academic school support teams to enable the commercialisation of innovation
- Promotion of high growth business creation through targeted investment based on particular areas of expertise within the university
- Development of support services for social enterprise

Activity took place through a number of interrelated strands as follows:

Enterprise Development Programme

This was achieved via a comprehensive programme of staff development open to all staff and students. The programme is aimed at anyone who wants to learn about business enterprise and includes a wide range of workshops designed to encourage enterprise activities and initiatives. The 2008 programme has 5-8 events every month throughout the year and includes:

- Business awareness
- Summer Schools
- Invent a business (5 day course)
- Business development
- Coaching and mentoring

And, for University staff:

- Tips for university consultants
- Knowledge transfer partnerships
- Enterprise in the curriculum
- Productisation

The programme is underpinned by a well targeted marketing and promotion campaign and seeks to generate learner and academic engagement in Enterprise.

It provides a mechanism through which the enterprise curriculum is initiated and supported and the means by which initial interest in business start and commercialisation of innovation is also enabled. It links to the Blueprint business plan competition.

Follow on interest is enabled through a range of other support activities including:

- Coaching and understanding enterprise support for academics
- Enterprise curriculum development
- Business start support
- Enterprise Development Fund
- Graduate Business Enterprise Unit
- Incubator and hatchery facilities
- IP Protection

Interventions in the curriculum in terms of awareness raising sessions and skills development sessions within discipline specific modules and jointly supporting the development of discipline specific enterprise modules (Arts and Media, Computing, Science and Technology) are being increased through the work of the New Business Manager. This activity is seen as critical to reaching a wider range of students. The first point of contact in establishing these opportunities is through the Associate Deans for Enterprise in each Faculty. Initially the priority was to reach third year students, but now they are trying to get a wider coverage, accessing students at all levels. This 'bottom-up' approach is supported by the implementation of the institution's strategy for enterprise and all academic schools are set KPIs in relation to enterprise that they are required to report on.

#### Business Start Up Support

Start-up support is provided by the Academic Enterprise Team linked to a network of specialist advisers. Initial enquiries are supported by access to an adviser (first port of call) offering support and signposting. The programme is offered to students, graduates and staff. As ideas develop the individual is moved on to the business support programme with access to a pool of advisers able to provide specialist support and this is delivered in conjunction with Digital City.

#### Graduate Business Unit

The infrastructure established through Single Programme funding included an Enterprise Centre, Incubation facilities, a Hatchery and mentoring support for new business start-ups. ONE funding supported the continuation of this work. ONE funding supported mentoring and specialist support for new business development.

The unit provides hatchery and incubation facilities for new businesses. Occupancy is on a commercial basis and a maximum of 15 businesses are supported each year. Businesses can stay for a period of up to 18 months. In addition this is now complemented by a virtual incubator facility (free training and membership, social networking and payment for reception, postal, etc). This virtual facility has 7 new businesses in the pipeline with 2 more possible.

In addition to the main business incubator in the Victoria Building there is additional incubator space across the campus in the Innovation Centre and in King Edward Square, there is no sector/discipline focus for these different spaces, but placing of businesses depends more on the size and scale of the business. In the longer term, the strategy would be to house all incubation in the Victoria Building as there is recognised value in creating a community of start-ups – resulting in inter-trading, business referrals, peer support, networking links etc.

In terms of the culture within the incubator, whilst some rules and regulations are necessary to set the ‘rules of engagement’, these are kept to a minimum, enabling the support to remain flexible and able to respond to the constantly changing needs of the clients.

Users of the incubator do not have to be Teesside graduates, or graduates at all, though any user has to provide a business plan and presentation to a panel to justify their needs, to ensure the idea is well developed and that users are committed to developing the business. There is no other incubation support in the Tees Valley (that they are aware of?) so they have a broader remit compared to other North East Universities.

The Graduate Incubation Facility was awarded the UKBI kite mark, was highly commended in the UKBI national awards 2007 and an award winner in 2008.

#### Enterprise Development Fund

The Enterprise development fund was established to support commercialisation of research and innovation. It supports the spinout of opportunities identified by academic staff. The fund provides a small flexible resource to support academic enterprise development. Funding can be accessed through a bidding process for curriculum development and market research projects. A panel meets regularly to review bids and oversee project development. By March 2009 the fund had supported 21 completed projects, 9 live projects and a further 7 which were

under development. The University has a commercial stake in each venture taken forward.

Examples of recent projects include:

- Consulting and accreditation for organisation development in the health sector
- Jazz – A creative approach to business
- Online tutorial system with adaptive difficulty
- Postie – redesign of post bags
- Latex Iris – linked to the School of Art and Media's MA Design course – market research testing of product design concept

The EDF is also used to provide IP protection. A panel sits regularly to award IP Protection on a short term commitment (1 year). If the idea is not further developed within the year then protection is dropped. Where ideas are taken forward return on investment is to the Enterprise Development Fund.

#### Mentoring and Advice network

The full programme of activities is underpinned by a mentoring and specialist adviser network. A comprehensive recruitment and commissioning process was undertaken to establish a pool of external specialist expertise, able to offer tailored support to each new business. Consultants took part in a detailed induction process with ongoing networking support to ensure a seamless service to the new start businesses.

In addition to these commissioned arrangements the university has maintained close partnership links with local partners and has a good working relationship with Business Link who have an adviser located on campus.

#### Marketing and Promotion

Marketing and promotion is critical to the delivery strategy at Teesside, with regular high quality campaigns taking place. The regional Blueprint competition is a key annual feature, but the university also produces a range of well presented support materials including the annual Enterprise Development Programme and a range of other case study material.

## Social Enterprise

Initially a consultant was appointed to develop social enterprise opportunities in conjunction with the universities outreach programme. After a year of activity it became clear that costs far outweighed the benefits of the programme. The decision was taken to cease the outreach programme and integrate advice for social enterprise as one of a number of business start vehicles into the wider advice and mentoring service offered by the Academic Enterprise Team

## Leadership and Coordination

Primary responsibility for entrepreneurship lies at Vice Chancellor level. This Programme is overseen by the Director of Academic Enterprise and a Project Management Team based in Academic Enterprise which includes a Project Manager, Finance, Regional Office and Project Administrator. The Project Management Team reports into to the University Management Enterprise Committee as a component of the wider managing enterprise portfolio.

Project delivery is undertaken by the Project Manager and Team working with Assistant Deans Enterprise and Business Development Managers in Schools on a regular basis

A key feature of the approach at Teesside is the focus in quality systems, Customer First, and performance management. Internal coordination and management emphasises improving the effectiveness of core processes, Customer First service delivery, and on-going evaluation, strategic assessment and benchmarking are all used to drive up quality and programme performance. Performance is recorded against HEBCIS KPIs and used to monitor the effectiveness and impact of programmes. The approach is commercial and value for money assessments and return on investment included in the assessment of services.

The Department of Academic Enterprise team structure is as follows:

## Funding

The University matched £753K of its HEIF grant with £670K from Single Programme funding to create a pool of funding worth £1,423K over 3 years. Funding was deployed primarily to support:

- Salaries
- Consultancy costs and costs of specialist external expertise
- Enterprise Development fund
- Marketing and promotions costs

## Evidence of performance and impact

### Performance

By October 2008, performance on targets was as follows:

Output Indicator	Target	Actual to date
Jobs created	54	54
Businesses created	44	44
Businesses surviving 12 months	19	23
Businesses Advised	0	82
Total levered	£649k	£649k
Skills	120	327

### Milestones

Date	Comment
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March 2007	Achieved
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First 10 enterprise development awards to staff June 2007      Achieved

First social enterprise supported      March 2007      Social enterprise incorporated into IAG provided by the Academic Enterprise Team

Progress against goals and milestones was similarly strong. A recently completed profile of entrepreneurship in Teesside University has enabled the university to benchmark its activities more widely. Examples of the profile statements include:

- All facilities and disciplines have their own entrepreneurship policies and plans.
- 7 curriculum areas have written plans and 6 have appointed entrepreneurship champions.
- 2 curriculum areas offer in-curricula entrepreneurship courses (Business studies and Food Industry).
- 10-15% graduates undertake some form of entrepreneurial experience during their time at university
- 200 students are estimated to take part in entrepreneurship activities each year
- 50% staff have some form of entrepreneurial experience
- Examples of wide ranging partnership activity

Other evaluative evidence

Consultancy policy review

Between January and March 2009 the Department of Academic Enterprise undertook a review of the impact of the consultancy policy and framework. The consultancy framework was established in July 2007 primarily to: define and clarify what is considered consultancy; outline appropriate and consistent income; develop appropriate protection for staff and the University; and to recognise consultancy activity.

Selected headline findings

- The total numbers of consultancy projects increased from 93 in 2006/2007 to 122 in 2007/2008 – an increase of 31.18%
- Income from consultancy also increased by 36.38% - from £324,675 to £442,805

- Although conducting a decreasing number of projects, the enterprise units achieved the highest income in both years
- The number of individuals involved in consultancy rose from 33 in 2006/07 to 68 in 2007/08
- The chief drivers of consultancy are financial motivations, professional development opportunities, industry engagement and enhancing teaching and research activities
- Half of the consultants involved explicitly stated that the policy had greatly influenced their decision to undertake consultancy projects
- Processes and procedures are generally praised following some initial difficulties, with some areas for improvement highlighted
- Increases in customer satisfaction ratings have been observed since 2006, highlighting the improvement in the quality of delivered consultancy

Reflections include:

- Clarification of both UTEL's role and the utilisation of funds distributed to UTEL and Schools is required to allay misconceptions over its use
- Awareness and interest in consultancy must be sustained through the various internal promotion options to embed consultancy in the University culture.
- Consideration over the role of consultancy in academics' workloads and the classification of consultancy, whether routine or innovative knowledge transfer consultancy is a priority, should be considered.
- Whilst there is no consistent income distribution model across the higher education sector, the current model is broadly in line with that in operation in other universities.
- The income distribution model should be as clear and simple as possible to avoid deterring potential consultants from carrying out activity.

#### Beneficiary Feedback

A number of beneficiary businesses (3 with 4 people) currently using the business incubator were interviewed:

- Attention Design
- Sisters wardrobe

- Mango studio

Whilst one of the four had completed a degree in Fashion and Enterprise, the other three had no formal exposure to enterprise in the curriculum, but they had attended courses on the EDP.

Interestingly, they are aware that since they graduated more enterprise activity is occurring within the curriculum and they are being invited back as role models to tell their stories.

- Three out of the four users gave the incubator a rating of 10/10 in terms of the overall level of support and struggled to find fault with the support and guidance they had received.
- This positive response was largely placed on the personal support they gain from the team who are based in the incubator. Whilst users can make an appointment to meet with the support staff, it is clear that staff make themselves available for informal queries and chats and that the 'door is always open'.
- Support staff in the incubator are seen as 'critical friends' and will provide extra support when needed e.g. mediating splits between business partners
- Users also placed a strong emphasis on the value of a community of support between businesses. They were strongly in support for the development of a social area in the incubator that would facilitate networking further.
- Three out of the four felt they would have started their businesses without university support but that they probably would have done so outside of the region and would have returned to their family homes.
- Areas for improvement that they identified were a clarification of roles and 'who does what' within the incubator support team, and the need for a full time receptionist as a first point of contact.
- The issue of signage of the building impacts on the visibility of the incubator and impacts on the profile of the businesses supported.

## Impact

Key features of the Teesside programme strategy were:

- Exploitation of the Graduate Incubation facility
- A far reaching programme of CPD design to stimulate enterprise activity

- Integrated specialist support through a network of external specialist service providers and close relationships with Business Link and other key partners
- Enterprise Development Fund to stimulate and support commercialisation and entrepreneurial activity
- High quality marketing and promotion
- Internal coordination and performance management which emphasised the effectiveness of core processes, Customer First service delivery, and on-going evaluation, strategic assessment and benchmarking used to drive up quality and programme performance

As a result of this strategy the Academic Enterprise Team assess the current situation as follows:

- Academic Enterprise is now integrated into business engagement strategies and is included as an integral part of a wider vision for responsive business solutions which also encompasses Knowledge Transfer, Knowledge Transfer Partnerships, Training and Enterprise solutions. In this new arrangement Account Managers support both business and new business (enterprise) clients.
- Structures for enterprise are aligned and work well together resulting in a mature enterprise environment across the university
- Enterprise has become an integrated part of the culture change programme in the university and will be integrated with corporate CRM system
- With respect to enterprise there is a clear offer, underpinned by effective processes and changing academic practice
- Through the UNIS4NE Enterprise Committee there are better relationships with other universities
- Capacity in the university has improved
  - o The Academic Enterprise Team are better able to exploit and sustain infrastructure for enterprise
  - o Relationships with Business Link (BL) are better
    - Access point on campus
    - Joint training with BL account managers
  - o Demand for training continues to increase and this has been enabled by the greater degree of freedom of it not being an academic programme that

enables more flexibility, more innovation and experimentation, and the ability to tailor training to need.

- o There is investment in IP though NStar
- o Better use of marketing and promotional material
- o Evaluation and monitoring is used now to drive change
- Feedback from monitoring data is used to modify and support programme development

#### Lessons and reflections

Experience at Teesside offers some interesting lessons and reflections.

Existence of a well developed infrastructure at the start of the programme enabled the focus to be on the professionalism of service and the quality of enterprise activity. This has been backed up by a range of exemplars of good practice:

- Enterprise Development Programme
- Partnering with BL
- Management of EDF
- Commissioning model for external suppliers
- Constant evaluation used to drive performance improvement

The success of this professional approach can be seen in the positioning of enterprise within the new business engagement strategy and its integration into the business model for a new university culture with CRM across the board and service to business at the heart of the University's mission

Not everything worked. The approach to Social Enterprise did not work as expected and as in other universities the engagement of alumni proved more difficult than expected, especially where it related to new business as a result of returners to the region. Nevertheless the business like approach and strong performance management culture meant that these issues were identified early and alternative arrangements were developed. In addition, there was investment into software programmes for diagnostic purposes with business start-ups or to develop business skills. There was a perception that these would appeal to young students and graduates. However, feedback from users was

that they preferred face-to-face interaction to gain support and advice, i.e. business is about people.

Other reflections were offered including:

- The need to better engage with academics. Enterprise is now included in the induction and recruitment process for academics. The degree to which enterprise activity is embedded increases all the time as visibility in the curriculum increases.
- Integration of workforce development and enterprise activity within the joint Business Engagement strategy
- The make / buy decision relating to Graduate Incubation. This could be bought in but is this best solution?
- The real additionality of these programmes is demonstrated through the contribution of a significant number of high grade new businesses to the region's stock from the business incubator.
- Through increased curriculum interventions, the EDP and marketing strategies the incubator houses a wider range of business types and 40% of these are run by women. This was seen as a key achievement from an environment a few years previously which was very male dominated and strongly focused around the gaming/computing sector.

Forward strategy and focus

Forward strategy on enterprise will be taken forward as part of the University of Teesside Business Engagement Strategy. This is currently in draft form and the focus is on an integrated strategy for the university which:

- Supports regional regeneration
- Provides comprehensive business solutions to all the universities customers
- Encourages and informs teaching and learning to support innovation and entrepreneurial endeavour
- Offers financial and career opportunities for staff and students
- Assists staff recruitment and retention
- Generates income for the university
- Informs the applied research strategy

A continuum of workforce development activities has been identified.

Adoption of the strategy will be accompanied by a real culture change in organisation and delivery focussed on a more entrepreneurial culture, robust ways of working with partners, performance improvement and performance management culture, strategic alignment of business engagement with the university's strategic mission, association of business engagement strategy and academic and research strategies.

The strategy is predicated on 11 strands of action:

- Growing the business engagement culture
- Developing capacity and capability
- Integrating and embedding business engagement
- Creating a business solutions approach
- Providing guidelines for staff in business engagement activity
- Developing strategic enterprise partnerships
- Delivering a high profile marketing strategy
- Establishing high quality facilities and infrastructure
- Developing appropriate products and services for the business market
- Providing effective operating and management structures

- Promoting company formation.



# APPENDIX 2 – APPROACHES TO ENTERPRISE IN HIGHER EDUCATION

The NCGE models illustrated below indicate the different approaches that HEIs can take in addressing the enterprise in higher education agenda and their characteristics:

## **MODEL 1: The Fully Integrated and Embedded (Optimum) Model**

- University wide application of entrepreneurship teaching
- Joined with office of technology transfer
- Innovative pedagogical support for every department
- Life-long learning approach in all departments
- All departments and subjects covered
- Emphasis upon interdisciplinary teaching, degrees and centres.
- Professorial status for Research and Development excellence.
- ‘Development’ sabbaticals for staff wishing to commercialise IP
- Professors of Practice, Adjunct Professors, Visiting Development Fellows
- Entrepreneur teams invited in to harvest ideas
- Social integration of entrepreneurs and status awarded to them
- Entrepreneurship as an office of the Vice-Chancellor
- All activities academic led but in partnership with external stakeholders
- Research and development activity rewarded in all departments
- Active Stakeholder participation with university staff in joint ventures
- Open approach to intellectual property and investment in university ventures
- Staff of departments trained to develop and offer entrepreneurship courses

## **MODEL 2: The Intermediate – University Led Model**

- A specialist centre, university owned but adjacent to the university
- Headed by University professor
- Programme and pedagogical development/emphasis
- Development of specialist entrepreneurship programme offer to all departments
- Offers of staff training
- Centre established as stakeholder partnership
- Staff appointments open to external stakeholders
- Harvesting departmental staff who wish to engage in entrepreneurship
- Joint ventures and programmes with science park and technology transfer processes
- Engagement with panels of entrepreneurs to encourage linking with departments to harness technology

- Links to business support services and venture capitalists

**MODEL 3: The External Support Model –Stakeholder driven**

- A specialist centre, stakeholder owned but with university participation.
- Headed by business executive
- Located alongside technology transfer or science park activity
- Training programme offers to departments.
- Counselling and business support services offer to university staff and students
- Promotions and other activities
- Joint ventures with science parks and technology transfer agents
- Engagement with the entrepreneurial and stakeholder community
- Partnerships with interested academic staff