

# INSIGHT PAPER

## PRINCIPLES OF EFFECTIVE BUSINESS SUPPORT



Having been involved in configuring and leading SME business support programmes for over 20 years, I genuinely believe that the approaches to delivery we have developed with Leeds Beckett University have been the most impactful for businesses I have seen.

**Martin Coats, Chief Operating Officer, Exemplas Limited**



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# FOREWORD

This is the first of a series of Insight Papers co-authored by Exemplas Limited and Leeds Beckett University, charting how our partnership has facilitated the delivery of impactful business support programmes on behalf of West Yorkshire Combined Authority featuring scaled delivery and knowledge exchange to SMEs.

This Insight Paper details the academic and practical experience that informed the design principles of the productivity and growth programmes described in Insight Papers 2 and 3. This evidence-informed approach to designing business support programmes based on academic and practical experience is relatively novel in scaled SME business support programmes and one that funders should consider much more extensively in the future commissioning of provision.

Through the current testing of these design principles in the productivity and growth programmes in West Yorkshire we have been able to further refine these into a Blueprint for the design of future productivity and growth business support activity summarised in our paper “**From Insight to Impact: A Blueprint for Supporting SME Productivity and Growth**”.

This paper will be of particular interest to policymakers, commissioners and stakeholders with an interest in designing and implementing evidence-based approaches to supporting SME productivity and growth and economic development.



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## ABOUT US

**Exemplas Limited** is a national provider of business support and has operated for over 30 years largely delivering business support programmes to SMEs on behalf of public funders including government organisations and local and combined authorities. During this time Exemplas has supported over 600,000 businesses to grow and become more productive. Exemplas are a private company, wholly owned by the University of Hertfordshire.

**Leeds Beckett University** is a key anchor organisation in the West Yorkshire region committed to making a positive and decisive difference to people, organisations, and communities through excellent education, research, and services. Every year, the university delivers a £1.43bn impact on the UK economy. This represents a return of more than £6 for every £1 spent on university operations.

## 1.0 THE LANDSCAPE AND POTENTIAL IMPACT OF BUSINESS SUPPORT

Since the demise of the Business Link service in 2011 it is widely recognised that there has been further fracturing of publicly funded business support for SMEs. As a result, the landscape of publicly funded business support is now regionally distinct and increasingly complex. Several national and regionally delivered business support programmes co-exist alongside local growth hubs. Growth hubs in turn operate alongside locally commissioned programmes which often have a short life span due to their dependency on time-limited funding streams like the Shared Prosperity Fund. There is modest evidence of the efficacy of publicly funded business support programmes but limited established principles of good delivery practice.

A **Centre for What Works Evidence Review** of publicly funded business support concluded that business support and advice have a positive impact on one or more business outcomes in fourteen out of 23 evaluations that met their research standards.[1] A recent Enterprise Research Centre, State of the Art Review of Business Support suggests that ‘under certain circumstances,’ business advice can be a ‘cheap and effective way to boost growth’ and goes on to highlight ‘greater hours of advice can enable greater effectiveness’ [2].

Exemplas has delivered many publicly funded business support programmes over the last thirty-plus years. Many of these have been subject to a Return on Investment assessment and review by an external evaluator. A review of the Return on Investment analysis from these external evaluations suggests that for every **£1 of public investment in business support programme delivery, the return on this can vary from £6-12**. This rate of return is fairly typical of the return on investment levels demonstrated by SME business support programmes commissioned through the 2014-20 European Regional Development Fund [3]. The last scaled, nationally funded programme of business support for SMEs in England, Growth Accelerator, ran from 2012-2016, aimed at 26,000 businesses nationally. An early evaluation of the programme in 2014 suggested a return on investment of £12.50 for every £1 of public investment in the GrowthAccelerator.[4]

## 2.0 INTRODUCTION

Exemplas and Leeds Beckett University initiated their partnership in 2022, to collaborate on **developing new, more effective business support programmes** for SMEs initially focused on business productivity and then business growth.

At the heart of this developmental journey was the ambition to merge academic insights from research by experts in Leeds Beckett University with Exemplas’ 30-plus years of delivering business support programmes to SMEs largely funded by public sources.

Whilst the collaboration between Exemplas and Leeds Beckett University began in 2022, the starting point for the journey can be traced back to a 2018 research project by Leeds Beckett University funded by the then Department for Business, Energy & Industrial Strategy under the Business Basics programme. This collected a wide range of evidence to understand effective interventions with SMEs on productivity and process improvement, as well as SME business support in general. The findings from this research are finally being published in a distinct article currently in the final stage of academic publication.

**This Insight Paper outlines the effective principles of business support practice identified through research evidence and corroborates these with Exemplas’ delivery experience.** This Insight Paper concludes by showing how these principles were then used to inform the design of productivity and growth programmes in West Yorkshire on behalf of the West Yorkshire Combined Authority.

[1] Business Advice Evidence Review, What Works Centre for Local Economic Growth, 2022 <https://whatworksgrowth.org/resource-library/business-advice/>

[2] What do we know about the effectiveness of business advice? State of the Art Review, Enterprise Research Centre, April 2023

[3] A sample of evaluations has been published at <https://www.gov.uk/government/publications/evaluation-of-the-european-regional-development-fund-2014-to-2020>

[4] Interim evaluation of GrowthAccelerator, November 2014 [Interim Evaluation of Growth Accelerator 2014](#).



### 3.0 WHAT ARE THE EFFECTIVE PRINCIPLES OF BUSINESS SUPPORT?

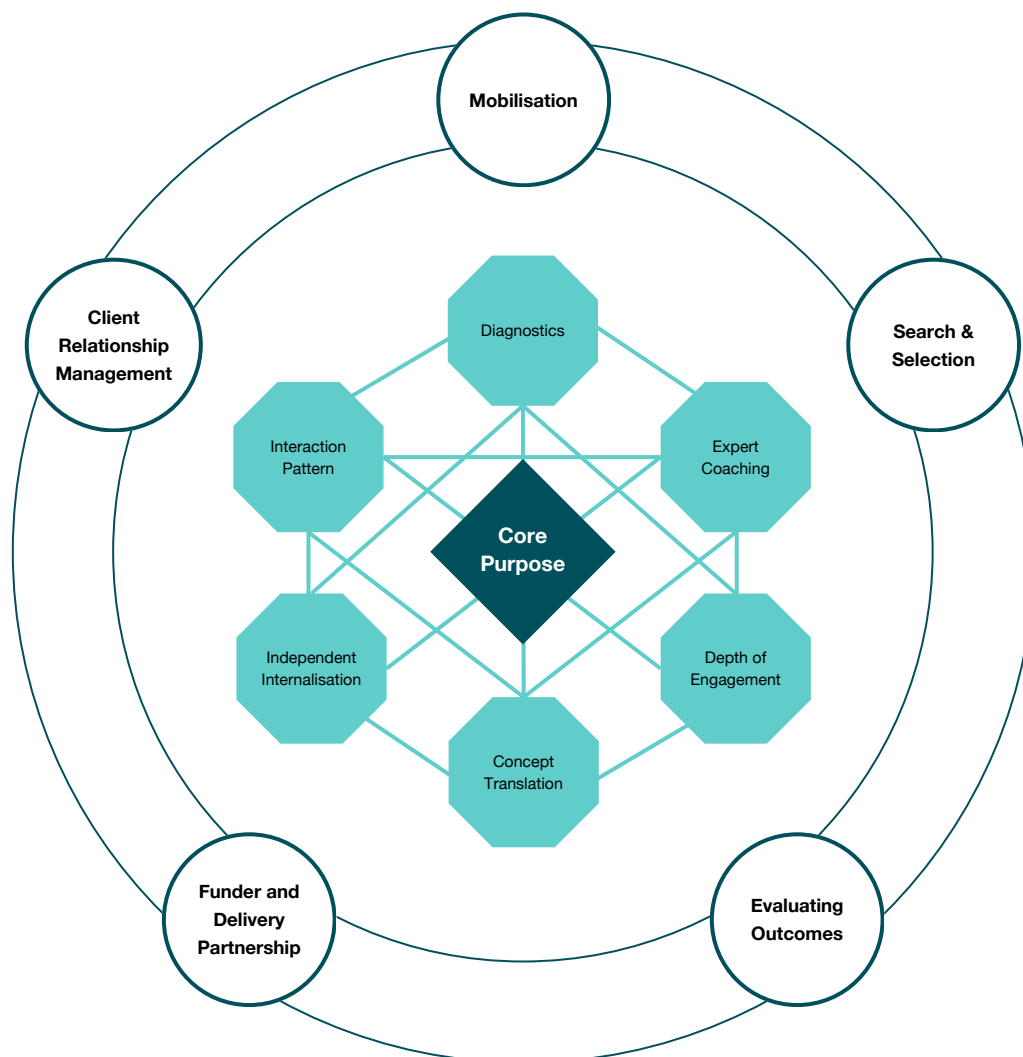
Publicly funded business support (either in full or through match funding) is intended to address market failures in either take-up of or availability of support by SMEs so as to derive economic benefit for local, regional and national communities.

It is important to distinguish between **delivery practice** which refers to the features and characteristics of the SME support offered and **programme management** which relates to the management processes and governance that underpin the programme. Both effective delivery practice and programme management principles are needed for impactful, meaningful interventions for SMEs.

A Leeds Beckett University academic paper due to be published shortly suggests six internal elements of effective **delivery practice**. These are augmented by five elements of **programme management**. This is illustrated in Figure 1 below with the delivery practice elements shown in the inner circle and programme management elements in the outer circle. Many of the elements in Figure 1 are interrelated and mutually reinforcing, which increases the value of using these elements together in business support programmes.

The six, mutually reinforcing elements of delivery practice and five elements of programme management are described below alongside corroborating evidence from Exemplas’s own experience.

**Figure 1 – Effective Principles of Business Support Practice and Programme Management**



## 4.0 DELIVERY PRACTICE

### 4.1 Concept Translation

The research has found that the customisation, adaptation, and reconfiguration of ‘standard’ best practices, also referred to as ‘templates’ or ‘concepts’ to each SME business context is critical to the successful diffusion and development of management practices. This aligns very strongly with evaluations from Exemplas’ programmes which highlight the significant value that personalisation and application of expertise to the unique needs of each business offers. For instance, one recent programme evaluation explained the value of the range of specialisms that could be adapted to the needs of each company: **“The support provided specialised expertise in a range of subjects including marketing, client development, and website design. It was tailored, flexible, and demand-driven with workshops and events created in response to business needs.”**[5]

### 4.2 Independent Internalisation

Academic insight identified the development of best management practices in SMEs require a combination of external intervention and internal action by the SME itself to make the changes permanent (Jones et al, 2022). This means for the SME to develop these practices; some form of individual and organisational learning needs to take place termed ‘Independent Internalisation,’ enabling the business to become capable and independent, rather than rely on ongoing consultancy or advisory support. Much of the research evidence suggests that the independent internalisation process is strongly linked to other elements of effective delivery practice, particularly the diagnostic tools/processes, and feedback from expert coaches (Jones et al, 2022).

In practice, business support funded via limited public resources can only offer time-limited external assistance to a given business, and the responsibility for implementation of advice and learning needs to be undertaken by leaders and personnel within the business. To ensure that limited public funds are deployed to businesses most likely to internalise the benefits of programme support, Exemplas undertake a structured Ambition, Opportunity, Capability, and Capacity (AOCC) assessment with each business to ensure they have the necessary capacity and capabilities to internalise programme support.

A key ‘internalisation’ indicator from business support programmes is how far a business believes outcomes would not have been achieved without the given intervention. For instance, on a recent programme delivered by Exemplas, Build Back Better in Hertfordshire, 33% of businesses said the outcomes achieved in their business would not have happened without the delivery intervention, and 100% overall suggested the intervention either hastened or accelerated outcomes or partially contributed to them.

### 4.3 Diagnostic Tools

The Leeds Beckett University academic study on business support found that a key element of effective delivery is the use of diagnostic processes, often with a diagnostic tool that serves as a template to help the external consultant and the SME pinpoint areas for improvement. This diagnostic enables the business to be more time-efficient in engaging with business support. At the same time, the diagnostic approach can play a key role in understanding the unique needs of each business (concept translation) and aiding business understanding which enables the internalisation of learning. The efficacy of the diagnostic process is increased by a depth of engagement of personnel across the organisation to internalise knowledge acquisition.

This again tallies with Exemplas experiential delivery. Exemplas personnel working on the IUK Business Growth service for high growth and scaling companies draw on a range of diagnostic tools to drill down and understand business metrics and dynamics to help develop growth plans. However, the success of this process relies on a combination of high-quality expert coaches deploying valuable diagnostic tools/processes as a means of opening discussion and helping the business to develop new insights and understanding.

[5] Final Summative Assessment of Get Exporting 2, July 2021

#### 4.4 Expert Coaches

Research suggests that many successful business support programmes use expert consultants who function as coaches. Many evaluations show that the use of experts bolsters trust, and they provide codified knowledge that is easier to transfer to SME clients, as well as being suited to assist in the deployment of any diagnostic tools. These expert coaches can help the translation process by customising best practices to suit the specific needs of the SME. The feedback that expert coaches can provide also facilitates independent internalisation (Jones et al (2022))



The centrality of the ‘expert coach’ is a constant across Exemplas’ support programmes, with businesses valuing personal advisory support from professionally credible, experienced, and knowledgeable advisors who can offer specialist as well as generalist advice. In addition to this, enhancing this expertise with further functional and sectoral specialists can significantly improve the offer to the business. For example, the Scale Up element of the IUK Business Growth programme marries personal coaching from a lead Scale Up Director who can also broker access to other Scale Up Directors with complementary functional skillsets, providing valuable expertise beyond that of the lead Coach.

Exemplas own experience tends to emphasise the value businesses place on more intensive, regular, expert support. For example, one recent external evaluation of an Exemplas programme suggested. “ Respondents praised the “quality of advice,” “professionalism”, “speed of service”, and the level of “knowledge and efficiency” of the business advisors (22 citations), leading to a strong positive experience and good relationships between SMEs and advisors. The connections made surprised several respondents (five citations). “I didn’t expect to get so many contacts, \*advisor name\* put us in touch with people and set up meetings – making a big difference”[6].

#### 4.5 Depth of Engagement

Many studies mention the role of a ‘change champion,’ within the SME—someone who acts as an intermediary and leads by example. However, Jones et al. (2020) found that SMEs often struggle to identify suitable champions with the right qualities. Additionally, SMEs tend to use employees in multiple roles, which makes it harder to develop specific experts.

Research studies stress that employee involvement is important for developing management practices, but that the depth of engagement (the number and scope of employees involved in the support intervention) is often too low. Jones et al (2022) found that depth of engagement was one of the most critical factors in the success of business support interventions and that the more employees engaged in the interventions the greater likelihood of concept translation and internalisation will take place, from a probability perspective and peer learning networks/pressure.

Exemplas’ delivery of business support interventions tends to reinforce this point and delivering expert coaching tends to have greater efficacy when key decision-makers and employees across the organisation are engaged and co-opted into the co-created journey of support. In delivering business support our approach is to involve at a minimum the senior management team in the diagnostic process and planning of this journey and end point to ensure collective buy-in, which increases the likelihood of internalisation. Ideally, this engagement process needs to be enhanced to include a wider range of personnel across the organisation to help further embedding.

#### 4.6 Interaction Pattern

The **interaction pattern** refers to the basic configuration of how, when, and with whom SMEs interact with business support and knowledge exchange programmes.

Research suggests that best practice interventions often include three elements: individual preparation, an activity or workshop, and follow-up individual consultations. However, many studies of programme evaluations show that high-intensity interaction alongside expert coaching is most effective at concept translation and internalisation and that frequent interactions with SMEs lead to more meaningful dialogue. However, throughout these interactions, firms also need time and space between interactions to reflect. Jones et al (2022) found that meaningful dialogue, feedback from expert coaches, and reflection within the interaction pattern design led to more effective independent internalisation.

Exemplas' own experience tends to emphasise the value businesses place on an interaction pattern with more intensive, regular, expert support having greater benefits. For instance, through the Innovate UK Business Growth support to high-growth SMEs, expert coaching is often provided through focussed 'sprints', whilst other business support programmes tend to focus on intense initial expert coaching support to build up momentum, which is subsequently tapered to enable the business to embed knowledge and support into the business. Whilst there is no one-size-fits-all approach here, regular, ongoing, and expert personal support is significantly seen as more valuable by SMEs than very short-duration, one-to-many, and low-intensity interventions.

#### 4.7 Inter-Relationships

As the above research and practical experience shows, the effective delivery practice elements reinforce, and function as enablers of each other. What this suggests is that these elements need to be deployed together to maximise effective delivery practice.

## 5.0 PROGRAMME MANAGEMENT

Exemplas extensive business support experience shows that programme management is also important to successful outcomes. Over 30 years Exemplas has configured, mobilised, implemented, and delivered hundreds of business support programmes, some working with several thousands of businesses annually on behalf of public sector funders. This experience has enabled the identification of five elements of effective programme management practice. These five key elements of programme management are explained below and further corroborated by research.

### 5.1 Funding and Delivery Partnerships

Exemplas works with a range of partners and funders locally when delivering business support programmes, ensuring genuine collaboration sits at the heart of effective delivery. The principles that sit at the heart of this include transparency, common goals, knowledge and insight sharing, and working collaboratively with organisations committed to achieving the same goals. For instance, for the Hertfordshire Growth Hub service delivered on behalf of the County Council. Exemplas play a key role in bringing together public and private support as a coherent support ecosystem for businesses and has a key strategic role in identifying gaps in the local landscape of support.

Research also highlights the importance of funding delivery partnerships. Bennet (2008) identifies that a reliable partnership between funders and delivery providers is critical to success, as is a more stable policy and programme landscape, particularly for SMEs accessing and utilising relevant business programmes. Mole (2017) shows that even in the same programme across regions, the choices made by agents in the partnership affected the programme outcomes both positively and negatively.



## 5.2 Core Purpose

Many research studies identify the importance of setting the purpose and goals of a programme and suggest that these should be as simple, clear, and as focused as possible. It has become widely recognised that the landscape of business support is confusing and can mitigate against the take-up of support by businesses, with often competing offers and a lack of common outcomes further contributing to this complexity for clients.

## 5.3 Mobilisation

Exemplas' experience suggests that a structured methodology and process for programme mobilisation including recruiting and developing the staffing team, value proposition, marketing, performance and quality systems, and relationships ahead of rollout provide a strong bedrock from which the programme can succeed. However, this can be a challenge in cases where implementation timelines are very short. The opportunity for a structured, time-appropriate, mobilisation phase also ensures that stakeholder relationships are developed, and other key elements of programme management are well established before SME clients are onboarded. In addition to this, the mobilisation phase is critical to recruiting and building a cohesive team with the right ethos and experience.

The best practice model of support programmes in academic literature shows that a structured mobilisation design for implementation and mobilisation is key to the success of a business support programme. The evaluation studies find that the project management capability of delivery organisations, and their ability to make strategic choices are key differentials in programme outcomes.

## 5.4 Search and Selection

Exemplas' practice suggests the need to generate the best value requires a careful matching of business capabilities and the capacity to internalise the knowledge and support provided through a given programme. To facilitate this Exemplas has developed an Ambition, Opportunity, Capability, and Capacity (AOCC) assessment. This structured process evaluates the business ambitions, opportunities, capabilities, and capacity to assess suitability for programmatic support. The AOCC process has huge programme management benefits in terms of improving business retention on the programme, the efficacy of support provided, and programme outcomes achieved.

Research evidence echoes the importance of search and selection for successful programme management. Henley (2024) argues that a selection process is required to identify the firms that would best benefit from business support, and Jones et al (2022) show the selection process is critical to the retention and completion of business support programmes.



### 5.5 Client Management

Exemplas uses a proven, structured approach to client monitoring and management. This includes personalised account management of journeys (sift, diagnostic, action plan, review, outcome review, exit), allied with a strong overarching management information system to track each client's progress through the journey so that management action can be taken quickly when there is evidence of slippage.

The research also corroborates the importance of client management processes. Henely (2024) highlights the high attrition rates in business support programmes and Bennet et al (2008) and Jones et al (2022) both identified the significance of a client management process once the SME has enrolled in the programme. This is to ensure retention and progression through the programme, particularly where the SME might find some aspects challenging and where they need to devote resources or attempt new practices. The development of trusted relationships between the providers and the client can directly assist the knowledge transfer process which has been found by multiple studies.



### 5.6 Evaluating Outcomes

Many academic studies outline the importance of measuring and evaluating programme outcomes. Several studies outline the importance of capturing tangible firm financial performance data as well as satisfaction and self-assessment measures.

Exemplas' own experience has highlighted the need for capturing a broadly balanced scorecard of data on business support programmatic outcomes including beneficiary satisfaction, progress measures, needs, and outcomes.

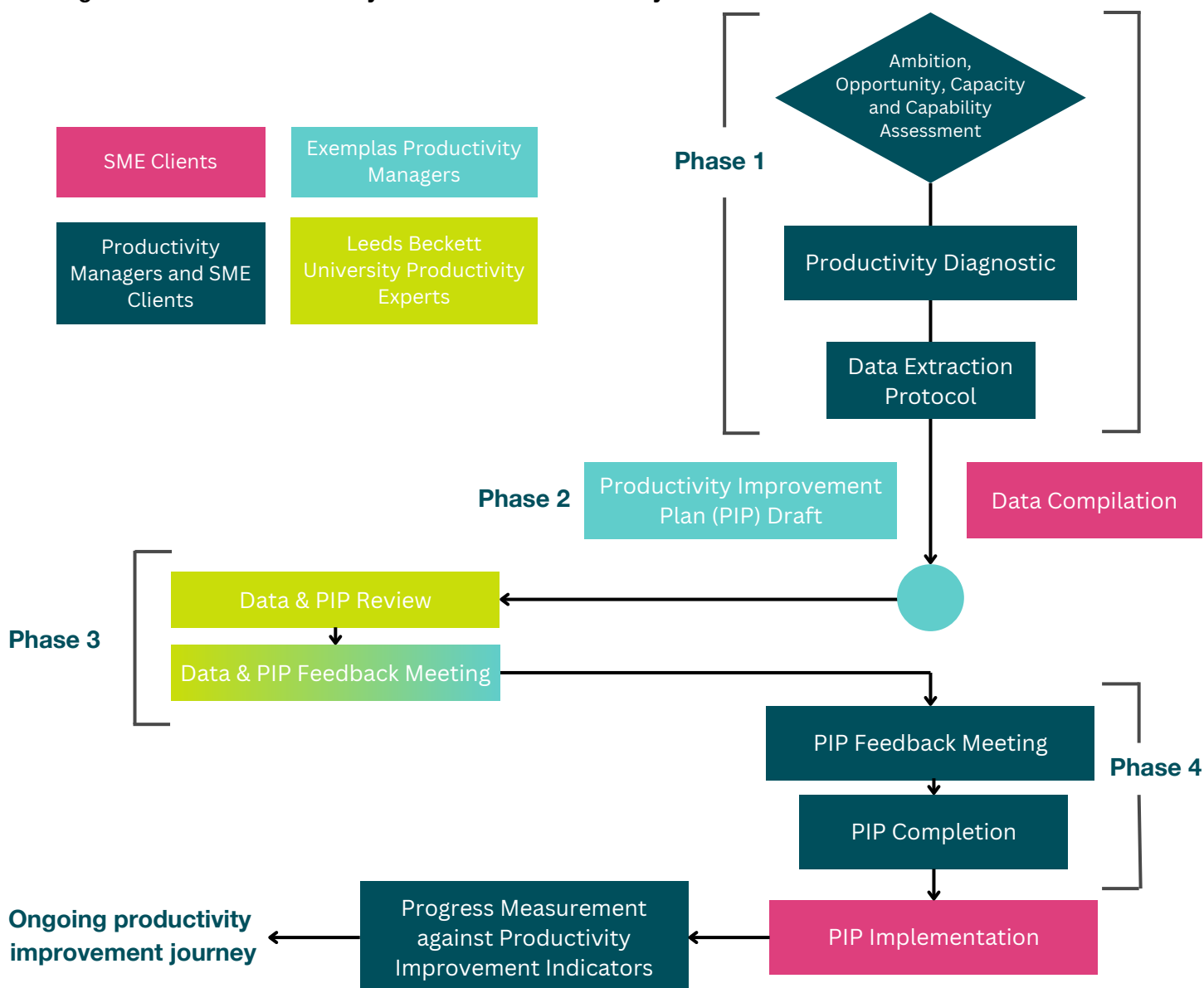
For instance, in working with companies to export on behalf of the then Department for International Trade through the International Trade Advisor service it was generally recognised that the journey to market capture and the export sale was likely to be, as a minimum, six months, and often significantly longer. This meant that through the programme a broad range of indicators needed to be captured from businesses to understand their progress and successes alongside export win value, which was captured through longitudinal tracking.

## 6.0 EMBEDDING EFFECTIVE DELIVERY PRINCIPLES INTO PRODUCTIVITY AND GROWTH PROGRAMMES

The six internal and reinforcing elements of effective delivery practice identified through research and the practical delivery experience of Exemplas were then incorporated and translated into the design of the Business Productivity Service delivered by Exemplas and Leeds Beckett University on behalf of West Yorkshire Combined Authority. This service commenced in February 2023 and aims to increase the productivity of SME businesses locally, given the notable productivity gap to the national average in West Yorkshire which is estimated to cost the region £8.5bn.

The outline interaction pattern for the Business Productivity Service was structured so that each business undergoes a staged journey from an Ambition, Opportunity, Capability, and Capacity assessment then completing a productivity diagnostic through to the commissioning and optimising of the Productivity Improvement Plan (PIP). The configuration of this three-month customer journey through the programme was to give sufficient time for information gathering, dialogue, reflection, and the absorption of knowledge by the business (internalisation). Figure 2 below shows a summary of the four phases of the interaction pattern for clients and the roles of parties involved covering diagnostic (phase 1); data collection and initial plan configuration (phase 2); data and plan review (phase 3); and then plan optimisation (phase 4), which then leads into independent implementation by the business.

**Figure 2 Business Productivity Service Customer Journey**





To ensure concept translation we were conscious that the diagnostic process/dialogue and overall support would require Exemplas Productivity Managers acting as expert coaches. These Productivity Managers needed to have a relatively unique mix of experience and understanding of practical business operations, understanding of productivity drivers, strategic insight, and business credibility. The programme also built in a dual layer of coaching with productivity experts from Leeds Beckett University coaching the Productivity Managers on the use of the diagnostic framework and providing additional feedback given to each business on their Productivity Improvement Plans.

The importance of the diagnostic process was reflected in the centrality of this to the customer journey. The productivity diagnostic itself was developed through prior validated research undertaken by Leeds Beckett University through research funded by the then Department for Business, Energy & Industrial Strategy through the Business Basics programme in 2018.

The diagnostic would be conducted through an extended site visit by the Exemplas Productivity Manager, facilitating a depth of engagement with a range of personnel and enabling a very practical understanding of how productivity levers played out across the business. The productivity diagnostic is sector-agnostic and Productivity Managers worked with the LBU experts to enable deployment and use across different sectors and operational contexts.

This depth of engagement and intensity of expert coach support provided to businesses through the journey was designed to facilitate independent internalisation so that businesses through the tools, feedback loops, and expert coaching would be able to measure, monitor, and improve their productivity independently following the production of their Plan. We have seen the outcomes of this as interim evaluation showed that 98% of businesses have identified further areas of productivity improvement in addition to those in their productivity improvement plan.

## 7.0 CONCLUSION

This Insight Paper has highlighted the value of business support to localised economic growth. The paper has then shown that effective principles for delivery practice and programme management in business support and knowledge exchange activities require several elements. These elements are key to impactful business support for SMEs. What makes these effective principles important as well is that they are interdependent and mutually reinforcing in many cases, informing what might be considered a ‘network of actions.’

As illustrated in this Insight Paper these principles have subsequently been deployed in the design of the West Yorkshire Business Productivity Service on behalf of the West Yorkshire Combined Authority. These principles were also subsequently applied to the design of later West Yorkshire innovation and growth programmes also delivered by Exemplas and Leeds Beckett University on behalf of West Yorkshire Combined Authority.

The subsequent translation of these evidence-based principles into business support programmes has yielded further insights about SME productivity and business growth, which are shared in further Insight Papers co-authored by Exemplas and Leeds Beckett University. As a result of this, we have been able to consolidate these insights into a core Blueprint for business support delivery for productivity and growth which is summarised in a further paper, **From Insight to Impact: A Blueprint for Supporting SME Productivity and Growth**.

The core Blueprint sets out the elements that we believe should feature in impactful business support programmes for SMEs based on research and practical delivery experience.



# CONTACT

If you are interested in finding out more about the productivity and growth work of Exemplas and Leeds Beckett University please contact Rob Sale, Head of Business Development, [robs@exemplas.com](mailto:robs@exemplas.com).

Further co-authored Insight Papers on our productivity and growth work can be found [here](#).

**WEBSITE:**

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