

iFactory West Case Study

CASE STUDY

INTRODUCTION

iFactory West was a tailored business and innovation support programme aimed at small and micro businesses that had ambitions to grow, compete and succeed. The programme offered an opportunity for growing businesses to receive expert business support with access to innovation experts to help them realise their growth objectives according to an agreed Action Plan. It provided a mix of innovation auditing, specialist consulting, technical support in a menu format to suit participant needs.

Following funding approval through the LEO Competitive Fund, the iFactory West Programme was launched in August 2017 and rolled out across Galway, Mayo and Roscommon, delivered over a 16 month timeframe, including recruitment, implementation and evaluation stages.

The programme was proposed to address key issues for scaling enterprise in the region, including:

Lack of management skills, and scaling capacity

Inadequate liquidity

Lower growth rates, including employment growth

Poor selling & marketing ability

Challenges in researching/accessing export markets

Lack of regional balance

Low levels of innovation

Lack of strategic planning

CHALLENGE

iFactory West was set against the backdrop of some key challenges for the regional economy including:

- Lack of management skills, experience and know-how;
- Poor selling & marketing ability;
- An underestimation or lack of knowledge on competition;
- Lack of strategic planning;
- Low levels of innovation including relatively few CSF/HPSU applications to Enterprise Ireland;
- Inadequate liquidity;
- Lesser recovery/business and employment growth recorded than other part of Ireland;
- Lack of regional balance with most growth in Galway compared to the more rural counties;
- Challenges in researching/accessing export markets.

STAKEHOLDERS INVOLVED

- Local Enterprise Development Organisations
- Business Innovation Centres
- Business and Technical Mentors
- Institutes of Technology



Partner

WestBIC



Further Information



Region / Country

Northern & Western Region



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TARGET

Small and micro businesses with ambitions to grow and internationalise

SERVICE OFFER: PROCESS

iFactory West aimed to scale up 30 companies with growth potential across three counties in the West region of Ireland (ten per county) through an intensive innovation programme suited to their individual needs.

- 30 small businesses (10 in each county), to be recruited to participate on the programme over a 12 month period.
- Enterprises to be assisted in a hands-on way to develop new and innovative products and processes, improve sales and marketing skills to upscale their enterprises and achieve their growth potential
- Where possible, support to be provided to identify external sources of intervention, to leverage further support for participating companies, along their business development paths.
- Participating businesses to be provided with opportunities to attend innovation seminars with noted world-class speakers addressing issues highlighted as common among the participants where they will also be provided with opportunities to network and share in potential special interest groups.
- Building on the success of the Cross-Border iFactory West programme, opportunities for cross-border and international collaborations and business potential to be explored to add value to the programme

The desired result was the growth of these companies in terms of product/service and process innovations and jobs to meet targeted growth objectives, through a tailored business support package for each company.

The programme offered participants:

- An assigned individual Innovation Agent to facilitate/manage the process
- A Business and Innovation Needs Assessment
- A prioritised Innovation Action Plan
- Support to deliver the Innovation Action Plan, as required, through:
 - Innovation coaching / consultancy
 - External Expertise/Technical support
 - Signposting/support with accessing external interventions

FINANCIAL FRAMEWORK

iFactory West was a pilot programme funded through the Irish Local Enterprise Office Competitive Fund and delivered by Mayo, Galway and Roscommon Local Enterprise Offices in association with WestBIC and other enterprise and innovation stakeholders as part of the Regional Action Plan for Jobs (West Region)

INNOVATIVE ASPECTS

The tailored / bespoke nature of the mentoring, which responded directly to client's identified needs, combined with ongoing client engagement and a strong client-focused approach.

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CRITICAL SUCCESS FACTORS

Participating companies should be established for a minimum of two years, should demonstrate potential for business growth and must commit to participating in all elements of the programme relevant to their needs.

A key aspect of the programme also involved a client visit to assess their current situation, growth potential and key issues; and to establish some baseline data for measurement purposes at project end (turnover, exports, employment, products etc). This followed a structured format to ensure that relevant aspects of each business were discussed, including:

- Products/Services and Innovation Potential
- Growth Potential & Barriers
- Marketing & Promotion and Innovative Approaches
- Human Resources – Skills for growth
- Finance for Growth

DIFFICULTIES ENCOUNTERED

In general, the programme ran smoothly, including regular liaison/updates with the respective Local Enterprise Offices. A flexible approach was adopted so that new client needs/opportunities emerging during the programme delivery could be addressed within the set timeframe. Almost all participants completed their full package of supports.

Some minor issues did emerge during the course of programme delivery, including:

- Lack of full engagement by some participants which led to some agreed substitution / transfer of supports to other suitable candidates to deliver the agreed programme.
- An extra four months were required to complete the full programme, mainly due to the following:
 - Resource limitations/time constraints for some companies to be able to undertake all of their activities within the initial timeframe
 - Some difficulties with identifying specific industry experts in some cases to meet individual needs

In the end the full programme was delivered, and all set targets were surpassed.

OUTCOME AND IMPACT

Following the successful recruitment of the agreed 30 enterprise clients, the activity moved to the Business Auditing and Action planning for all of the participants.

The analysis of Audit information resulted in the generation of agreed Action Plans for each business, to be undertaken with the supports available through the iFactory Programme, along with signposting to additional assistance appropriate to individual participants.

The Action Plans included a SWOT analysis identifying the key issues and growth potential for each business, and a summary of the agreed activities to be undertaken. These were assigned to project coaches (internal/external) and to external experts with the technical skills to deliver the necessary supports to programme participants.

Participants typically received 12.5 days of direct support, over a 6-12 month period depending on individual circumstances. This was spread across Auditing/Action planning, Innovation Coaching and External Expertise to suit specific needs. In some cases, where a participant did not complete the full programme, the remaining support days were assigned to additional clients recruited onto the programme to fulfil the total project. Of note, at least 20% of participants have retained the services of their assigned external experts to assist them to further grow their respective businesses.

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OUTCOME AND IMPACT

The programme built upon the existing panel of experts from original iFactory programme, with new experts added to the panel to address specific needs. It also involved direct contact third level institutions in the region to inform them of the programme, and to request a list of expertise they may be available from this source to assign to client needs. Linkage with the EBN (European BIC Network) Soft Landings Programme was also undertaken to identify export/international growth opportunities for relevant participants.

At the end of the programme, feedback was received for all participants, to identify progress made over the 12-15 month timeframe of their participation, to give an indication of the growth achieved, across the agreed KPIs Overall, set targets were surpassed, including rates recorded for turnover, employment, product development, investment secured and progression to national supports. There was lesser success with new exports, with the exception of existing exporters who performed well.

However, a large number of companies did research (and access) new markets, including securing their first export orders, which bodes well for future growth potential. Clients were also referred to a range of other supports, as agreed, to receive additional scaling support to suit their needs.

Key Performance Indicators / Metrics	Target	Actual
No. of programme participants	30	32
No. of audits carried out and Innovation Action Plans Developed	30	32
Average Increase in sales figures (existing companies)	10%	+19% (1)
Export sales Growth (%)	10%	+20% (2)
Net Increase in employment (%)	10%	+28.5 (+21%)
Clients developing new products	20%	20 (62.5%)
Clients researching/accessing new markets	N/A	25
Total investment approved / received (18 months)	€500,000	€546,000
Clients progressing to apply/access EI supports	3	4 (3)
Clients signposted to other relevant supports	N/A	13
Other collaborative initiatives / trade shows	2	2 (4)

1 Excludes start-ups with no established Year 1 base that skewed growth rates due to rapid growth in 1st year

2 This includes existing exporters only, as new exporters had no base figure to compare with.

3 A further 3 clients had EI engagement before commencing on iFactory prog, and received further assistance

4 2 events proposed, including special invitation issued to all participants to participate in FutureScope 2018, and Entrepreneurship Award Competition to attend EBN Congress 2018 in Luxembourg.