

Invest Northern Ireland

Evaluation of CE Marking Programme

Final Report

14 May 2010

This Evaluation Report has been based on the information provided to us. This information has not been verified on any basis in the nature of an audit.

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Executive summary

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Introduction

1.1 ASM Horwath has been appointed by Invest Northern Ireland (öInvest NIö) to carry out an evaluation of the CE Marking Programme (the öProgrammeö) covering the period March 2006 to September 2009. The evaluation is to concentrate on waves 10 to 15 of the Programme. The detailed terms of reference are contained in *Appendix A*.

Background

1.2 The Programme, originally designed and developed by the Local Economic Development Unit (öLEDUö) and Queenö University of Belfast (öQUBö) in 1998, takes companies through the process of CE marking a product or a family of products. Since the CE Marking Programme was first introduced in 1998 it has been delivered in fifteen waves with over 330 participating companies to date.

1.3 The Programme aims to assist all companies involved in the design and manufacture of products and/or components regardless of whether they are Invest NI Clients.

1.4 The UK Directives (which incorporate the EU legislation) set out the minimum standards of safety in design of machinery, electrical equipment and medical devices. The Directives most widely applicable to Northern Ireland companies are the Machinery, Low Voltage Directive (öLVDö) and Electromagnetic Compatibility (öEMCö) Directives.

1.5 These cover the majority of the mechanical, electro-mechanical and electrical/electronic sectors and offer the greatest return on investment.

Methodology

1.6 The evaluation involved the following main activities:

- a) desk based research of key background information;
- b) a review of Programme data;
- c) stakeholder interviews; and
- d) a structured telephone/internet survey of 50 client companies that had taken part in waves 10 to 15; and benchmarking with other regions.

Programme Rationale and Mitigation of Market Failure

1.7 The Programme aims to develop key skill sets in companies to enable them to CE Mark products and services. CE Marking is a pre-requisite for trading within the European Union and is also a recognised *brandö* in much of the rest of the world. Although primarily a compliance issue, other benefits may arise through CE Marking, such as efficiency gains, particularly at the design stage and opportunities to network with other companies in comparable sectors.

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1.8 The original rationale for the Programme was to inform companies involved in the design/manufacture of products or components of the requirements of CE Marking. Market intervention, through the provision of seminars and consultancies was originally deemed appropriate as a means of addressing the highly technical nature of CE Marking, particularly for small and medium sized enterprises (SMEs) which did not have in-house expertise.

1.9 It is our contention that the original rationale for the Programme is still valid. Although the market intervention was primarily aimed at addressing asymmetric information within SMEs, there is also a rationale for the continued involvement within the Programme of large companies. The reason for their involvement is two fold:

- a) there is an important demonstration effect to local SMEs of the benefits of CE Marking to exporting, through the experience of larger companies. It also provides an opportunity for companies of varying scale and position on the supply chain to network; and
- b) due to the churn of staff within large companies, the Programme provides a useful awareness raising opportunity, thereby facilitating compliance with the legislation. In addition, large companies only have access to the seminars (no consultancy) and they are charged at a rate which fully covers the additional cost of their participation

1.10 The continued provision of the Programme by Invest NI is considered appropriate.

Strategic Context

1.11 The CE Marking Programme is a useful tool which augments Invest NI's portfolio of interventions. Although it is primarily a compliance issue, with the consequent effect that failure to utilise CE Marking would exclude Northern Ireland based companies from competing within the European Union, the Programme can, through the adoption of design techniques and best practice lead to innovation and efficiency gains for companies and it is through this positive outcome that the Programme is in accordance with the following strategies:

- a) Revised Lisbon Agenda;
- b) Manufacturing: New Challenges, New Opportunities;
- c) Strategy 2010;
- d) Northern Ireland Economic Vision;
- e) Regional Innovation Strategy;
- f) Independent Review of Economic Policy; and
- g) Invest NI Corporate Plans (2005-2008 and 2008-2011).

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Fit with Invest NI Portfolio of Programmes

1.12 The Programme is often the first area of engagement between technical staff within start up companies (mainly in manufacturing) and Invest NI, introducing with it opportunities to avail of other Invest NI products.

1.13 We see the Programme as being a pump primer in that it assists companies to take the first stage towards compliance and provides them with the tools to develop the process further themselves. The survey validates this point as 65% of responses as to why respondents were prompted to take part in the Programme related to compliance issues and only after attending the Programme did they begin to recognise the wider benefits.

1.14 The timescale for this evaluation covers two Corporate Plan periods for Invest NI, 2005-2008 and 2008-2011. The following paragraphs assess the Programme's fit with each Corporate Plan.

1.15 The 2005-2008 Corporate Plan stated that Invest NI interventions would be delivered under three themes: Being Entrepreneurial; Being Innovative and Being International. The Programme matches these themes and benefits participating companies in two ways:

- a) **innovation** - it encourages them to become more innovative by both supporting the compliant design of new products and demonstrating the benefits of design on existing products; and
- b) **internationalism** - it encourages them to become more export focussed by providing them with more confidence in their products.

1.16 The 2008-2011 Corporate Plan states that Invest NI interventions will focus on three priority actions for economic growth: Realising Client Potential, Shifting the Sectoral Focus and Frontier Technologies. The Programme potentially has a direct impact on two of these themes:

- a) **Realising Client Potential** – the Corporate Plan states '*the greatest opportunity to generate additional wealth lies in encouraging existing Client companies, most of which are locally owned SMEs to realise their potential*'. Recommended actions to be supported under this Theme include, increasing awareness of the benefits of innovation through role models and case studies and offering a targeted development programme aimed at improving productivity and business performance. The Programme is in accordance with this Theme as it seeks to promote and embed an innovation culture in local companies through seminars and consulting support; and
- b) **Shifting the Sectoral Focus** – the Programme can also assist in the shift towards high value economic activity by boosting indigenous businesses and start ups in high value sectors, assisting in the sophistication of production, process, design and product development.

1.17 It is our contention that the Programme does not have a direct impact on supporting Frontier Technologies.

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1.18 In addition, the 2008-2011 Corporate Plan states that Invest NI will seek to promote and embed an innovation culture in its clients and rationalise innovation support programmes under the five themes of capability, product, process, export and investment. Relevant actions to the work of the Programme include:

- a) increasing awareness of the benefits of innovation through role models and case studies; and
- b) offering targeted development programmes aimed at improving productivity and business performance.

1.19 The Programme has been classified under the research and development category as part of the Near Market Product and Process Development portfolio of solutions. On this basis, we are satisfied that the Programme fits with Invest NI's current strategy and portfolio of interventions.

Contribution to the Programme for Government Targets

1.20 As an Invest NI intervention, the Programme would be anticipated to make a contribution to the following Programme for Government Targets:

- a) PSA 1: Productivity Growth ó the level of export sales as a percentage of total sales by Invest NI client companies excluding the Top 25 exporting companies to increase by 3 percentage points; and
- b) PSA 3: Employment Growth ó total annual wages and salaries secured of £345million reflecting inward investment success and growth from locally owned clients.

1.21 Tangible evidence of an impact on both targets was sought through the survey.

1.22 23% of those surveyed stated that the Programme had a large impact on exports with a further 15% stating that the Programme had a little impact on exports. Of those companies which stated that there had been an impact, their explanations related to either their new found confidence in being able to meet the technical requirements of export markets, or that the CE -brandø itself had opened up markets.

1.23 Most respondents found it difficult to quantify the impact on exports as they could not isolate the Programme's role but recognised that it was a prerequisite for exporting.

1.24 A total of 7 (19%) responses stated that the Programme had had a large impact on sustaining jobs one company said *it sustained jobs by allowing us to export when domestic markets dried up.* ø In general, respondents stated that there was the possibility of positive impacts on sustaining/creating jobs but it was hard to directly attribute the impact of the Programme.

1.25 Some 24 (65%) of responses stated that there was no attributable impact on jobs sustained/created as a result of CE Marking. Most respondents stated that the impact of the recession had temporarily limited any growth expectations.

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1.26 We believe that the recession has had an impact on the Programme's contribution to the two PSA targets, yet we also recognise that the present Programme monitoring arrangements do not adequately capture the potential impact on the targets. However, enhanced monitoring and the use of SMART objectives which seek to measure the impact against the PSA targets in any subsequent Programme will remedy this situation.

Key results from the Client Satisfaction Survey

1.27 50 companies completed the Client Survey. We believe that the composition of the survey group provided an accurate reflection of the views of all attendees of the Programme. The Programme was judged to have matched the expectations of most respondents in terms of content and quality. In addition the survey identified the following results:

- a) 92% of respondents viewed the one day sessions as either useful or very useful;
- b) 86% of respondents viewed the consultancy support as either useful or very useful;
- c) 67% of respondents viewed the final forum as being either useful or very useful;
- d) 98% of respondents stated that the marketing was effective;
- e) 96% of respondents stated that they have already recommended or would recommend the Programme; and
- f) 82% of respondents stated that their level of knowledge of CE Marking has been enhanced.

1.28 The survey was not able to accurately assess the impact of the Programme on sales, employment and exports, however:

- a) The Programme is 81% partially additional with 19% deadweight;
- b) 23% of responses stated that the Programme had had a large impact on their export activity, with a further 15% stating that it had had a little impact; and
- c) 35% of responses stated that the Programme had had either a large or a little impact on sustaining jobs.

Performance against Objectives

1.29 The objectives of the Programme have not been defined in accordance with SMART principles and therefore the measurement of the achievement of these objectives is difficult. Our assessment of the achievement of the Programme objectives has been carried out through the stakeholder consultation and client survey. The following comments relate to the Programme's performance against its five stated objectives:

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- a) **Objective 1** -over the course of the Programme 135 companies undertook CE Marking training. The data obtained from the Client Surveys indicated that 71% of respondents (50 companies responded) stated that they would not have CE Marked if they had not attended the Programme. The calculation of 71% would imply a headline deadweight percentage (calculated as the number of companies who would have CE Marked regardless of whether they had attended the Programme) as 29% (14 out of 49 respondents). This figure is misleading as it includes a number of larger companies who have attended the Programme a number of times and who make a full contribution to the cost of their attendance at the seminars. Excluding the 6 larger companies (who only attended the seminars) results in a reduced deadweight percentage of 19% and consequently an increased additionality figure of 81%;
- b) **Objective 2** –the client survey noted an increase of understanding of CE Marking amongst participating companies from 29% to 82%;
- c) **Objective 3** - although the present Programme commenced in March 2006, for most of its duration client companies have been facing a significant economic downturn. This has a consequent impact on their ability to trade and offsets the ability of the Programme to have a positive impact on exports. However, 23% of respondents stated that the Programme had had a large impact on exports with a further 15% stating that it had had a limited impact on exports. Most respondents found it difficult to quantify the impact on exports as they could not isolate the Programme's role but did state that it was a pre-requisite to exporting;
- d) **Objective 4** - while the data obtained from the Client Survey indicates that the level of awareness of health and safety has been raised we do not have sufficient information or data to confirm whether this objective has been achieved; and
- e) **Objective 5** - the Client Survey indicated that 52% of those surveyed considered the consultancy element of the Programme to be 'very useful' with a further 34% considering it to be 'useful'. It is noted that a number of organisations have utilised the Consultants since the Programme or at least maintained contact with their Consultants. This would indicate that the advice being offered is relevant and of benefit to the individual companies.

Value for Money Analysis of the Programme

1.30 A value for money analysis, assessing the economy, efficiency and effectiveness of the Programme was undertaken. The following Section summarises the results:

- a) **economy** – taking into account the various elements of the Programme, there is little scope for cost reduction;

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- b) **efficiency** - the budgeted net cost per company for wave 10 was £2,505, for wave 11 was £2,485 and for waves 12-15 was £2,488 with the actual costs for each wave being lower. We consider the overall level of administration costs to be reasonable at 10.4% of total gross cost. The Programme has been delivered at a cost per intervention lower than original estimates. The efficiency gains have been brought about by a flexible approach by the Programme Management Team in which they expanded the scale of the Programme without negatively impacting on quality. In addition, the Programme Management Team has ensured the continued active input of many of Northern Ireland's leading manufacturers and with full cost recovery; and
- c) **effectiveness** - the total budget of waves 10 to 15 was anticipated to be £298,753 with the actual budget being £308,540. There was an overspend of £9,787 over the course of the Programme. However, the Programme has been delivered to a total of 135 companies compared to the anticipated 120 with 19 companies attending more than once.

1.31 On the basis of the above analysis, we consider that the Programme has provided value for money.

Non Monetary Benefits

1.32 The following non monetary benefits have been identified which illustrate the potential value for money of the Programme, including:

- a) attendance on the Programme has enhanced the knowledge of CE Marking of 82% of respondents;
- b) 90% of respondents (40% of responses) stated that the potential benefits of taking part in the Programme related to enhancing awareness of good practice. After attending, companies realised that complying with CE Marking could bring with it added benefits in their processes and products, either in terms of efficiency gains due to improvements in design and enhanced awareness of health and safety issues;
- c) 48% of respondents (22% of responses) stated that the potential benefit of taking part in the Programme related to the external accreditation of their product. This provided a degree of confidence in entering new markets, but was most often cited as being essential for those companies presently trading in the European Union and/or supplying either the public sector or large companies;
- d) even in the midst of a recession, 23% of companies surveyed stated that the Programme had a large impact on exports with a further 15% stating that it had had a little impact; and
- e) 86% of responses stated that the Programme was good value for money.

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Displacement

1.33 There are a number of private sector organisations that can provide the main elements of the Programmes to individual companies. Indeed the Consultants used by the Programme can all provide this service on a private basis. Our consultation revealed the following:

- a) many of the companies embarking on the Programme are at the first stage of investigating CE Marking and would not be prepared to consider engaging private sector consultants at such an early stage. In particular, the Programme provides laboratory time for pre-EMC testing, this is a service which both Queen's University of Belfast and several Notified Bodies in Great Britain can provide privately. However, under the Programme, companies tend to test at an earlier stage on products which are further from the market, thereby addressing design constraints sooner. As Queen's University's facilities are not fully compliant with CE Marking requirements, products have to be tested in the laboratory facilities in Great Britain. The Programme provides opportunities for additional lab testing and does not displace from the ultimate need to use private sector laboratory facilities;
- b) the Programme provides a mix of advice from general advice delivered on the theory of CE Marking and compliance with legislative requirements through the seminars to specific tailored practical advice delivered by experienced Consultants. This overall package may not be available privately;
- c) the Programme provides companies with an opportunity to network with other companies; and
- d) private sector consultancy was considered to be prohibitive from a cost perspective for many companies.

1.34 As discussed previously the Programme can be seen as 'pump priming' which encourages companies to take the first steps towards increasing their knowledge of the relevant product standards, improving the health and safety aspects of their equipment, improving the marketability of their product.

1.35 On this basis we consider the displacement effects of the Programme to be minimal.

Additionality/Deadweight

1.36 Additionality is defined as 'the extent to which an activity takes place at all, or is undertaken on a larger scale, or earlier, or to a standard, or within a policy target area, as a result of public sector intervention.'

1.37 We have calculated additionality as being 81% and believe that the activity supported under the Programme is best characterised as being partially additional. Although the survey states that 71% of respondents would not have undertaken CE Marking in the absence of the Programme, we believe that the figure should be 81% and our rationale for this assumption is explained in the following paragraphs.

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1.38 As CE Marking is a legislative requirement, this means that companies would be required to comply at some stage irrespective of whether they attended the Programme or not. However, the Programme provides additional intangible benefits over and above statutory compliance requirements. In particular it provides access to experienced consultants who will promote best practice and encourage the CE Marking process to become an integral part of the design process thereby promoting more innovative design together with the opportunity to network with other companies undertaking the process. The Programme also enhances the capacity of companies to CE Mark, both in terms of the quality and consistency of their understanding.

1.39 We are satisfied that the Programme in its current form would not happen in the absence of public sector funding, however, many of the component parts of the Programme are available, at a cost, directly from the private sector. The Programme is considered to be partially additional as a result of the following:

- a) the Programme encourages companies to CE mark earlier than they would do without the intervention. As a consequence the Programme delivers results earlier than without intervention; and
- b) the Programme is delivered to a higher standard than without intervention in that:
 - i) it provides direct access to highly experienced consultants which would be cost prohibitive for many small companies;
 - ii) it provides detailed technical knowledge delivered by experienced trainers; and
 - iii) it encourages networking between companies.

1.40 The headline deadweight percentage (calculated as the number of companies who would have CE Marked regardless of whether they had attended the Programme) is 29% (14 out of 49 respondents). This figure, however, is misleading as it includes a number of larger companies who have attended the Programme a number of times and who make a full contribution to the cost of their attendance at the seminars. Excluding the 6 larger companies (who only attended the seminars) results in a reduced deadweight percentage of 19%.

1.41 Prima facie deadweight could be reduced if the Programme was only accessible to companies who had not previously CE Marked. However, the benefits associated with the inclusion of companies with previous CE Marking experience outweigh the advantages of restricting the Programme to those companies who have not previously CE Marked.

Service delivery mechanisms

1.42 The Programme structure is considered to be good by both participants and Consultants as it provides a good balance of general advice (in the form of the initial seminars), tailored consultancy advice and networking opportunities arising in the final forum. The Consultants and presenters are considered to be high quality and were rated as such in the Client Survey.

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Benchmarking

1.43 We note that there are a number of organisations which offer technical support and tuition on CE Marking in the UK and Europe. However, the majority of these organisations do not offer the combination of theory and consultancy support, as offered by Invest NI's Programme. We were therefore unable to make any cost comparisons.

Equality

1.44 The Programme has been screened by Invest NI's Equality Impact Assessment of its Business Development Solutions suite of programmes and found to be compliant. However, there is insufficient equality related data available, on Waves 10 ó 15, on which to make a quantitative assessment. .

Effectiveness of CE Marking Marketing Activities

1.45 In general, the marketing of the Programme is low key. However, the Programme is limited to 20 companies per wave and has been oversubscribed for all recent waves. On this basis, provided the Programme does not increase in scale, we consider that the marketing is adequate.

Recommendations

1.46 As a result of the evaluation, the following recommendations are made:

- 1) Subsequent Programme literature should highlight the option for a combination of pre EMC laboratory testing and consultancy support (para 4.24a);
- 2) The final forum should be convened at a date no later than three months after the consultancy support period commences thereby providing the consultants with an opportunity to contact their respective beneficiary companies to identify any ongoing issues. These common issues will form the basis of the subsequent final forum which will be held in a workshop format (para.5.22). The final forum should also include content on meeting global technical requirements (para.4.84);
- 3) A performance monitoring framework should be put in place and high level information (such as respondent numbers, composition of respondents in terms of scale and sector and any key issues arising) from the feedback forms should be collated and analysed to identify any emerging trends provide an evidence base for augmenting the Programme (para.5.25);
- 4) Consideration should be given to adopting the following proposed SMART objectives (para.5.26a):
 - i) as a result of attending the Programme the percentage of companies who report an increase of company knowledge of CE Marking within 12 months of end of wave;

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- ii) as a result of attending the Programme the percentage of companies implementing the recommendations of the consultancy report in relation to design/process improvements within 12 months of end of wave;
 - iii) as a result of attending the Programme the percentage of companies CE Marking a product/process within 12 months of end of wave; and
 - iv) as a result of attending the Programme the percentage of companies developing new markets (geographical/product) within 12 months of end of wave.
- 5) The targets for the SMART Objectives should be set by the Programme Manager and confirmed by any subsequent economic appraisal.
 - 6) The Invest NI Programme Manager should be responsible for collating the data for the SMART Objectives.
 - 7) The Programme Manager, through a letter of offer/invitation to attend, should inform all beneficiary companies of the type and frequency of information they will be required to provide to fulfil Programme targets.
 - 8) SMART Objectives i-iv should be collated through the 12 month feedback form.
 - 9) The Invest NI Programme Manager should take responsibility for ensuring all recommendations are delivered.

Terms of reference

II

2.1 ASM Horwath has been appointed by Invest Northern Ireland (öInvest NIö) to carry out an evaluation of the CE Marking Programme (the öProgrammeö) covering the period March 2006 to September 2009. The Evaluation is to concentrate on waves 10 to 15 of the Programme. The detailed terms of reference are contained in *Appendix A*.

2.2 The overall objective of the Evaluation is to provide qualitative and quantitative information that will better inform decisions on the future of the Programme.

2.3 The requirements of the Evaluation include an assessment of:

- a) the original rationale for intervention and to conclude on the nature and extent of market failure relating to each element of activity that the CE Marking Programme sought to correct;
- b) the extent to which the Programme has contributed, or has the potential to contribute, to achieving the relevant targets included in the Programme for Government and securing improvements in manufacturing and private sector productivity (PSA 1) and increasing employment (PSA 3);
- c) the ongoing demand for the Programme and how it interfaces/might interface in the future with other Invest NI programmes;
- d) the economy, efficiency and effectiveness of the Programme to date;
- e) the performance of the CE Marking Programme to date against objectives and targets;
- f) the effectiveness of the CE Marking Programme marketing activities and make recommendations for the future;
- g) client satisfaction with the CE Marking Programme and in particular what tangible and intangible benefits have developed for the company as a result of participating on the Programme. In particular:
 - i) how many products have been CE marked by participating companies since attending the CE Marking Programme?
 - ii) have participating companies been able to increase sales turnover by exporting CE marked products? How much additional turnover has been generated in this way?
 - iii) having CE marked one product on the Programme, have companies been able to repeat the process with other products subsequently?
 - iv) which aspects of the Programme did participants find particularly useful?
 - v) should the Programme be extended/amended or adjusted in any way to take account of current Invest NI client company requirements?

Terms of reference**II**

- h) how effectively the Programme performs in comparison to similar programmes run within the UK, RoI and Europe;
- i) the overall value for money from the Programme;
- j) the additionality and displacement;
- k) review progress on the Action Plan relating to the recommendations arising from the May 2006 evaluation, covering Programme Waves 6-9; and
- l) make appropriate recommendations, based on the outcome of the evaluation.

Methodology

2.4 Our methodology comprised the following main steps:

- a) desk research of key background information;
- b) a review of the Programme data held by both Invest NI and the Programme manager (the Queen's University of Belfast (QUB));
- c) interviews with the following key stakeholders:
 - i) Mr Mark Forte ó QUB Programme manager;
 - ii) Mr Alan Edgar ó Consultant;
 - iii) Mr Simon Barrowcliff ó Consultant;
 - iv) Mr Raymond Hall ó Consultant;
 - v) Mr Ken Allen ó Consultant;
 - vi) Mr Barry Duke ó Consultant;
 - vii) Mr Paul Laidler ó Consultant; and
 - viii) Mr Colin Graham (Invest NI).
- d) a structured telephone survey of 50 client companies that had taken part in waves 10 to 15;
- e) an analysis of data obtained from various sources;
- f) a variance analysis of spend and outputs;
- g) a review of the recommendations from the previous Evaluation (March 2006); and
- h) a benchmarking exercise of provision in other UK regions.

Background and strategic context

III

Background

3.1 The Programme, originally designed and developed by the Local Economic Development Unit (÷LEDU÷) and Queen's University of Belfast (÷QUB÷) in 1998, takes companies through the process of CE marking a product or a family of products. Since the CE Marking Programme was first introduced in 1998 it has been delivered in fifteen waves with over 330 participating companies to date.

3.2 The Programme aims to assist all companies involved in the design and manufacture of products and/or components regardless of whether they are Invest NI Clients.

3.3 The UK Directives (which incorporate the EU legislation) set out minimum standards of safety in design of machinery, electrical equipment and medical devices. The Directives most widely applicable to Northern Ireland companies are the Machinery, Low Voltage Directive (÷LVD÷) and Electromagnetic Compatibility (÷EMC÷) Directives.

3.4 These cover the majority of the mechanical, electro-mechanical and electrical/electronic sectors and offer the greatest return on investment.

3.5 For the majority of companies, CE marking is a self-certification process. The CE marking process involves the following steps:

- a) a risk assessment of the product or equipment;
- b) the development of a technical file;
- c) the supply of appropriate information;
- d) a declaration of conformity; and
- e) affixing of the CE Mark.

3.6 The core elements of the CE Marking Programme involve the following:

- a) **recruitment of 20 client companies onto the Programme.** Each company makes a contribution towards the cost of the Programme (£450 in Wave 10, £500 in Wave 11 & 12 and £550 for Waves 13-15);
- b) **seminar A** ó (full day) aimed primarily at mechanical and electro-mechanical companies and focusing on the Machinery Directive;
- c) **seminar B** ó (full day) aimed primarily at electrical and electro-mechanical companies and focusing on EMC and Low Voltage Directives;

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- d) **consultancy support** - delivery of nominal allocation of up to 3.5 days of consultancy per company to provide advice on product development and/or the production of a technical file. This is normally delivered over a 6-8 week period between the seminars and the final forum. As an alternative, companies seeking advice under the EMC Directive may avail of up to 3.5 days of laboratory testing time at QUB; and
- e) **final forum** ó after completion of consultancy support the companies are invited to a final three quarter day forum which includes a review of progress, future networking, a question and answer session and formal closure of the Programme.

3.7 The management of the Programme is the joint responsibility of QUB and Invest NI, who both host various seminars and fora over the typical 18 week duration of each Programme wave.

3.8 The Programme has been run in 15 waves to date with wave 10 commencing in March 2006:

Wave	Period run	Number of interventions
Wave 10	March 2006-June 2006	28
Wave 11	December 2006 ó March 2007	35
Wave 12	November 2007 ó March 2008	19
Wave 13	May 2008 ó September 2008	25
Wave 14	November 2008 ó March 2009	26
Wave 15	May 2009 ó September 2009	21
Total		154

Strategic context

3.9 The strategic context for the Programme has been ascertained from a review of the following documents:

- a) European Level Guidance;
- b) UK Government Level Guidance;
- c) Programme for Government 2008-2011;
- d) Strategy 2010;
- e) Northern Ireland Draft Regional Economic Strategy;
- f) Northern Ireland Economic Vision;
- g) DETI's Regional Innovation Strategy;
- h) Independent Review of Economic Policy;
- i) Invest NI's Corporate Plan (2005-2008 and 2008-2011); and

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- j) NI Manufacturing -Manufacturing Counts.

European Level Guidance**Revised Lisbon Agenda**

3.10 The revised Lisbon Strategy re-targeted the priorities towards growth and employment. The European Commission proposed a partnership with Member states concerning growth and employment and proposed a Lisbon Agenda for the Community that identified the following key areas for intervention:

- a) provide for open and competitive markets within and outwith of Europe;
- b) contribute to a powerful European industrial base; and
- c) creation of a larger number of better jobs.

3.11 The Programme was developed in accordance with these key strategic objectives.

European Commission Internal Market and Consumer Protection Guidance Committee

3.12 In a Commission Impact Assessment for the Internal Market and Consumer Protection Committee (dated 14/2/2007), the following recommendation was made in relation to the standardisation and compliance with CE Marking:

÷an information campaign on the meaning of CE Marking is the most effective tool to clarify consumer understanding of the marking and will not have any negative consequences for business.∅

3.13 The Programme is consistent with the aim of this recommendation.

UK Level Guidance**Department for Business, Enterprise and Regulatory Reform - Manufacturing: New Challenges, New Opportunities (Sept 2008)**

3.14 The report identifies five inter-related dynamics that have been and continue to be instrumental in reshaping global manufacturing:

- a) the increasing prevalence and complexity of global value chains;
- b) the accelerated pace of technology exploitation;
- c) the growing importance of investment in intangibles such as design, branding and R&D;
- d) the increased recognition in investment in people and skills; and
- e) the move to a low carbon economy.

Background and strategic context

III

3.15 Manufacturers in the UK are increasingly recognising the importance of investing in intangibles or knowledge assets to exploit existing areas of comparative advantage in sectors. These include design and other aspects of product development, brand building, training and improvements to business processes. The Government's role is to ensure companies have the right incentives and information to invest in these intangibles.

3.16 The Programme aims to ensure investment in intangibles, such as design and research and development.

Northern Ireland Programme for Government

3.17 In January 2008, the Northern Ireland Executive approved its Programme for Government (the PfG), in which the economy was identified as the number one priority of Government policy.

3.18 Within Northern Ireland, the Department of Enterprise, Trade and Investment (the DETI) aims to promote the development of a globally competitive economy in Northern Ireland. Within the PfG, DETI has three priorities, two of which relate directly to the Programme:

PSA 1: Productivity Growth – promote a competitive and outward looking economy

3.19 The following actions relate to PSA1:

- a) support companies to diversify into new markets; and
- b) improve the sales and marketing capability of NI businesses.

3.20 PSA 1 has the following target:

“the level of export sales as a percentage of total sales by Invest NI client companies excluding the Top 25 exporting companies to increase by 3 percentage points.”

PSA 3: Employment Growth – increase employment opportunities by supporting domestic investment

3.21 The following actions relate to PSA 3:

- a) prioritise resources on promoting value added growth projects from locally owned clients; and
- b) prioritise resources on increasing the competitiveness of client companies in global markets with a view to increasing employment opportunities.

3.22 The Programme aims to develop key skill sets in companies to enable them to CE Mark products and services. CE Marking is a pre-requisite for trading within the European Union and is also a recognised brand in much of the rest of the world. Although primarily a compliance issue, other benefits may arise through CE Marking, such as efficiency gains, particularly at the design stage and opportunities to network with other companies in comparable sectors. In short CE Marking is an enabler to exporting and indirectly impacts on PSA 1 and PSA 3.

Background and strategic context

III

Strategy 2010

3.23 The Programme was developed and in part delivered under Strategy 2010, which made the following recommendations:

- a) improve competitiveness in a global economy, by improving product marketability;
- b) establish closer links between organisations and the universities, as a source of learning and access to technological facilities for competitive advantage;
- c) encourage innovative thinking, in terms of improving product safety and related design and manufacturing processes;
- d) encourage the utilisation of ICT, to access relevant information;
- e) establish best practice by implementing a thorough design process;
- f) improve customer-supplier relationships, through confidence in product safety;
- g) enhance knowledge and skills through relevant training and development; and
- h) encourage networking between organisations.

3.24 The Programme reflects the ambitions of Strategy 2010.

Northern Ireland Draft Regional Economic Strategy

3.25 The Draft Regional Economic Strategy (the ~~“Strategy”~~) was developed within the parameters of national economic policy and sets out the public policy framework Government will put in place to deliver the Economic Vision for the Northern Ireland economy.

3.26 The Strategy recommends that the growth potential of the Northern Ireland economy can be improved by increasing the employment rate and improving productivity by focusing on four key drivers: infrastructure, enterprise, skills and innovation. The Programme is in line with the Strategy as it seeks to:

~~“refocus business support on exports, R&D and innovation.”~~

Background and strategic context

III

Northern Ireland Economic Vision

3.27 The Vision has the following key ambition:

“Northern Ireland as a high value-added, highly skilled innovative and enterprising economy which enables us to compete globally, leading to greater wealth-creation and better employment opportunities for all.”

3.28 The Vision states that Northern Ireland must grow its private sector and encourage companies to move up the value chain and raise the rate of productivity. In addition, the Vision calls for the *“encouragement of a culture within SMEs of being more outward looking and enterprising, innovative and creative.”*

3.29 The Programme supports the ambition of the Northern Ireland Economic Vision.

DETI Regional Innovation Strategy

3.30 DETI sets out its action plan to achieve this vision in its regional innovation strategy for Northern Ireland, *“think | create | innovate”*. The action plan identifies challenges to the NI economy such as:

- a) a low level of research and development expenditure;
- b) a large proportion of small and medium sized enterprises (SMEs); and
- c) ongoing industrial restructuring.

3.31 In order to overcome these challenges, the plan suggests that:

- a) key stakeholders in the innovation economy should be encouraged to work together to foster a greater number of more robust Higher Education and Further Education to business interactions and business to business interactions;
- b) a greater focus is needed on developing the key people, skills and training for the innovation economy; and
- c) companies, especially SMEs, should be encouraged, by a variety of means, to invest more in research and development and to adopt more innovative business practices.

3.32 The Programme aims to develop innovative business practices.

Background and strategic context

III

Independent Review of Economic Policy (the “Review”)

3.33 The Review highlighted the following issues:

≈almost one-third of the competitive advantage of an advanced economy stems from only two pillars – innovation and business sophistication. Strengthening performance in Innovation is therefore seen as the major route to achieving greater sustainable economic growth in the EU’s Lisbon agenda.∞

“It is important to move away from the concept of Innovation as a wholly technological phenomenon as implied by the emphasis on R&D, toward the view of Innovation as a business and commercial process. Hence the encouragement of imitations, adaptations, improvements and adoptions of products and processes into the region would appear to be much more relevant to the promotion of productivity growth in NI than the pursuit of newness.”

3.34 The Review recommends that support should be given for programmes which encourage the adoption of more efficient production processes across the region’s industry. The Programme works with companies of all scales and with varying degrees of expenditure on R&D, ensuring not only that they are made aware of compliance issues, but it also facilitates the adoption of innovative techniques, primarily at the design stage which have the potential to overcome constraints and bring products to market quicker.

3.35 The Programme objectives are in keeping with the strategic recommendations of the Review.

Fit with Invest NI Portfolio of Programmes

3.36 The Programme is often the first area of engagement between technical staff within start up companies (mainly in manufacturing) and Invest NI, introducing with it opportunities to avail of other Invest NI products.

3.37 We see the Programme as being a ‘pump primer’ in that it assists companies to take the first stage towards compliance and provides them with the tools to develop the process further themselves. The survey validates this point as 65% of responses as to why respondents were prompted to take part in the Programme related to compliance issues and only after attending the Programme did they begin to recognise the wider benefits.

3.38 The Programme has operated under two Corporate Planning periods for Invest NI, 2005-2008 and 2008-2011. The following paragraphs assess the Programme’s fit with each Corporate Plan.

3.39 The 2005-2008 Corporate Plan stated that Invest NI interventions would be delivered under three themes: Being Entrepreneurial; Being Innovative and Being International. The Programme matches these themes and benefits participating companies in two ways:

- a) **innovation** - it encourages them to become more innovative by both supporting the compliant design of new products and demonstrating the benefits of design on existing products; and
- b) **internationalism** - it encourages them to become more export focussed by providing them with more confidence in their products.

Background and strategic context

III

3.40 The 2008-2011 Corporate Plan states that Invest NI interventions will focus on three priority actions for economic growth: Realising Client Potential, Shifting the Sectoral Focus and Frontier Technologies. The Programme potentially has a direct impact on two of these themes:

- a) **Realising Client Potential** – the greatest opportunity to generate additional wealth lies in encouraging existing Client companies, most of which are locally owned SMEs to realise their potential. Recommended actions to be supported under the Theme include, increasing awareness of the benefits of innovation through role models and case studies and offering a targeted development programme aimed at improving productivity and business performance. The Programme is in accordance with the Theme as it seeks to promote and embed an innovation culture in local companies through seminars and consulting support; and
- b) **Shifting the Sectoral Focus** – the Programme can also assist in the shift towards high value economic activity by boosting indigenous businesses and start ups in high value sectors, assisting in the sophistication of production, process, design and product development.

3.41 It is our contention that the Programme does not have a direct impact on supporting Frontier Technologies.

3.42 In addition, the 2008-2011 Corporate Plan states that Invest NI will seek to promote and embed an innovation culture in its clients and rationalise innovation support programmes under the five themes of capability, product, process, export and investment. Relevant actions to the work of the Programme include:

- a) increasing awareness of the benefits of innovation through role models and case studies; and
- b) offering targeted development programmes aimed at improving productivity and business performance.

3.43 The Programme has been classified under the research and development category as part of the Near Market Product and Process Development portfolio of solutions. On this basis we are satisfied that the Programme fits with Invest NI's current strategy and Programme portfolio.

Northern Ireland Manufacturing - Manufacturing Counts

3.44 Northern Ireland Manufacturing is a lobbying body for the Manufacturing sector in Northern Ireland. Its 2006 strategy document, Manufacturing Counts, states:

“Invest NI need to look to niche sub sets where potential abounds hence an emphasis is needed on applying knowledge based solutions to traditional areas and thereby creating growth rather than managed decline”

3.45 The Programme aims to assist manufacturing through applying knowledge based solutions.

Background and strategic context

III

Conclusion

3.46 Although CE Marking is primarily a compliance tool and failure to comply would exclude Northern Ireland based companies from competing within the European Economic Area, the Programme aims to ensure that companies are aware of the full implications of CE Marking, whilst at the same time embedding best practice in terms of design and production methods through the combination of seminars and consultancy support.

3.47 In seeking to embed improved design and production methods the Programme is in accordance with the following strategies:

- a) Revised Lisbon Agenda;
- b) Manufacturing: New Challenges, New Opportunities;
- c) Strategy 2010;
- d) Northern Ireland Economic Vision;
- e) Regional Innovation Strategy;
- f) Independent Review of Economic Policy; and
- g) Invest NI Corporate Plan.

3.48 The original rationale for the Programme was to inform all categories of Invest NI client companies involved in the design/manufacture of products or components of the requirements of CE Marking. Market intervention, through the provision of seminars and consultancies was originally deemed appropriate as a means of overcoming the highly technical nature of CE Marking, particularly for small and medium sized enterprises (SMEs) which did not have in-house expertise.

3.49 It is our contention that the original rationale for the Programme is still valid. Although the market intervention was primarily aimed at addressing asymmetric information within SMEs, there is also a rationale for the continued involvement within the Programme of large companies. The reason for their involvement is two fold:

- a) there is an important demonstration effect to local SMEs of the benefits of CE Marking to exporting, through the experience of large companies. It also provides an opportunity for companies of varying scale and position on the supply chain to network; and
- b) due to the churn of staff within large companies, the Programme provides a useful awareness raising opportunity, thereby facilitating compliance with the legislation. In addition, large companies only have access to the seminars (no consultancy) and they are charged at a rate which fully covers the additional cost of their participation.

3.50 In addition, the continued provision of the Programme by Invest NI is considered appropriate. The Programme is often the first area of engagement between technical staff within start up companies (mainly in manufacturing) and Invest NI, introducing with it opportunities for them to avail of other Invest NI products.

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Methodology

4.1 In accordance with the requirements of the evaluation, we have employed the following methodology to determine a robust sample size:

- a) out of a total of 154 Programme Interventions 6 13 companies had attended more than once (19 additional interventions) and 11 companies could not be contacted leaving a potential sample population of 124; and
- b) although 50 companies completed the Client Survey, not all respondents addressed each question. The responses to questions range from 23 to 50. Based on a total population of 124, a sample size of 50 companies provides a confidence interval of 11 at a 95% confidence level. A sample size of 23 provides a confidence interval of 19 at a 95% confidence level.

4.2 After calculating the sample size a survey questionnaire was drafted and further tailored following discussions with the Evaluation Steering Group. The questionnaire was designed for online use, with a balance of quantitative questions (where clients were asked to score against a range of satisfaction levels) and qualitative questions (where clients were asked to expand on their answers to provide additional feedback). The questionnaire (*Appendix B*) covered the following broad areas:

- a) background to the client;
- b) the structure of the Programme;
- c) the management and administration of the Programme; and
- d) the outcomes from the Programme.

4.3 The sample was tailored to include clients from all three Directives, clients of different sizes and clients from different geographical locations.

4.4 The questionnaire was dispatched to all 124 separate companies on 11 December 2009. Following a low response of 10 respondents by the initial deadline of 22 December 2009, a second batch of emails was sent on 7 January with a deadline of 12 January. A further 13 responses were received, taking the total up to 23. Consequently a further 28 questionnaires were completed by telephone interview, taking the total up to 51. All possible respondents have been contacted, twice by email, and the remaining 101 companies (all companies who had not replied by the 12 January deadline) were contacted by phone.

4.5 During the cleaning of the questionnaire results, it was discovered that there had been duplication of interviews (two people were contacted in the same organisation) and the actual sample size was 50.

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Analysis of Data

4.6 The following tables provide a summary of the responses from the beneficiary survey (it is noted that not all clients responded to every question and in a number of questions, multiple responses could be given, so respondent numbers are greater than the sample size). It should be noted that in several tables numbers may not add to the totals due to rounding.

4.7 The survey began with an enquiry into the level of knowledge/experience of respondents and their respective companies prior to attendance on the Programme.

4.8 22 respondents (44%) stated that their company had previous experience of CE Marking products prior to taking part in the Programme.

4.9 The following question was asked in relation to company attendance at a previous wave of the Programme.

Question		
Was this the first time your company had taken part in the Programme ?		
	No of Respondents	%
Yes	30	60
No	20	40
	<u>50</u>	<u>100</u>

4.10 Of those that answered no, 10 had attended the Programme approximately 10 years before and were predominantly from Waves 10 and 16. Wave 16 was primarily held to provide an update to companies that had previously attended. As Directives are updated at least every ten years (and standards more frequently), respondents stated that it was necessary to be informed of changes at regular intervals.

4.11 The following question was asked in relation to respondents' own personal knowledge of CE Marking:

Question		
How would you assess your level of knowledge of the CE Marking process prior to attendance on the Programme?		
	No of Respondents	%
None	15	30
Introductory	14	28
Limited to certain aspects	13	26
Good working knowledge	8	16
	<u>50</u>	<u>100</u>

4.12 The table illustrates that most attendees had limited direct experience of CE Marking. The results reflect that not only is there a sizeable proportion of new companies entering the Programme but that established CE Marking companies are also availing of the Programme.

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4.13 Most repeat users of the Programme are large companies who use it to train new cohorts of staff and ensure awareness of compliance issues for existing staff. These large companies can only access the seminars within the Programme (no consultancy support) and make a contribution which fully covers costs.

4.14 The Programme staff advocate the inclusion of the large scale companies at regular intervals for the following reasons:

- a) essential that key Northern Ireland based exporters are aware of all new requirements for CE Marking;
- b) it provides an opportunity for companies of varying scale and position on the supply chain to network; and
- c) the inclusion of the large companies does not crowd out the inclusion on the Programme of SMEs, as they merely attend the seminars and make a contribution which fully covers costs.

4.15 The following question relates to the reasons why clients think CE Marking is important (respondents could provide more than one reason):

Question			
What prompted you to take part in the Programme?			
		No of Responses	% of Responses
Safety Reasons		27	29
Encourage exports		12	13
Concern to do the right thing		34	37
Purchaser insistence		8	9
Competitors had already undertaken training		2	2
Other (Please specify below)		10	11
Total		93	100

4.16 Within the table, the percentage rate has been calculated against the 93 responses to the survey. The table illustrates that the main reasons (37% and 29% of responses respectively) as to why companies were interested in attending the Programme related to concern to do the right thing and safety issues. Of those companies who identified safety reasons, 15 also stated a concern to do the right thing as also prompting them to take part in the Programme.

4.17 Some 13% of responses related to a wish to encourage exports. 10 of these responses were from established exporters (within the UK and RoI) and who also identified CE Marking as a prerequisite for trading in other markets. Of the two that cited the need to follow a lead taken by competitors, both respondents had also ticked safety reasons and concern to do the right thing. One of the two stated that they had also attended the Programme in the belief that it could aid their ability to export.

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4.18 The purchaser insistence option was mainly chosen by companies who supply components and were operating under the EMC Directive. In terms of the other option, this mainly related to a wish to update their knowledge of CE Marking in light of changes to Directives.

4.19 The following table identifies which of the three (potentially all three) Directives companies were interested in learning about:

Question			
Which Directive did you wish to implement?		No of Respondents	% of Respondents
All three Directives		10	20
Machinery Only		17	34
Electromagnetic Compatibility (EMC) Only		6	12
Low Voltage Directive Only		3	6
EMC and LVD		10	20
Machinery and LVD		1	2
Machinery and EMC		3	6
Total		50	100

4.20 The table illustrates that 34% of respondents wished to implement only the machinery Directive, whilst 20% either wanted to implement all three Directives or the EMC and LVD directives. The high number wishing to implement all three Directives relates to the high number of companies involved in manufacturing circuit boards/ electronic components. The most frequently occurring combination was EMC and LVD, this is largely due to their shared technical background. However respondents stated that the three Directives provided an adequate coverage of technical issues and there was no need to extend the number of Directives.

Structure of the CE Marketing Programme

4.21 The following question relates to the views of participants as to the structure and content of the seminars:

Question			
How useful did you find the initial one-day seminar / both one day seminars ?		No of Respondents	% of Respondents
Very useful		22	44
Useful		24	48
Partially useful		3	6
Not useful		1	2
Total		50	100

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4.22 92% of respondents viewed the one day sessions as either useful or very useful. A number of Clients who had previously attended the Programme believed that there had been a degree of duplication in the training they received in the most recent session. It was suggested that there should be a change to course structure to reflect the learning needs of introductory attendees and those requiring an update. There was also a perception that the training was heavily orientated towards ensuring compliance.

4.23 The following question relates to the view of participants as to the structure and content of the consultancy support:

Question		No of Respondents	% of Respondents
How useful did you find the Consultancy support?			
	Very useful	25	52
	Useful	16	34
	Partially useful	3	6
	Not useful	4	8
Total		48	100

4.24 86% of respondents viewed the consultancy support as either useful or very useful. The consultancy support entailed up to 3.5 days of consultants time or an equal amount of laboratory time (primarily for companies seeking EMC/LVD support). Even though the consultancy support was viewed as being positive a number of issues were identified:

- a) one respondent stated it would be useful to have a combination of both consultancy and laboratory time. However, this option is already available to companies. It is recommended that subsequent Programme literature clarifies this situation;
- b) there was no standard output for each consultancy intervention;
- c) two companies stated that they had not received their full allocation of consultancy support;
- d) companies in the more peripheral regions of Northern Ireland received less time than those companies closer to Belfast. The discrepancy was placed on travelling time; and
- e) very much orientated towards compliance.

4.25 Most respondents identified that the quality of input delivered by the Consultants was of a very high standard, largely down to the practical experience which they were able to bring to each client. In addition, the greatest benefits were perceived to be when Consultants were able to assist at the design stage.

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4.26 The following question relates to the view of participants as to the structure and content of the Final Forum?

Question			
How useful did you find the Final forum?			
		No of Respondents	% of Respondents
	Very useful	16	38
	Useful	12	29
	Partially useful	10	24
	Not useful	4	10
	Total	42	100

4.27 67% of responses viewed the final forum as being either useful or very useful. However, in common with those respondents who viewed it as being only partially useful, there was a perception that it was only a recap of what was already taught. It was also recommended that a workshop approach, to encourage greater class dialogue should be introduced. A number of respondents would prefer to have a shorter final forum, but with an update session/alert at a subsequent time, perhaps six months after the Wave had ended or when there was a change to the Directive.

4.28 In addition, one respondent stated that they favoured a form of alumni scheme, where registered members could access an extranet site for regular updates.

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Marketing of the Programme

4.29 The following question relates to how beneficiary companies became aware of the Programme:

Question		
How did you become aware of the Programme?		
	No of Responses	% of Responses
Mail shot	10	19
Word of mouth	4	8
Internet	4	8
Newspaper	0	0
INI Client Executive	25	47
Supplier/Customer	1	2
Other	9	17
Total	53	100

4.30 A number of beneficiary companies provided multiple responses of the ways in which they became aware of the Programme, contributing to the total of 53 responses. As most companies are Client Managed, it is not surprising that 47% of responses stated that they became aware of the Programme from their Client Executive. Due to the elapse of time (particularly for those who had attended waves 10 and 11) 9 (17%) responses related to beneficiaries not remembering how they became aware of the Programme. The mechanisms used seemed suitably robust for existing Invest NI clients, however the survey only reflects the views of those who participated in the Programme and it is hard to judge the impact of the marketing approach on those who were not involved.

4.31 The question relates to the opinion of beneficiary companies as to the effectiveness of the marketing of the Programme:

Question		
How effective do you think the marketing of the Programme is?		
	No of Respondents	% of Respondents
Very effective	13	30
Effective	30	68
Not effective	1	2
Total	44	100

4.32 98% of respondents stated that the marketing was effective. However, it must be borne in mind that the survey only reflects the views of those companies who were contacted by the Programme organisers.

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4.33 The following question relates to whether the respondent has recommended the Programme to either colleagues or suppliers:

Question		
In relation to recommending the Programme to colleagues/suppliers please tick which of the following options apply?		
	No of Respondents	% of Respondents
I have already recommended the Programme	26	52
I have not yet recommended the Programme, but I would recommend it	22	44
I would not recommend it	2	4
Total	50	100

4.34 96% of respondents have stated that they have already recommended or would recommend the Programme. Only 4% of respondents have stated that they would not recommend the Programme. Most respondents stated that they thought it important that their suppliers should also be CE Marked.

Outcomes from the Programme

4.35 The following paragraphs collate the perceived outcomes of the Programme for each respondent. The first question relates to the respondent’s level of knowledge of CE Marking as a result of the Programme:

Question		
How would you assess your level of knowledge of the CE Marking pre and post attendance on the Programme?		
	No of Respondents (pre attendance on the Programme)	No of Respondents (post attendance on the Programme)
Good	8	34
Limited	13	15
Introductory	14	1
None	15	0
Total	50	50

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4.36 Prior to involvement in the Programme, 29 respondents (58%) stated that they had either no knowledge or an introductory knowledge of CE Marking. 13 (26%) stated that they initially had a limited knowledge with a further 8 (16%) stating their knowledge was good. As a result of the Programme there is a significant improvement with an additional 26 (52%) respondents stating that they had a good knowledge and 15 (30%) with a limited knowledge. Overall 41 (82%) of respondents stated the Programme had improved their knowledge of CE Marking.

4.37 The question below identifies the benefits which respondents considered to arise from their attendance on the Programme:

Question			
What do you consider to be the potential benefits of taking part in the Programme?			
	No of Responses	% of Responses	% of Respondents
Enhanced access to Export Markets	19	17	38
External accreditation of Product	24	21	48
Awareness of good practice	45	40	90
Potential to innovate production methods	16	14	32
Other	8	7	16
Total	112	100	100

4.38 90% of respondents (40% of responses) stated that the potential benefit of taking part in the Programme related to the awareness of good practice. Respondents stated that they knew that CE Marking was mandatory, however after attendance on the Programme, they realised that complying with CE Marking would bring with it added benefits in their processes and procedures, either in terms of efficiency gains due to improvements in design and enhanced awareness of health and safety issues.

4.39 48% of respondents (21% of responses) stated that the potential benefit of taking part in the Programme related to the external accreditation of their product. The external accreditation provided a degree of confidence in entering new markets, but was most often cited as being an essential pre requisite for those companies presently trading in the European Union and/or supplying either the public sector or larger companies.

4.40 38% of respondents (17% of responses) stated that the Programme had enhanced access to export markets. This was most often cited by those companies, who either were existing exporters or were about to embark on export activity. The CE citation provided in a number of instances the confidence to enter the US market, where although it is not an approved accreditation, the companies placed it on their marketing literature and felt less open in that particularly litigious market.

4.41 32% of respondents (14% of responses) stated that the benefit of taking part in the Programme related to the potential to innovate production methods. In particular, consultancy support at the design stage brought with it significant efficiency gains and one company cited that it increased the speed to which a product was brought to the market.

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4.42 16% of respondents (7% of responses) cited another benefit of taking part in the Programme. This was primarily related to the confidence which the Programme had provided them, in terms of their processes and their ability to compete. One company stated that the Programme afforded them the opportunity to compare what they were doing with other companies, something they would not otherwise have been able to do. Another company stated that the Consultancy support provided them with this external comparison. These comments support the assumption that the Programme itself provides a demonstration effect to small companies of good practice.

4.43 The question asked if the respondent would have CE Marked any products if they had not taken part in the Programme:

Question		
Would you have CE Marked any products if you had not taken part in the Programme?		
	No of Respondents	% of Respondents
Yes	14	29
No	35	71
Total	49	100

4.44 This question addresses the issue of additionality for the Programme. The survey identifies that 71% of respondents stated that they would not have CE Marked any product if they had not taken part in the Programme. However, we have calculated additionality as being 81% and believe that the activity supported under the Programme is best characterised as being partially additional. Our rationale for this assumption is explained in the following paragraphs.

4.45 As CE Marking is a legislative requirement, this means that companies would be required to comply at some stage irrespective of whether they attended the Programme or not. However, the Programme provides additional intangible benefits over and above statutory compliance requirements. In particular it provides access to experienced consultants who will promote best practice and encourage the CE Marking process to become an integral part of the design process thereby promoting more innovative design, together with the opportunity to network with other companies undertaking the process. The Programme also enhances the capacity of companies to CE Mark, both in terms of the quality and consistency of their understanding.

4.46 We are satisfied that the Programme in its current form would not happen in the absence of public sector funding. However, many of the component parts of the Programme are available, at a cost, directly from the private sector. The Programme is considered to be partially additional as a result of the following:

- a) the Programme encourages companies to CE Mark earlier than they would do without the intervention. As a consequence the Programme delivers results earlier than without intervention;
- b) the Programme is delivered to a higher standard than without intervention in that:
 - i) it provides direct access to highly experienced consultants which would be cost prohibitive for many small companies;

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- ii) it provides detailed technical knowledge delivered by experienced trainers; and
- iii) it encourages networking between companies.

4.47 The headline deadweight percentage (calculated as the number of companies who would have CE Marked regardless of whether they had attended the Programme) is 29% (14 out of 49 respondents). This figure, however, is misleading as it includes a number of larger companies who have attended the Programme a number of times and who make a full contribution to the cost of their attendance at the seminars. Excluding the 6 larger companies (who only attended the seminars) results in a reduced deadweight percentage of 19%.

4.48 Prima facie deadweight could be reduced if the Programme was only accessible to companies who had not previously CE Marked. However, the benefits associated with the inclusion of companies with previous CE Marking experience outweigh the advantages of restricting the Programme to those companies who have not previously CE Marked.

4.49 The table below provides further analysis of the number of companies actually CE Marking products:

Question		
Number of products CE Marked by company since participating in the CE Marking Programme?		
	No of Respondents	% of Respondents
None	17	44
1-5	15	38
6-10	4	10
10+	3	8
Total	39	100

4.50 The mode number of products CE marked by companies is 2. However, of the three companies stating they CE Marked 10+, 1 CE Marked 100. The table shows that a small number of companies are CE Marking multiple products/processes. They tend to be refining existing products/components to meet their own manufacturing needs and so need to ensure all aspects of the production process comply.

4.51 17 (44%) companies stated that they have not yet CE Marked. All except one (which has temporarily suspended trading activities) expect to CE Mark at a later date.

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4.52 The following question seeks to assess the impact of the Programme on exports:

Question		
Has CE Marking products had a positive impact on exports?		
	No of Respondents	% of Respondents
A large extent	11	23
A little extent	7	15
No extent	29	62
Total	47	100

4.53 In line with previous findings that the orientation of the Programme was towards compliance, some 62% of respondents stated that the Programme had no discernible positive impact on exports. However, 23% of respondents stated that the Programme had a large impact on exports with a further 15% stating that the Programme had a small/little impact on exports. Of those companies which stated that there had been an impact, their explanations related to either their new found confidence in being able to meet the technical requirements of export markets, or that the CE -brand itself had opened up markets.

4.54 One company stated that the use of the brand helped enter new export markets, a view reiterated by another Company who stated that it was essential for exports and that *‘a move into new markets sustained jobs during the present downturn’*.

4.55 Two companies, also identified that the *‘focus on safety issues provided a good selling point’*. Another circuit board company stated that the pre EMC testing provided in the lab had *‘moved them to commercialisation quicker than if they had to wait to test products in England’*.

4.56 An international company commented that it was *‘a useful brand.’*

4.57 Another company went further stating, that they had a *‘new CE Division and without CE Marking they couldn’t safely export.’* One company stated that it *‘had created new export markets in Europe.’*

4.58 Even companies that stated that there was only a limited impact on exports stated that the course provided them with enhanced confidence in their product, with one citing that this new confidence permitted them to enter the US market, *‘winning a significant sale in Seattle, which for a company of our size is a real achievement’*. However, the timing of the recession has limited further export activity.

4.59 All respondents found it difficult to quantify the impact on exports as they could not isolate the Programme’s role. All stated that it was a prerequisite for exporting.

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Question		
In terms of production, were jobs created/sustained for those products you CE Marked?		
	No of Respondents	% of Respondents
A large extent	7	19
A little extent	6	16
No extent	24	65
Total	37	100

4.60 Some 24 (65%) of respondents stated that there was no attributable impact on jobs sustained/created as result of CE Marking.

4.61 However, 7 (19%) respondents stated that the Programme had had a large impact on sustaining jobs. One company said *“it sustained jobs by allowing us to export when domestic markets dried up.”*

4.62 One respondent stated *“a new division was created for CE Marking”*. However, we have assessed this as merely internal deployment rather than the creation of new jobs.

4.63 Six respondents stated that the Programme had a little impact on sustaining jobs, but no new jobs were created.

4.64 In general, respondents stated that there was the possibility of positive impacts on sustaining/creating jobs but it was hard to directly attribute the impact of the Programme. Most respondents stated that the impact of the recession had temporarily limited any growth expectations.

4.65 The following question seeks to assess the impact of the Programme on diversification/innovation?

Question		
Has there been any diversification/innovation as a result of your product (s) being CE Marked?		
	No of Respondents	% of Respondents
A large extent	2	6
A little extent	7	21
No extent	25	74
Total	34	100

Client Survey and Stakeholder Consultation

IV

4.66 25 (74%) respondents stated that there was no impact or attributable impact on innovation. However, a total of 9 (27%) respondents stated that there had been some attributable impact on innovation. Most stated that they had benefited from Consultancy assistance in adjusting product design, with one stating that *“pre EMC testing was particularly useful, resolving design issues and bringing the product one stage closer to market”*. One company stated *“minor improvements on innovation”* and a local manufacturing company said that *“it helped move from design to manufacturing.”*

4.67 However, it was the question of the attribution and the impact of the recession which prevented most respondents from identifying a direct link between the Programme and any innovations.

4.68 *Appendix F* has a more detailed case study outlining the benefits of the Programme.

4.69 The table below assesses the impact of the Programme on turnover and percentage turnover exported:

Question	Pre Programme		Current position	
	Number	%	Number	%
What was the annual turnover of your company at the time you took part in the Programme and what is your turnover now?				
<£1 million	13	37	9	33
£1 ó £10 million	14	40	13	48
>£10 million	8	23	5	19
Total	35	100	27	100
Question	Pre Programme		Current position	
	Number	%	Number	%
What percentage of your turnover was exported at the time you took part in the Programme and what percentage of your turnover is exported now?				
None	4	15	2	9
0-50%	15	58	15	65
50-100%	7	27	6	26
Total	26	100	23	100

4.70 It is difficult to assess the impact of the Programme on turnover as the same respondents did not answer both questions. The failure to answer this question can be put down to two reasons:

- the disruptive impact of the recession; and
- the composition of respondents. Many respondents were from the technical side within companies and so did not have access to financial information.

Client Survey and Stakeholder Consultation

IV

4.71 The following question was asked in relation to export sales:

To which countries did you export at the time of taking part in the Programme and to which countries do you now export?				
	Pre Programme		Current position	
	Number	%	Number	%
No export	4	11	2	6
UK and ROI only	11	30	11	34
Europe only	7	19	8	25
Global	15	41	11	34
Total	37	100	32	100

4.72 It is difficult to assess the impact of the Programme on turnover as there is not a direct correlation in the respondents, pre and post Programme. The table implies a limited impact on destination of export sales, with a potential retrenchment towards the Europe only market, perhaps largely down to price competitiveness of sterling.

4.73 Companies such as that cited in the case study (see *Appendix F*) state that CE marking is 'essential for their export markets, selling as we do to Governments and the wider public sector, throughout Europe and further' and that it has assisted them in maintaining these markets through the current down turn. This view was supported by the large exporters. The smaller companies were more likely to refocus their energies on core markets.

4.74 Although a trend is not identified in the table, attendance on the CE Marking course gave a number of companies the confidence to enter the more litigious US market. The interest in markets outside of the European Union is identified at paragraph 4.84.

4.75 The following table analyses the employment numbers before and after undertaking the Programme. The results indicate a small rise in employment over the period:

Number of employees	Pre Programme		Current position	
	Number	%	Number	%
<50	25	61	20	63
50 to 100	6	15	3	9
>100	10	24	9	28
Total	41	100	32	100

Client Survey and Stakeholder Consultation

IV

Administration of the Programme

4.76 The following questions relate to the administration of the Programme, whether it was perceived as being good value for money, how it could be augmented as well as an overall assessment of delivery and impact:

Question		
How would you rate the overall administration of the Programme?		
	No of Respondents	% of Respondents
Very good	24	49
Good	21	43
Fair	4	8
Poor	0	0
Very Poor	0	0
Total	49	100

4.77 92% of respondents stated that the administration of the Programme was either good or very good. Of those stating that the service was fair, this mainly implies that it was neither exceptional nor had failed (bar 2 companies citing that consultants had not completed their service). Respondents stated that all learning materials and training sessions were delivered on time and in a professional manner.

4.78 The following question relates to an assessment of the value for money of the Programme fee:

Question		
Was the Programme fee good value for money?		
	No of Respondents	% of Respondents
Yes	42	86
No	7	14
Total	49	100

4.79 Respondents stated that the consultancy support and the laboratory time made the Programme good value for money. There was an awareness by respondents that the service was heavily supported and that the current economic situation has consequences on Government's spending priorities. Therefore any future price increases would not be unexpected.

Client Survey and Stakeholder Consultation

IV

4.80 The following question asks if the Programme omitted any information, or could be augmented:

Question		
Were there any issues that were not covered in the Programme?		
	No of Respondents	% of Respondents
Yes	8	16
No	42	84
Total	50	100

4.81 Of the 16% who stated that issues were not covered, all of the respondents stated that it was a question of emphasis particularly in relation to medical devices and the EMC and LVD Directives.

Question		
Did participating in the Programme encourage you to use any other Invest NI services?		
	No of Respondents	% of Respondents
Yes	22	44
No	28	56
Total	50	100

4.82 The survey identified that the Programme encouraged 44% to use another Invest NI service. This is down to two reasons. First a number of the companies are already accessing Invest NI services. Secondly, respondents tended to be from the technical side of firms and were unsure of other activities being undertaken by their company. Of those who were encouraged to use other services, this mainly related to export guidance and other training. There was no additional use of mentoring support.

Client Survey and Stakeholder Consultation

IV

4.83 As CE Marking primarily relates to the European market, the question below seeks to identify if there is a demand for information on the technical requirements for other export markets:

Question		
Would you be interested in similar CE Marking Programmes for other export markets?		
	No of Respondents	% of Respondents
Yes	25	50
No	25	50
Total	50	100

4.84 50% of companies stated that they would be interested in further training sessions. These companies tended to be from established exporters wishing to establish new export markets outside of the European Union. Information was primarily sought in relation to the US market. In light of this interest, it is recommended that Global Technical Requirement Information is signposted within the Final Forum.

Question		
How would you rate the overall administration with the Programme?		
	No of Respondents	% of Respondents
Very satisfied	18	37
Satisfied	27	55
Neither satisfied nor dissatisfied	4	8
Dissatisfied	0	0
Very dissatisfied	0	0
Total	49	100

4.85 92% of respondents stated that they were either satisfied or very satisfied with the Programme. The remaining 8% were neither satisfied nor dissatisfied. There were no negative ratings in relation to the Programme.

Client Survey and Stakeholder Consultation**IV****Stakeholder Consultation**

4.86 Interviews were undertaken with the following stakeholders/delivery partners:

- a) Mr Mark Forte - QUB Programme Manager;
- b) Mr Alan Edgar ó Consultant;
- c) Mr Simon Barrowcliff ó Consultant;
- d) Mr Raymond Hall ó Consultant;
- e) Mr Ken Allen ó Consultant;
- f) Mr Barry Duke ó Consultant;
- g) Mr Paul Laidler ó Consultant; and
- h) Mr Colin Graham ó Invest NI Programme Manager.

4.87 The following questions formed the basis of a number of face to face and telephone interviews:

- a) involvement in the Programme;
- b) any emerging trends within the Sector;
- c) provision in other regions; and
- d) any improvements to the Programme.

4.88 The key findings were:

- a) the interviewees had been involved with the Programme for at least 10 years and although it was often the only Invest NI intervention they worked on, it augmented other services they delivered;
- b) they were experienced practitioners and frequently provided additional design advice to companies. In a number of circumstances they had been privately hired to undertake further development work;
- c) three of the consultants were Northern Ireland based, whilst the remaining two were from Great Britain. They mainly came over for short periods and were joined by Alan Edgar on site visits;
- d) the interviewees stated that the most important rationale for the Programme was to ensure compliance, second was the ability to assist in design. All agreed that completion of the Programme was a pre-requisite for being able to export, however attendance on the Programme alone would not permit exports;

Client Survey and Stakeholder Consultation**IV**

- e) there was recognition that the Programme could only be delivered by organisations such as Invest NI (with its economic development function) and QUB (with its recognised training function);
- f) there was discussion on the role of Notified Bodies in England providing EMC testing to Northern Ireland companies and the consequent costs involved, but it was agreed that the market in Northern Ireland would be too small to support such a costly enterprise;
- g) some of the respondents cited that there was a need to cover other Directives, such as the Medical Devices Directive, however the overall feeling was that the present range of training was sufficient;
- h) there was a recognition that the seminars were still very much done in a talking heads style. However, they did attempt workshops and case studies, but volunteers were not forthcoming;
- i) there were issues regarding the accreditation of the course and that this might encourage further study and the possibility of using such information for case studies;
- j) one respondent liked the idea of an alumni service, an extranet site where updates could be stored and individuals could exchange best practice; and
- k) all respondents stated that there was no other comparable service in any other part of the United Kingdom.

Programme operation**V****Programme management**

5.1 The management of the Programme is the joint responsibility of QUB and Invest NI. QUB was awarded the contract for the delivery of the Programme as a result of a single tender. The rationale for this decision was outlined in a Single Tender Request Note dated 2 May 2007 which identified the main reasons as being:

- a) the only Northern Ireland based organisation with the requisite skills in CE Marking and industry linkage;
- b) continued access to the Northern Ireland Technology Centre within QUB for compliance testing. This is the sole organisation offering this service within Northern Ireland and is a key component of the Programme. In addition, the pre-EMC testing service is offered at a discounted rate through the Programme; and
- c) QUB's recognised role as a provider of training to the manufacturing sector in Northern Ireland.

5.2 Invest NI's Corporate Services Managing Director approved the single tender for Queen's University of Belfast on 14 May 2007.

5.3 The respective responsibilities of both parties in the delivery of the Programme are as follows:

Invest NI

- a) marketing of the Programme;
- b) selecting the participating companies; and
- c) final review and evaluation of the Programme.

QUB

- a) propose companies for Programme participation;
- b) assist in production of marketing literature;
- c) acting as Managing Agent;
- d) develop and organise seminars and the forum;
- e) manage consultancy support;
- f) overall administration and project management;
- g) invoicing and collection of participating client fees; and

Programme operation**V**

- h) interim reviews and evaluations.

5.4 Operational management of the Programme is undertaken by the CE Marking Group consisting of:

- a) Colin Graham ó Invest NI;
- b) Martin McAteer ó Invest NI;
- c) Marc Forte ó QUB; and
- d) Alan Edgar ó NI Technology Centre.

5.5 The CE Marking Group meets approximately every six weeks to discuss operational issues. Minutes of the meetings are prepared and are used to drive actions.

5.6 The management of the Programme is undertaken in a professional manner with all members of the CE Marking Group working together as a team. Evidence obtained from the client survey and through stakeholder interviews indicated that it is considered that the Programme is well managed and delivered. From a client perspective there was little visibility of the different roles played by Invest NI and QUB.

Programme Format

5.7 The Programme commences with two full day seminars held within a two week period. The aim is to introduce companies to the issues concerning product conformity in relation to the relevant Directives and regulation.

5.8 Seminar A is aimed primarily at mechanical companies and involves:

- a) background and Introduction to CE Marking;
- b) product development and conformity;
- c) risk assessment;
- d) Notified and Competent Bodies;
- e) brief introduction to EMC/LVD Directive;
- f) introduction to Machinery Directives, PUWER Regulations;
- g) self assessment technical construction file;
- h) interactive exercise;
- i) role model case study (using an Invest NI company);
- j) introduction to, and discussions with, appropriate consultants (pre matched to company needs); and

Programme operation**V**

k) organisation of Stage 2 Consultancy.

5.9 Seminar B is aimed primarily at electrical and electro-mechanical companies and involves:

- a) background and Introduction to CE Marking;
- b) product development and conformity;
- c) risk assessment;
- d) Notified and Competent Bodies;
- e) introduction to EMC/LVD Directive,
- f) brief introduction to Machinery Directives, PUWER Regulations;
- g) self assessment technical construction file;
- h) interactive exercise;
- i) role model case study (using an Invest NI company);
- j) introduction to, and discussions with, appropriate consultants (pre matched to company needs); and
- k) organisation of Stage 2 Consultancy.

5.10 At the end of Seminars A and B feedback forms are completed by all participants. (A copy of the feedback form is contained in Appendix E).

5.11 We have reviewed the course outline for both training days and found that there is a high degree of duplication between the two days. We believe that both days are necessary as they are orientated towards two different sectors, but some companies do choose to attend both days as their company crosses both sectors. We note that a detailed timetable for both seminar days is distributed to Clients and that the days are structured as to allow Clients the opportunity to attend specific activities.

Programme operation

V

Stage 2

5.12 Stage 2 is the consultancy support and is either an allocation of 3.5 days of consultancy time, or 3 days of laboratory testing time. The consultancy support is one to one support including: in product development and conformity, training and support in risk assessment, producing a technical file and the declaration of conformity. This is arranged by the Programme Manager and involves up to 3 visits spread over a 6 to 8 week period, to allow for company preparation, interim assignments and consultancy research and review between visits.

5.13 The Consultancy is provided by one of 5 consultants. We have reviewed their CVs and all consultants have higher degrees in relevant academic disciplines along with an average of 20 years of relevant consultancy each. We believe that the Consultancy team selected is appropriate to the task.

5.14 The laboratory testing time relates to 3 days of lab time to test products. This is conducted at Queen's University's testing lab. Usual commercial rates for lab time amount to £500 per day (however comparable lab time in a Notified Body is £1,500 per day not including travel costs). The lab currently operates at less than 50% occupancy and can provide pre-notification testing facilities.

5.15 Companies were provided with 3.5 days of consultancy. This involved preparation time and report writing, meaning that it was not always apparent to the Client how much consultancy support they received. We consider that the consultants provided a good service and often in excess of the requisite 3.5 days.

5.16 At the end of each company assignment the Consultants distribute a questionnaire requesting feedback on the efficiency and effectiveness of consultancy given and whether there were any outstanding issues which needed to be addressed.

5.17 We consider that one of the strengths of the Programme management is that many of the team (both management and Consultants) have been involved in the Programme since its inception and have therefore developed a good understanding of the problems that may arise.

5.18 We consider that there is a good working relationship between QUB and Invest NI with both parties being satisfied with the other's role and performance.

Stage 3

5.19 A final three quarter day forum (seminar C) is held soon after the last planned consultancy visit. All participating companies are invited and this session includes:

- a) a review of progress;
- b) future networking;
- c) question and answer session; and
- d) formal closure of the Programme.

5.20 This is facilitated by the Consultants, Invest NI and QUB.

Programme operation

V

5.21 At the end of the forum, feedback forms are completed by the participants asking their views on whether their original objectives have been met, how well the Programme was managed and any suggested improvements.

5.22 Feedback from the surveys indicated that there was a wish for the format of the final forum to be augmented. It was stated that the forum should be more focused on worked case studies and addressing common issues. At present the final forum is held within a number of weeks of the consultancy support and so there is not the opportunity for the learning/new processes to be tested. It is recommended that the final forum be convened at a date no later than 3 months after the consultancy support period commences thereby providing the consultants an opportunity to contact their respective beneficiary companies to identify any ongoing issues. These common issues will form the basis of the subsequent final forum which will be held in a workshop format.

Stage 4

5.23 In response to the recommendations of the 2006 evaluation, a feedback form was sent out to all relevant companies 12 months after completion of the appropriate wave. This stage was only instigated after Wave 12 and to date feedback forms have only been completed for Waves 12 and 13.

Monitoring of outcomes

5.24 The review of the Programme identified that company feedback forms are completed at four stages:

- a) on completion of the initial seminars;
- b) on completion of the consultancy support;
- c) on completion of the final forum; and
- d) (for Wave 12 onwards) twelve months after completion of the wave.

5.25 The feedback forms are discussed on an individual basis at the relevant six weekly CE Marking Steering Group. Selected minutes from these steering groups have been reviewed and this is evident. There is presently no consistent performance monitoring framework in place for the capture and analysis of the data from the feedback forms. It is recommended that a performance monitoring framework should be put in place and that high level information (such as respondent numbers, composition of respondents in terms of scale and sector and any key issues arising) from these feedback forms should be collated and analysed on an activity and per wave basis to identify emerging trends and provide an evidence base for augmenting the Programme.

Programme operation

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Progress against Recommendations of the Previous Evaluation

5.26 The 2006 Evaluation identified a number of recommendations, in the subsequent paragraphs the Programme team's responses to the recommendations will be assessed:

- a) **Programme Objectives:**
- i) **Recommendations** – the objectives of the Programme should be updated to reflect the development of the Programme over the years since its commencement. That the objectives of the Programme are defined according to SMART objectives to enable a more accurate assessment of the degree of achievement of the objectives to be made;
 - ii) **Response** – the objectives and content of the Programme have both been continually reviewed and where necessary, updated to reflect changes which have happened since Wave 6. For example, in the most recent Programme, information on energy usage requirements and coverage of new 2007 legislative requirements were incorporated. The Programme team also stated that they would develop SMART objectives; and
 - iii) **Comment** – the Programme still does not have SMART objectives. However, we would recommend that consideration is given to the following SMART objectives:
 - i) as a result of attending the Programme, the percentage of companies who report an increase of company knowledge of CE Marking within 12 months of end of wave;
 - ii) as a result of attending the Programme, the percentage of companies implementing the recommendations contained in the consultancy report in relation to design/process improvements within 12 months of end of wave;
 - iii) as a result of attending the Programme, the percentage of companies CE Marking a product/process within 12 months of end of wave;
 - iv) as a result of the Programme, the percentage of companies developing new markets (geographical/product) within 12 months of end of wave.

It is recommended that the targets for the SMART Objectives should be set by the Programme Manager and confirmed by any subsequent economic appraisal.

It is recommended that the Invest NI Programme Manager should be responsible for collating the data for the SMART Objectives.

Programme operation**V**

It is also recommended that the Programme Manager, through the letter of offer./ invitation to attend, should inform all beneficiary companies of the type and frequency of information, they will be required to provide, to fulfil Programme targets.

It is recommended that SMART Objectives i- iv should be collated through the 12 month feedback form.

b) Seminar Content:

- i) **Recommendations** – that the content of the initial seminar is the subject of periodic peer review to ensure that the quality of the content continues to increase. In addition, the content of the seminars is reviewed to ascertain whether they can be delivered in a less technical/more user friendly way with greater use of visual aids and additional practical examples;
- ii) **Response** – the Steering Committee comprised of Invest NI and QUB representatives continuously incorporate new content and suggestions arising from the Programme feedback forms. The seminar material used in the new Programme makes extensive use of visual aids, practical examples and some aspects are recorded for subsequent use; and
- iii) **Comment** – there is evidence that there are systems in place to review and revise the Programme as necessary. The Programme team have instigated a number of improvements to the course since the previous evaluation.

c) Marketing:

- i) **Recommendations** - that the Invest NI website is updated to provide detailed information on a stand-alone basis or by link to the QUB Institute of Lifelong Learning. That the information contained on the Institute of Lifelong Learning website is reviewed on a monthly basis to ensure that it remains current. That the Programme consultants are made aware of Invest NI's suite of complementary Programmes to enable them to identify any further interventions that may be of benefit to client companies;
- ii) **Response** - there was an intention to develop a link between the Invest NI website and QUB and that nibusinessinfo.co.uk would contain Programme updates. QUB will also regularly update its website with regard to CE Marking. However, the Programme team rejected the recommendation that consultants should provide information on Invest NI products. This would continue to be the responsibility of Invest NI staff; and
- iii) **Comment** – updated information is available on both the Invest NI and Queen's University websites.

Programme operation**V**

- d) **Programme Pricing:** and
- i) **Recommendation** – the Participants' contribution is gradually increased over future waves (by between £50 and £75 per company per wave). It is important that any increase does not deter those companies that would benefit from participating in the Programme;
 - ii) **Response** – the participant contribution when the Programme first started was £300. The contribution was increased by £50 to £500 at Wave 10 and this will be reviewed at the end of each wave; and
 - iii) **Comment** – given the high level of agreement that the Programme presently offers excellent value for money (respondents cited that they were getting 3 days of consultancy for the price of one), the Programme team should review on an annual basis the company contribution to the Programme.
- e) **Section 75 Data:**
- i) **Recommendation** – for each wave the Programme Manager must ensure that information relating to the Programme participants is recorded and that Section 75 data is collected by way of anonymous confidential questionnaires from all participants;
 - ii) **Response** – the Programme team agreed that in future Programmes Section 75 information relating to Programme participants is collected anonymously as part of the application process; and
 - iii) **Comment** – insufficient equality related data is available, on Waves 10-15, on which to make a quantitative assessment.

Achievement of objectives

5.27 The objectives of the Programme, as set out in applications for funding, are as follows:

- a) to familiarise companies with the process of CE Marking by assisting companies to CE Mark one product, or a family of products, against relevant EU Directives. This should give them the ability to carry out this process with other products within their portfolio or with future products that may be developed (Objective 1);
- b) to increase the understanding and skills of participants in the relevant areas of product conformity over the duration of the Programme (Objective 2);
- c) to open markets and generate increased turnover by allowing companies to export their products within the EU and further afield, with confidence, and in the knowledge that all relevant safety considerations have been addressed (Objective 3);
- d) to implement the appropriate Essential Health and Safety Requirements (EHSR) in equipment design, development and production (Objective 4); and

Programme operation**V**

- e) to facilitate clients' understanding of their company's strengths and weaknesses with respect to current methodology and to assist in the identification of areas where relevant changes can be implemented (Objective 5).

5.28 The objectives of the Programme have not been defined in accordance with SMART principles and therefore the measurement of the achievement of these objectives is difficult. Our assessment of the achievement of the Programme objectives has been carried out through the stakeholder consultation and client survey.

Objective 1

5.29 Over the course of the Programme 135 companies undertook CE Marking training. The data obtained from the Client Survey indicated that 71% of companies stated that they would not have CE marked if they had not attended the Programme. The calculation of 71% would imply a headline deadweight percentage (calculated as the number of companies who would have CE Marked regardless of whether they had attended the Programme) as 29% (14 out of 49 respondents). This figure is misleading as it includes a number of larger companies who have attended the Programme a number of times and who make a full contribution to the cost of their attendance at the seminars. Excluding the 6 large companies (who only attended the seminars) results in a reduced deadweight percentage of 19% and consequently an increased additionality figure of 81%;

Objective 2

5.30 The Client Survey noted that prior to undertaking the Programme 29% of companies had either no understanding or an introductory understanding of the requirements of CE Marking prior to undertaking the Programme. However, after attending the Programme 82% of respondents stated that the Programme had enhanced their knowledge of CE Marking.

Objective 3

5.31 Although the present Programme commenced in March 2006, for most of its duration client companies have been facing a significant economic downturn. This has a consequent impact on their ability to trade and offsets the ability of the Programme to have a positive impact on exports. However, 23% of respondents stated that the Programme had had a large impact on exports with a further 15% stating that it had had a little impact on exports. Most respondents found it difficult to quantify the impact on exports as they could not isolate the Programme's role but did state that it was a pre-requisite to exporting.

Objective 4

5.32 The degree of achievement of this objective is difficult to assess for a number of reasons:

- a) there is no definition of Essential Health and Safety Requirements;
- b) it is not clear whether the objective relates to a single product, a range of products or is company wide; and
- c) measurement of the objective would require third party confirmation that all requirements have been met.

Programme operation

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5.33 While the data obtained from the client questionnaire indicates that the level of awareness of health and safety has been raised we do not have sufficient information or data to confirm whether this objective has been achieved.

Objective 5

5.34 The consultancy element of the Programme is directed towards tailoring support to the individual company to enable it to understand the strengths and weaknesses of its current systems and procedures. The Client Survey indicated that 52% of those surveyed considered the consultancy element of the Programme to be 'very useful' with a further 34% considering it to be 'useful'. It is noted that a number of organisations have utilised the Consultants since the Programme or at least maintained contact with their Consultants. This would indicate that the advice being offered is relevant and of benefit to the individual companies.

Marketing

5.35 The direct marketing budget for each wave of the Programme is set at £450. This relates primarily to the production of the CE Marking leaflet.

5.36 Marketing of the Programme is undertaken through the following methods:

- a) the Production of a CE Marking leaflet (*Appendix C*);
- b) via the Invest NI Technical Advisory Unit;
- c) via Invest NI client executives;
- d) via the Programme Consultants;
- e) inclusion within the QUB Institute of Lifelong Learning Short Course Training and Development Programme brochure which is sent to a wide range of companies; and
- f) inclusion on the QUB Institute of Lifelong Learning website.

5.37 In general, the marketing of the Programme is low key. The Programme is limited to 20 companies per wave and has been oversubscribed for all recent waves. On this basis, provided the Programme does not increase in scale, we consider that the marketing is adequate.

Benchmarking of Similar CE Marking support Programmes

5.38 We note that there are a number of organisations which offer technical support and tuition on CE Marking in the UK and Europe. However, the majority of these organisations do not offer the combination of theory and consultancy support, as offered by Invest NI's Programme.

5.39 The National Standards Authority of Ireland (NSAI) in Dublin does not directly provide training, but sign posts the services of private sector partners. The NSAI is no longer a Notified Body for the Manufacturing Directive, although pre- notification testing for EMC is still offered at €1,470 per day.

Programme operation**V**

5.40 A UK based organisation, -CE Marking Association, offers the following types of assistance:

- a) EMC design advice;
- b) conducting risk assessments;
- c) defining and interpreting the applicable standards;
- d) testing and assessments;
- e) international compliance guidance;
- f) technical (construction) file compilation; and
- g) knowledge transfer workshop and/or training.

5.41 These services are offered in either open workshops or to individual companies. All beneficiary companies have to be members of the Association (which costs £240 per year) and they get access to the website and get reductions on Association workshops and events (up to 50%). It has not been possible to get costs for workshops and consultancy assistance.

5.42 The British Standards Institute also provides workshops and consultancy to companies. The service is similar to that offered by the CE Marking Association. In addition, companies who receive training by the British Standards Institute can apply to have their product awarded a Kitemark.

5.43 The Kitemark is a voluntary, independent third-party mark that offers peace of mind for both the consumer and the specifier. To achieve Kitemark certification requires a manufacturer to have a comprehensive quality management system, based on ISO 9001:2000 or recognised factory production control system combined with initial product type testing and regular audit testing. Once achieved the Kitemark can serve as an enhanced marketing tool, by demonstrating an ongoing commitment to quality and safety.

5.44 Although the Manufacturing Advisory Service also recognized the importance of CE Marking and ran occasional workshops (approximate price £100) there was no subsequent assistance towards consultancy costs.

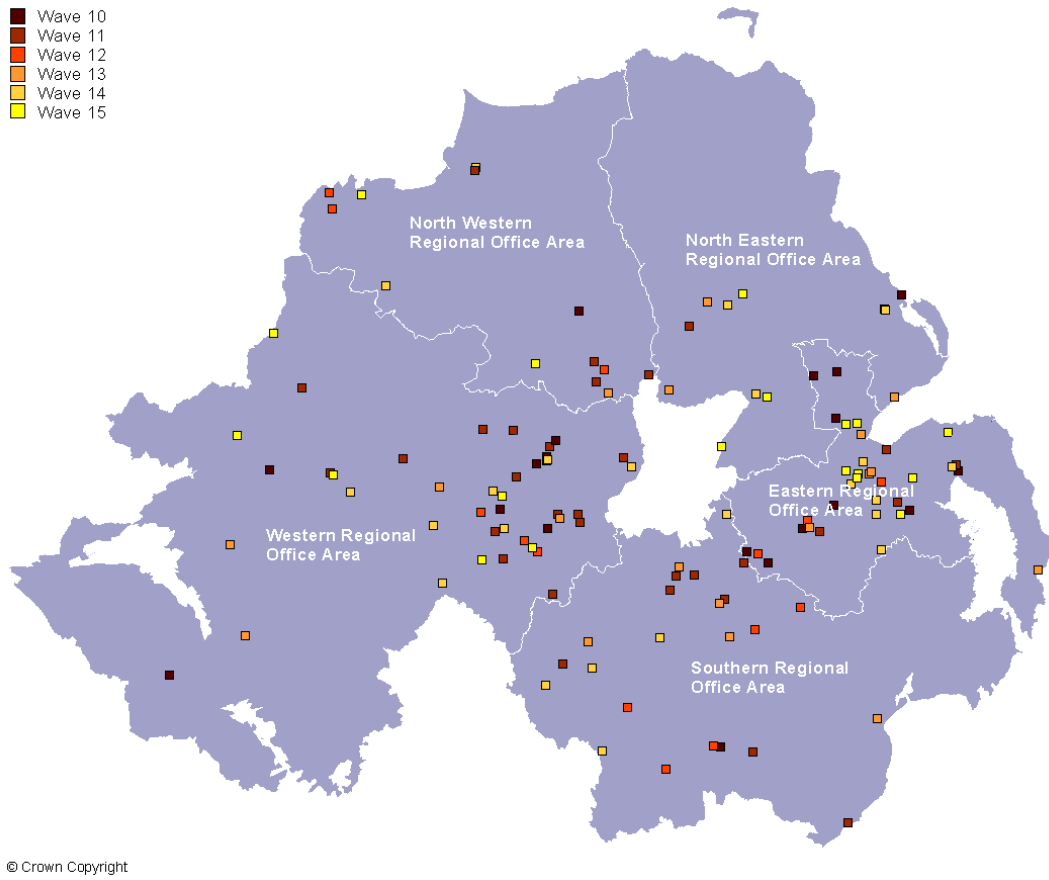
5.45 The Regional and Devolved Development Agencies did not actively promote CE Marking.

Programme operation

V

Distribution of Participants

5.46 The following information has been extrapolated from all companies who attended Waves 10-15:



Programme operation

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5.47 The table below illustrates the number of interventions offered by the Programme broken down by regional office area. This represents participation by 135 companies as 19 interventions were undertaken by companies on more than one occasion:

Regional Office	Wave 10	Wave 11	Wave 12	Wave 13	Wave 14	Wave 15	Total
Eastern	13	5	6	10	7	9	50
North Eastern	2	2	1	4	3	3	15
North Western	1	4	3	1	2	2	13
Southern	4	9	5	5	5	-	28
Western	8	15	4	5	9	7	48
Total	28	35	19	25	26	21	154

5.48 We have reviewed the geographical coverage of the Programme and believe that the composition of attendees accurately reflects the distribution of companies across the region.

5.49 An analysis of the survey respondents indicates that 9 are located in the bottom 100 super output areas (1-100) of the Northern Ireland Multiple Deprivation Measure (NIMDM). None are in the top 100 (up to 890):

Wave	10	11	12	13	14	15	Total
0-100	1	1	2	1	2	2	9
101-200	2	1	1	1	2	0	7
201-300	1	2	0	1	2	0	6
301-400	3	1	3	2	1	1	11
401-500	1	1	2	2	2	0	8
501-600	0	1	1	2	1	4	9
Total	8	7	9	9	10	7	50

5.50 The Programme has had an impact on companies located across the full range of super output areas.

Participant analysis

5.51 Invest NI is required to fulfil its obligations under Section 75 of the Northern Ireland Act 1998 on the promotion of equality of opportunity and good relations between:

- persons of different: religious belief, political opinion, racial group, gender, marital status, age;
- persons with a disability and those without;
- persons with dependents and those without; and

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- d) sexual orientation.

5.52 The Programme has been screened by Invest NI's Equality Impact Assessment and found to be compliant. However, there is insufficient equality related data available, on Waves 10-15, on which to make a quantitative assessment. .

Programme operation

5.53 The Programme has been screened by Invest NI's Equality Impact Assessment of its Business Development Solutions suite of programmes and found to be compliant.

Disability Discrimination Act

5.54 The Programme has been run at venues at both QUB and Invest NI. and have complied with Disability Access Legislation.

5.55 Both QUB and Invest NI are committed to compliance with the requirements of the Disability Discrimination Act 1995.

5.56 QUB is committed to equality of opportunity for all students and has identified six principles which underlies this commitment:

- a) equality to physical access, to information and to safety, as far as is practically possible;
- b) the responsibility to promote informed and constructive attitudes to disability;
- c) the responsibility to adjust customs and practices if they create inequality of opportunity for people with disabilities;
- d) to increase the proportion of students with disabilities;
- e) the responsibility to accommodate, insofar as is practical, all qualified applicants irrespective of disability; and
- f) that QUB will co-operate with other groups to make adequate provision for disability.

5.57 Invest NI has stated in its Equality policy that it will ensure that the information that it disseminates and the services that it provides are made accessible and equitable. In undertaking this commitment it considers:

- a) the statutory requirements of the Disability Discrimination Act;
- b) resource implications; and
- c) existing provision of information/services in accessible formats such as Braille, audio, large print and minority ethnic languages.

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Programme costs

6.1 The costs of running the Programme were as follows:

	Wave 10 £	Wave 11 £	Wave 12 £	Wave 13 £	Wave 14 £	Wave 15 £	Total £
Initial seminar delivery	8,650	7,200	7,250	9,250	9,255	9,520	51,125
Consultancy advice and support	46,795	61,585	40,450	43,405	43,430	39,350	275,015
Final seminar	3,595	3,095	2,095	3,050	3,245	3,100	18,180
Programme administration	6,950	7,470	6,950	7,450	6,950	8,450	44,220
VAT	5,574	7,429	5,045	5,533	4,275	7,413	35,269
Gross cost	71,564	86,779	61,790	68,688	67,155	67,833	423,809
Less participants' contribution	(12,900)	(18,300)	(10,000)	(13,750)	(14,050)	(11,000)	(80,000)
VAT	(5,574)	(7,429)	(5,045)	(5,533)	(4,275)	(7,413)	(35,269)
Net cost excluding VAT	53,090	61,050	46,745	49,405	48,830	49,420	308,540

Economy

6.2 The Programme budget for each wave is set out in detail in *Appendix D*. We consider that, taking into account the various elements of the Programme, there is little scope for cost reduction. The major component of cost relates to consultancy costs which have been charged at an agreed daily rate of £500 per day throughout waves 10 to 15. Given the quality of Consultants being used we consider that this represents value for money.

6.3 We consider that the main opportunity to reduce the net cost of the Programme is by increasing the participants' contribution. In previous waves this has been set at £400 per company but was increased to £450 per company for wave 10 in 2006, to £500 for waves 11 and 12 and £550 for waves 13, 14 and 15. The client survey indicates that all of the clients considered the fee to be good value for money. On this basis there may be scope to increase the participants' contribution in future waves, however, in light of the current economic circumstances there is merit in maintaining the contribution at its present level for a period of time.

6.4 We consider the Programme to have been run economically.

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Efficiency

6.5 The key performance indicators for the Programme are:

Key performance indicators	Wave 10	Wave 11	Wave 12	Wave 13	Wave 14	Wave 15	Total/Average
Number of interventions	28	35	19	25	26	21	154
Cost per intervention (£)	1,896	1,744	2,460	1,976	1,878	2,353	2,004
Administration costs as a percentage of gross cost (%)	9.7%	8.6%	11.2%	10.8%	10.3%	12.4%	10.4%
Participants' contribution as a percentage of gross costs (%)	18%	21.1%	16.2%	20%	20.9%	16.2%	19.3%

6.6 The budgeted net cost per company for wave 10 was £2,505, for wave 11 was £2,485 per company 12-15 was £2,488. It can be seen from the above table that the actual cost per company was lower for all waves. The structure of the Programme is such that approximately 33% of the costs are fixed costs. As a consequence the cost per company will increase at lower levels of company participation and decrease as a proportion at higher levels of company participation.

6.7 We consider the overall level of administration costs to be reasonable at 10.4% of total gross cost.

6.8 The Programme has been delivered at a cost per intervention lower than original estimates. The efficiency gains have been brought about by a flexible approach by the Programme Management Team in which they expanded the scale of the Programme without an impact on quality. In addition, the Programme Management Team has ensured the continued active input of many of Northern Ireland's leading manufacturers and with full cost recovery and no subsidy.

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Effectiveness

6.9 The Invest NI approval for the Programme was obtained for waves 10 to 15.. A comparison of the budgeted cost to the actual cost is set out in the following tables:

	Wave 10			Wave 11		
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £
Initial seminar delivery	8,650	8,650	0	9,200	7,200	2,000
Consultancy advice and support	40,450	46,795	(6,345)	40,450	61,585	(21,135)
Final seminar	2,995	3,595	(600)	3,095	3,095	0
Programme administration	6,995	6,950	45	6,950	7,470	(520)
VAT	6,221	5,574	647	6,272	7,429	(1,157)
Gross cost	65,311	71,564	(6,253)	65,967	86,779	(20,812)
Less participants contribution	(9,000)	(12,900)	3,900	(10,000)	(18,300)	8,300
VAT	(6,221)	(5,574)	(647)	(6,272)	(7,429)	1,157
Net cost excluding VAT	<u>50,090</u>	<u>53,090</u>	<u>(3,000)</u>	<u>49,695</u>	<u>61,050</u>	<u>(11,355)</u>
Number of interventions	20	28	8	20	35	15
Cost per intervention	<u>2,505</u>	<u>1,896</u>		<u>2,485</u>	<u>1,744</u>	

6.10 The following table relates to Waves 12 & 13:

	Wave 12			Wave 13		
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £
Initial seminar delivery	9,255	7,250	2,005	9,255	9,250	5
Consultancy advice and support	40,450	40,450	0	40,450	43,405	(2,955)
Final seminar	3,095	2,095	1,000	3,095	3,050	45
Programme administration	6,950	6,950	0	6,950	7,450	(500)
VAT	6,274	5,045	1,229	6,274	5,533	741
Gross cost	66,024	61,790	4,234	66,024	68,688	(2,664)
Less participants contribution	(10,000)	(10,000)	0	(10,000)	(13,750)	3,750
VAT	(6,274)	(5,045)	(1,229)	(6,274)	(5,533)	(741)
Net cost excluding VAT	<u>49,750</u>	<u>46,745</u>	<u>3,005</u>	<u>49,750</u>	<u>49,405</u>	<u>345</u>
Number of interventions	20	19	(1)	20	25	5
Cost per intervention	<u>2,488</u>	<u>2,460</u>		<u>2,488</u>	<u>1,976</u>	

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6.11 The following table relates to Waves 14 & 15:

	Budget	Wave 14	Variance	Budget	Wave 15	Variance
	£	Actual	£	£	Actual	£
Initial seminar delivery	9,255	9,255	0	9,255	9,520	(265)
Consultancy advice and support	40,450	43,430	(2,980)	40,450	39,350	1,100
Final seminar	3,095	3,245	(150)	3,095	3,100	(5)
Programme administration	6,950	6,950	0	6,950	8,450	(1,500)
VAT	6,274	4,275	1,999	6,274	7,413	(1,139)
Gross cost	66,024	67,155	(1,131)	66,024	67,833	(1,809)
Less participants contribution	(10,000)	(14,050)	4,050	(10,000)	(11,000)	1,000
VAT	(6,274)	(4,275)	(1,999)	(6,274)	(7,413)	1,139
Net cost excluding VAT	<u>49,750</u>	<u>48,830</u>	<u>(920)</u>	<u>49,750</u>	<u>49,420</u>	<u>330</u>
Number of interventions	20	26	6	20	21	1
Cost per intervention	<u>2,488</u>	<u>1,878</u>		<u>2,488</u>	<u>2,353</u>	

6.12 The following points are noted:

- a) the total budget of waves 10 to 15 was anticipated to be £298,753 with the actual cost being £308,540. There was an overspend of £9,787 over the course of the Programme primarily as a consequence of the increased number of companies availing of the Programme (135 instead of 120);
- b) the net cost per company was below budget for all waves;
- c) in wave 11 the consultancy advice and support budget was expanded by 50% to £61,585, this reflects the need for additional support to develop the Programme;
- d) company contributions also increased twice over the duration of the Programme; and
- e) the Programme has delivered a total of 154 interventions to 135 companies compared to the anticipated 120. However, 13 companies participated on the Programme more than once over the course of the 6 waves.

6.13 In summary, the Programme has delivered 154 interventions rather than the anticipated 120 (an increase of approximately 15%). The Programme Management Team has achieved this at an additional cost to the Programme of £9,787, an increase of 3% against the original budget. We conclude that the Programme was effectively managed.

Value for Money**VI****Non Monetary Benefits**

6.14 The following non monetary benefits have been identified which illustrates the potential value for money of the Programme, including:

- a) attendance on the Programme has enhanced the knowledge of CE Marking of 82% of respondents;
- b) 90% of respondents (40 % of responses) stated that the potential benefits of taking part in the Programme related to enhancing awareness of good practice. After attending, companies realised that complying with CE Marking could bring with it added benefits in their processes and products, either in terms of efficiency gains due to improvements in design and enhanced awareness of health and safety issues;
- c) 48% of respondents (22 % of responses) stated that the potential benefits of taking part in the Programme related to the external accreditation of their product. This provided a degree of confidence in entering new markets, but was most often cited as being essential for those companies presently trading in the European Union and/or supplying either the public sector or large companies; and
- d) even in the midst of a recession, 23% of companies stated that the Programme had a large impact on exports with a further 15% stating that it had had a little impact; and
- e) 86% of responses stated that the Programme was good value for money.

Displacement

6.15 There are a number of private sector organisations that can provide the main elements of the Programme to individual companies. Indeed the Consultants used by the Programme can all provide this service on a private basis. Our consultation revealed the following:

- a) many of the companies embarking on the Programme are at the first stage of investigating CE Marking and would not be prepared to consider engaging private sector Consultants at such an early stage. In particular, the Programme provides laboratory time for pre-EMC testing, this is a service which both Queen's University of Belfast and several Notified Bodies in Great Britain can provide privately. However, under the Programme, companies tend to test at an earlier stage on products which are further from the market, thereby addressing design constraints sooner. As Queen's University's facilities are not fully compliant with CE Marking, they ultimately have to be tested in the laboratory facilities in Great Britain. The Programme provides opportunities for additional lab testing and does not displace from the ultimate need to use private sector laboratory facilities;
- b) the Programme provides a mix of advice from general advice delivered on the theory of CE Marking and compliance with legislative requirements through the seminars, to specific tailored practical advice delivered by experienced Consultants. This overall package may not be available privately;
- c) the Programme provides companies with an opportunity to network with other companies; and

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- d) private sector consultancy was considered to be prohibitive from a cost perspective for many companies.

6.16 As discussed previously the Programme can be seen as 'pump priming' which encourages companies to take the first steps towards increasing their knowledge of the relevant product standards, improving the health and safety aspects of their equipment, improving the marketability of their product.

6.17 On this basis we consider the displacement effects of the Programme to be minimal.

Additionality/Deadweight

6.18 Additionality is defined as *the extent to which an activity takes place at all, or is undertaken on a larger scale, or earlier, or to a standard, or within a policy target area, as a result of public sector intervention.*

6.19 We have calculated additionality as being 81% and believe that the activity supported under the Programme is best characterised as being partially additional. Although the survey states that 71% of respondents would not have undertaken CE Marking in the absence of the Programme, we believe that the figure should be 81% and our rationale for this assumption is explained in the following paragraphs.

6.20 As CE Marking is a legislative requirement, this means that companies would be required to comply at some stage irrespective of whether they attended the Programme or not. However, the Programme provides additional intangible benefits over and above statutory compliance requirements. In particular, it provides access to experienced consultants who will promote best practice and encourage the CE Marking process to become an integral part of the design process thereby promoting more innovative design together with the opportunity to network with other companies undertaking the process. The Programme also enhances the capacity of companies to CE Mark, both in terms of the quality and consistency of their understanding.

6.21 We are satisfied that the Programme in its current form would not happen in the absence of public sector funding, however, many of the component parts of the Programme are available, at a cost, directly from the private sector. The Programme is considered to be partially additional as a result of the following:

- a) the Programme encourages companies to CE mark earlier than they would do without the intervention. As a consequence the Programme delivers results earlier than without intervention; and
- b) the Programme is delivered to a higher standard than without intervention in that:
 - i) it provides direct access to highly experienced consultants which would be cost prohibitive for many small companies;
 - ii) it provides detailed technical knowledge delivered by experienced trainers; and
 - iii) it encourages networking between companies.

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6.22 The headline deadweight percentage (calculated as the number of companies who would have CE Marked regardless of whether they had attended the Programme) is 29% (14 out of 49 respondents). This figure, however, is misleading as it includes a number of larger companies who have attended the Programme a number of times and who make a full contribution to the cost of their attendance at the seminars. Excluding the 6 larger companies (who only attended the seminars) results in a reduced deadweight percentage of 19%.

6.23 Prima facie deadweight could be reduced if the Programme was only accessible to companies who had not previously CE Marked. However, the benefits associated with the inclusion of companies with previous CE Marking experience outweigh the advantages of restricting the Programme to those companies who have not previously CE Marked.

Conclusion

6.24 On the basis of the above analysis we consider that the Programme has provided value for money.

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Programme Rationale and Mitigation of Market Failure

7.1 The Programme aims to develop key skill sets in companies to enable them to CE Mark products and services. CE Marking is a pre-requisite for trading within the European Union and is also a recognised brand in much of the rest of the world. Although primarily a compliance issue, other benefits may arise through CE Marking, such as efficiency gains, particularly at the design stage and opportunities to network with other companies in comparable sectors.

7.2 The original rationale for the Programme was to inform all categories of Invest NI client companies involved in the design/manufacture of products or components of the requirements of CE Marking. Market intervention, through the provision of seminars and consultancies was originally deemed appropriate as a means of overcoming the highly technical nature of CE Marking, particularly for small and medium sized enterprises (SMEs) which did not have in-house expertise.

7.3 It is our contention that the original rationale for the Programme is still valid. Although the market intervention was primarily aimed at addressing asymmetric information within SMEs, there is also a rationale for the continued involvement within the Programme of large companies. The reason for their involvement is two fold:

- a) there is an important demonstration effect to local SMEs of the benefits of CE Marking to exporting, through the experience of large companies. It also provides an opportunity for companies of varying scale and position on the supply chain to network; and
- b) due to the churn of staff within large companies, the Programme provides a useful awareness raising opportunity, thereby facilitating compliance with the legislation. In addition, large companies only have access to the seminars (no consultancy) and they are charged at a calculation of cost plus.

7.4 In addition, the continued provision of the Programme by Invest NI is considered appropriate. The Programme is often the first area of engagement between technical staff within start up companies (mainly in manufacturing) and Invest NI, introducing with it opportunities for them to avail of other Invest NI products.

Strategic Context

7.5 The CE Marking Programme is a useful tool which augments Invest NI's portfolio of interventions. Although it is primarily a compliance issue, with the consequent effect that failure to utilise CE Marking would exclude Northern Ireland based companies from competing within the European Union, the Programme can, through the adoption of design techniques and best practice lead to innovation and efficiency gains for companies and it is through this positive outcome that the Programme is in accordance with the following strategies:

- a) Revised Lisbon Agenda;
- b) Manufacturing: New Challenges, New Opportunities;
- c) Strategy 2010;

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- d) Northern Ireland Economic Vision;
- e) Regional Innovation Strategy;
- f) Independent Review of Economic Policy; and
- g) Invest NI Corporate Plans (2005-2008 and 2008-2011).

Fit with Invest NI Portfolio of Programmes

7.6 The Programme is often the first area of engagement between technical staff within start up companies (mainly in manufacturing) and Invest NI, introducing with it opportunities to avail of other Invest NI products.

7.7 We see the Programme as being a pump primer in that it assists companies to take the first stage towards compliance and provides them with the tools to develop the process further themselves. The survey validates this point as 65% of responses as to why respondents were prompted to take part in the Programme related to compliance issues and only after attending the Programme did they begin to recognise the wider benefits.

7.8 The Programme has operated under two Corporate Planning periods for Invest NI, 2005-2008 and 2008-2011. The following paragraphs assess the Programme's fit with each Corporate Plan.

7.9 The 2005-2008 Corporate Plan stated that Invest NI interventions would be delivered under three themes: Being Entrepreneurial; Being Innovative and Being International. The Programme matches these themes and benefits participating companies in two ways:

- a) **innovation** - it encourages them to become more innovative by both supporting the compliant design of new products and demonstrating the benefits of design on existing products; and
- b) **internationalism** - it encourages them to become more export focussed by providing them with more confidence in their products.

7.10 The 2008-2011 Corporate Plan states that Invest NI interventions will focus on three priority actions for economic growth: Realising Client Potential, Shifting the Sectoral Focus and Frontier Technologies. The Programme potentially has a direct impact on two of these themes:

- a) **Realising Client Potential** –the Corporate Plan states “*the greatest opportunity to generate additional wealth lies in encouraging existing Client companies, most of which are locally owned SMEs to realise their potential*”. Recommended actions to be supported under this Theme include, increasing awareness of the benefits of innovation through role models and case studies and offering a targeted development programme aimed at improving productivity and business performance. The Programme is in accordance with this Theme as it seeks to promote and embed an innovation culture in local companies through seminars and consulting support; and

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- b) **Shifting the Sectoral Focus** – the Programme can also assist in the shift towards high value economic activity by boosting indigenous businesses and start ups in high value sectors, assisting in the sophistication of production, process, design and product development.

7.11 It is our contention that the Programme does not have a direct impact on supporting Frontier Technologies.

7.12 In addition, the 2008-2011 Corporate Plan states that Invest NI will seek to promote and embed an innovation culture in its clients and rationalise innovation support programmes under the five themes of capability, product, process, export and investment. Relevant actions to the work of the Programme include:

- a) increasing awareness of the benefits of innovation through role models and case studies; and
- b) offering targeted development programmes aimed at improving productivity and business performance.

7.13 The Programme has been classified under the research and development category as part of the Near Market Product and Process Development portfolio of solutions. On this basis we are satisfied that the Programme fits with Invest NI's current strategy and Programme portfolio.

Contribution to the Programme for Government Targets

7.14 As an Invest NI product, the Programme would be anticipated to make a contribution to the following Programme for Government Targets:

- a) PSA 1: Productivity Growth ó the level of export sales as a percentage of total sales by Invest NI client companies excluding the Top 25 exporting companies to increase by 3 percentage points; and
- b) PSA 3: Employment Growth ó total annual wages and salary secured of £345million reflecting inward investment success and growth from locally owned clients.

7.15 Tangible evidence of an impact on both targets was sought through the survey.

7.16 23% of companies stated that the Programme had a large impact on exports with a further 15% stating that the Programme had a small/little impact on exports. Of those companies which stated that there had been an impact, their explanations related to either their new found confidence in being able to meet the technical requirements of export markets, or that the CE brand itself had opened up markets.

7.17 Most respondents found it difficult to quantify the impact on exports as they could not isolate the Programme's role but stated that it was a prerequisite for exporting.

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7.18 However, 7 (19%) responses stated that the Programme had had a large impact on sustaining jobs, one company said *it sustained jobs by allowing us to export when domestic markets dried up.* In general, respondents stated that there was the possibility of positive impacts on sustaining/creating jobs but it was hard to directly attribute the impact of the Programme.

7.19 Some 24 (65%) of responses stated that there was no attributable impact on jobs sustained/created as a result of CE Marking. Most respondents stated that the impact of the recession had temporarily limited any growth expectations.

7.20 We believe that the recession has had an impact on the Programme's contribution to the two PSA targets, but we also recognise that the present Programme monitoring arrangements do not adequately capture the potential impact on the targets. However, enhanced monitoring and the use of SMART objectives which seek to measure the impact against the PSA targets in any subsequent Programme will remedy this situation.

Value for Money Analysis of the Programme

7.21 A value for money analysis, assessing the economy efficiency and effectiveness of the Programme was undertaken. The following section summarises the results:

- a) **economy** – taking into account the various elements of the Programme, there is little scope for cost reduction;
- b) **efficiency** - The budgeted net cost per company for wave 10 was £2,502, for wave 11 it was £2,485 and for waves 12-15 it was £2,487 with the actual costs for each wave being lower. We consider the overall level of administration costs to be reasonable at 10.4% of total gross cost. The Programme has been delivered at a cost per intervention lower than original estimates. The efficiency gains have been brought about by a flexible approach by the Programme Management Team in which they expanded the scale of the Programme without an impact on quality. In addition, the Programme Management Team has ensured the continued active input of many of Northern Ireland's leading manufacturers and with full cost recovery; and
- c) **effectiveness** - the total budget of waves 10 to 15 was anticipated to be £298,753 with the actual budget being £308,540. There was an overspend of £9,787 over the course of the Programme. However, the Programme has been delivered to a total of 135 companies compared to the anticipated 120, with 13 companies attending more than once.

7.22 On the basis of the above analysis we consider that the Programme has provided value for money.

Displacement

7.23 There are a number of private sector organisations that can provide the main elements of the Programmes to individual companies. Indeed the Consultants used by the Programme can all provide this service on a private basis. Our consultation revealed the following:

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- a) many of the companies embarking on the Programme are at the first stage of investigating CE Marking and would not be prepared to consider engaging private sector Consultants at such an early stage. In particular, the Programme provides laboratory time for pre-EMC testing, this is a service which both Queen's University of Belfast and several Notified Bodies in Great Britain can provide privately. However, under the Programme, companies tend to test at an earlier stage on products which are further from the market, thereby addressing design constraints sooner. As Queen's University's facilities are not fully compliant with CE Marking, they ultimately have to be tested in the lab facilities in Great Britain. The Programme provides opportunities for additional lab testing and does not displace from the ultimate need to use private sector laboratory facilities;
- b) the Programme provides a mix of advice from general advice delivered on the theory of CE Marking and compliance with legislative requirements through the seminars to specific tailored practical advice delivered by experienced Consultants. This overall package may not be available privately;
- c) the Programme provides companies with an opportunity to network with other companies; and
- d) private sector consultancy was considered to be prohibitive from a cost perspective for many companies.

7.24 As discussed previously the Programme can be seen as 'pump priming' which encourages companies to take the first steps towards increasing their knowledge of the relevant product standards, improving the health and safety aspects of their equipment, improving the marketability of their product.

7.25 On this basis we consider the displacement effects of the Programme to be minimal.

Additionality/ Deadweight

7.26 Additionality is defined as *the extent to which an activity takes place at all, or is undertaken on a larger scale, or earlier, or to a standard, or within a policy target area, as a result of public sector intervention.*

7.27 We have calculated additionality as being 81% and believe that the activity supported under the Programme is best characterised as being partially additional. Although the survey states that 71% of respondents would not have undertaken CE Marking in the absence of the Programme, we believe that the figure should be 81% and our rationale for this assumption is explained in the following paragraphs.

7.28 As CE Marking is a legislative requirement, this means that companies would be required to comply at some stage irrespective of whether they attended the Programme or not. However, the Programme provides additional intangible benefits over and above statutory compliance requirements. In particular it provides access to experienced consultants who will promote best practice and encourage the CE Marking process to become an integral part of the design process thereby promoting more innovative design together with the opportunity to network with other companies undertaking the process. The Programme also enhances the capacity of companies to CE Mark, both in terms of the quality and consistency of their understanding.

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7.29 We are satisfied that the Programme in its current form would not happen in the absence of public sector funding, however, many of the component parts of the Programme are available, at a cost, directly from the private sector. The Programme is considered to be partially additional as a result of the following:

- a) the Programme encourages companies to CE mark earlier than they would do without the intervention. As a consequence the Programme delivers results earlier than without intervention;
- b) the Programme is delivered to a higher standard than without intervention in that:
 - i) it provides direct access to highly experienced consultants which would be cost prohibitive for many small companies;
 - ii) it provides detailed technical knowledge delivered by experienced trainers;
 - iii) it encourages networking between companies.

7.30 The headline deadweight percentage (calculated as the number of companies who would have CE Marked regardless of whether they had attended the Programme) is 29% (14 out of 49 respondents). This figure, however, is misleading as it includes a number of larger companies who have attended the Programme a number of times and who make a full contribution to the cost of their attendance at the seminars. Excluding the 6 larger companies (who attended only the seminars) results in a reduced deadweight percentage of 19% (18.6%).

7.31 Prima facie deadweight could be reduced if the Programme was only accessible to companies who had not previously CE Marked. However, the benefits associated with the inclusion of companies with previous CE Marking experience outweigh the advantages of restricting the Programme to those companies who have not previously CE Marked.

Service delivery mechanisms

7.32 The Programme structure is considered to be good by both participants and Consultants as it provides a good balance of general advice (in the form of the initial seminars), tailored consultancy advice and networking opportunities arising in the final forum. The Consultants and presenters are considered to be high quality and were rated as such in the Client Survey.

Benchmarking

7.33 We note that there are a number of organisations which offer technical support and tuition on CE Marking in the UK and Europe. However, the majority of these organisations do not offer the combination of theory and consultancy support, as offered by Invest NI's Programme. We were therefore unable to make any cost comparisons.

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Equality

7.34 The Programme has been screened by Invest NI's Equality Impact Assessment of its Business Development Solutions suite of programmes and found to be compliant. However, there is insufficient equality related data available, on Waves 10 -15, on which to make a quantitative assessment.

Effectiveness of CE Marking Marketing Activities

7.35 In general, the marketing of the Programme is low key. However, the Programme is limited to 20 companies per wave and has been oversubscribed for all recent waves. On this basis, provided the Programme does not increase in scale, we consider that the marketing is adequate.

Recommendations

7.36 As a result of the evaluation, the following recommendations are made:

- 1) Subsequent Programme literature should highlight the option for a combination of pre EMC laboratory testing and consultancy support (para 4.24a);
- 2) The final forum should be convened at a date no later than three months after the consultancy support period commences thereby providing the consultants with an opportunity to contact their respective beneficiary companies to identify any ongoing issues. These common issues will form the basis of the subsequent final forum which will be held in a workshop format (para.5.22). The final forum should also include content on meeting global technical requirements (para.4.84);
- 3) A performance monitoring framework should be put in place and high level information (such as respondent numbers, composition of respondents in terms of scale and sector and any key issues arising) from the feedback forms should be collated and analysed to identify any emerging trends and provide an evidence base for augmenting the Programme (para.5.25);
- 4) Consideration should be given to adopting the following proposed SMART objectives (para.5.26a):
 - i) as a result of attending the Programme the percentage of companies who report an increase of company knowledge of CE Marking within 12 months of end of wave;
 - ii) as a result of attending the Programme the percentage of companies implementing the recommendations of the consultancy report in relation to design/process improvements within 12 months of end of wave;
 - iii) as a result of attending the Programme the percentage of companies CE Marking a product/process within 12 months of end of wave; and
 - iv) as a result of attending the Programme the percentage of companies developing new markets (geographical/product) within 12 months of end of wave.

Key Conclusions and recommendations

VII

- 5) The targets for the SMART Objectives should be set by the Programme Manager and confirmed in any subsequent economic appraisal.
- 6) . The Invest NI Programme Manager should be responsible for collating the data for the SMART Objectives.
- 7) The Programme Manager, through a letter of offer/invitation to attend, should inform all beneficiary companies of the type and frequency of information they will be required to provide to fulfil Programme targets.
- 8) SMART Objectives i-iv should be collated through the 12 month feedback form.
- 9) The Invest NI Programme Manager should take responsibility for ensuring all recommendations are delivered.

Terms of reference**A****INVEST NORTHERN IRELAND****EVALUATION OF CE MARKING PROGRAMMES
Waves 10-15 – March 2006 to September 2009****Terms of Reference****Introduction**

1. Invest Northern Ireland (Invest NI) wishes to undertake an evaluation of the CE Marking Programmes covering the period March 2006 to September 2009 i.e. Waves 10-15. The cost per Wave of the programme is approx. £50,000 i.e. Waves 10-15 the total cost was approx. £300,000.
2. Invest NI is Northern Ireland's economic development agency and was established in April 2002 as a Non-Departmental Public Body (NDPB), sponsored by the Department of Enterprise, Trade and Investment (DETI).
3. The overall aim of the agency under its 2008-2011 Corporate Plan is to increase business productivity, the means by which wealth can be created for the benefit of the whole community.

Background

4. The CE Marking Programme was developed to assist all categories of Invest NI companies involved in the design/manufacture of products or components that need to be CE marked in accordance with EU legislation. Since the CE Marking Programme was first introduced in 1998 it has been delivered in fifteen waves with over 330 participating companies to date. It is planned to run a further Programme Wave (Wave 16) during the period November 2009 to March 2010.
5. The core elements of the CE Marking Programme involve the following:-
 - Recruitment of 20 client companies onto the programme. Company payment contribution on the current programme is £550.
 - Seminar A (full day) aimed primarily at mechanical and electro-mechanical companies and focusing on the Machinery Directive.
 - Seminar B (full day) aimed primarily at electrical and electro-mechanical companies and focusing on EMC and Low Voltage Directives.
 - Consultancy Support - Delivery of nominal allocation of up to 3.5 days consultancy per company to provide advice on product development, producing the technical file etc. This is normally delivered over a 6-8 week period between the seminars and the final forum.
 - Final Forum (After completion of consultancy support the companies are invited to a final ¾ day forum which includes a review of progress, future networking, question and answer session and formal closure of the programme.
6. The main agents involved in the delivery of the CE Marking Programme are:

Terms of reference

A

Invest NI

Programme funding
Marketing of the programme
Selecting list of participating companies
Final programme review and evaluation

Queen's University

Propose companies for programme participation
Assist in production of marketing literature
Acting as managing agent to develop and organise seminars and final forum
Manage consultancy support
Overall administration and project management
Invoicing and collecting participant companies' fees
Interim reviews and evaluations

Objectives of the Programme

7. The following key objectives have been identified for the CE Marking Programme to include SMART criteria:
- To familiarise companies with the process of CE marking by assisting companies to CE mark one product, or a family of products, against the relevant EU Directives. This should give them the ability to carry out this process with other products within their portfolio or with future products that may be developed;
 - To increase the awareness, understanding and skills of participants in the relevant areas of product conformity over the duration of the programme;
 - To open markets and generate increased sales turnover by allowing companies to export their products within the EU and further afield, with confidence, and in the knowledge that all relevant safety considerations have been addressed;
 - To implement the appropriate Essential Health & Safety Requirements (EHSR) in equipment design, development and production; and
 - To facilitate delegates' understanding of their company's strengths and weaknesses with respect to current methodology and to assist in the identification of areas where relevant changes can be implemented.

Objectives of the Evaluation

8. The overall objective of the evaluation is to provide qualitative and quantitative information that will better inform decisions on the future of the Programme.

The evaluation must be undertaken in line with DFP's requirements and must include an assessment of:-

- The original rationale for intervention and conclude on the nature and extent of market failure relating to each element of activity that the CE Marking Programme sought to

Terms of reference

A

- correct. Consider if the rationale remains valid and whether the demand exists for continuing to run the programme in future years;
- The extent to which the programme has contributed, or has the potential to contribute, to achieving the relevant targets included in the Programme for Government and securing improvements in manufacturing and private services productivity (PSA1) and increasing employment (PSA 3);
 - The ongoing demand for the Programme and how it interfaces/might interface in future with other Invest NI programmes;
 - The efficiency, effectiveness and economy of the programme to date;
 - The performance of the CE Marking Programme to date against objectives and targets;
 - The monitoring and evaluation system, setting tangible targets which will enable Invest NI to assess the impact of the Programme;
 - The effectiveness of the CE Marking Programme marketing activities and make recommendations for the future;
 - Client satisfaction with the CE Marking Programme and in particular what tangible and intangible benefits have developed for the company as a result of participating on the Programme. In particular:-
 - How many products have been CE marked by participating companies since attending the CE marking programme?
 - Have participating companies been able to increase sales turnover by exporting CE marked products? How much additional turnover has been generated in this way?
 - Having CE marked one product on the programme, have companies been able to repeat the process with other products subsequently?
 - Which aspects of the programme did participants find particularly useful?
 - Should the programme be extended/amended or adjusted in any way to take current Invest NI client company requirements into account? For example, increased sourcing of products and components from China?
 - How effectively the Programme performs in comparison to similar programmes run within the UK, ROI and Europe;
 - The overall value for money from the Programme;
 - The level of additionality and displacement;
 - Review progress on the Action Plan relating to the recommendations arising from the May 2006 evaluation, covering Programmes Waves 6-9; and
 - Make appropriate recommendations, based on the outcome of the evaluation.

Terms of reference**A****Equality Considerations**

10. Invest NI is committed to achieving a successful economy in Northern Ireland which will provide equal opportunities for all. To this end, Section 75 of the Northern Ireland Act 1998 sets out a number of obligations relating to the nine 'Section 75' categories as follows: religious belief, political opinion, racial group, gender, marital status, age, persons with disability, persons with dependents, sexual orientation. Invest NI, as a recognised public authority, has an obligation under Section 75 as detailed in our Equality Scheme which can be accessed on Invest NI's website www.investni.com/equality.
11. The evaluation must therefore consider equality aspects relating to the nine Section 75 categories by considering available data, identifying any adverse impacts that may be present and proposing alternative measures/policies which might better achieve the promotion of equality of opportunity.
12. The evaluation must also consider the accessibility of the Programme for all in line with the Disability Discrimination Act 1995.

Publication of Report

13. Tenderers should note that the Final Report may be published on the Invest NI website.

Payment

14. It is anticipated that payment will be made in full, on satisfactory completion and delivery of the Final Report, agreed by Invest NI.

Timescale

15. It is anticipated that the evaluation will start week commencing 30th November 2009. A robust Draft Report must be submitted to Invest NI by 29 January 2010 and the Draft Final Report must be submitted to Invest NI by 19 February 2010. The Final Report must be submitted by 5 March 2010.

Client questionnaire

B

Client Questionnaire

Client name _____

1. Please tick the Wave/Period your company took part in the Programme:

Wave 10	March 2006-June 2006	
Wave 11	December 2006 ó March 2007	
Wave 12	November 2007 ó March 2008	
Wave 13	May 2008 ó September 2008	
Wave 14	November 2008 ó March 2009	
Wave 15	May 2009 ó September 2009	

BACKGROUND

2. How would you assess your level of knowledge of the CE Marking process prior to attendance on the Programme? (Please tick)

None	
Introductory	
Limited to certain aspects	
Good working knowledge	

3. Did your company have any previous experience of CE Marking any products prior to taking part in the Programme? (Please tick)

Yes		Go to Q4
No		Go to Q5

4. If yes, please state which products your company has previously CE Marked and under which Directive:

5. Was this the first time your company had taken part in the Programme? (Please tick)

Yes		Go to Q7
No		Go to Q6

6. If no, please state in the box provided when your company had previously taken part and under which Directive:

Client questionnaire

B

7. What prompted you to take part in the Programme? (Please tick all that apply)

Safety reasons	
Encourage exports	
Concern to do the right thing	
Supplier insistence	
Competitors had already undertaken training	
Other (Please specify below)	

8. Which Directive did you wish to implement? (Please tick)

Machinery	
Electromagnetic Compatibility (EMC)	
Low Voltage Director	

Company Background

9. At the time you took part in the Programme:

What was the annual turnover of the company (last financial year)?	
What percentage of turnover was exported?	
What countries did you export to?	
How many employees were there in the company?	

Client questionnaire

B

STRUCTURE OF THE CE MARKING PROGRAMME

10. How useful did you find the initial one-day seminar / both one-day seminars (Please tick)

Very useful	
Useful	
Partially useful	
Not useful	

11. If you believe that the seminars could be improved please provide suggestions.

	Should be improved (tick all that apply)	How the seminars could be improved
Reference material		
Case Studies		
Course Tutor		
Other (please specify) _____		

12. How useful did you find the Consultancy support? (Please tick)

Very useful	
Useful	
Partially useful	
Not useful	

13. If you believe that the Consultancy could be improved please provide suggestions:

	Should be improved (tick all that apply)	How the Consultancy could be improved
Quality of consultants		
Access to consultants		
Post consultancy support		
Other		

14. How useful did you find the Final forum? (Please tick)

Very useful	
Useful	
Partially useful	
Not useful	

15. If you believe that the Final forum could be improved please provide suggestions:

	Should be improved (tick all that apply)	How the Final Forum could be improved
Quality of presentations		
Timing		
Duration		
Composition of the Group		
Other Please specify:		

Client questionnaire

B

MANAGEMENT AND ADMINISTRATION OF THE PROGRAMME

Marketing

16. How did you become aware of the Programme? (Please tick)

Mail Shot	
Word of mouth	
Internet	
Newspaper	
INI Client Executive	
Supplier/Customer	
Other Please specify: _____	

17. How effective do you think the marketing of the Programme is? (Please tick)

Very effective	
Effective	
Not effective	

18. If you have any suggestions for other ways the Programme could be marketed, please specify below.

--

19. In relation to recommending the Programme to colleagues/suppliers please tick which of the following options apply.

I have already recommended the Programme	
I have not yet recommended the Programme, but I would recommend it	
I would not recommend it	

Client questionnaire

B

Administration of the Programme

20. How would you rate the overall administration of the Programme: (Please tick)

Very good	
Good	
Fair	
Poor	
Very poor	

21. How could the overall administration be improved?

--

22. Was the Programme fee good value for money? (Please tick)

Yes		Go to Q24
No		Go to Q23

23. If not, why not?

--

Client questionnaire

B

OUTCOMES FROM THE PROJECT

24. How would you assess your level of knowledge of the CE Marking process now? (Please tick)

None	
Introductory	
Limited to certain aspects	
Good Working Knowledge	

25. Would you have CE Marked any products if you had not taken part in the Programme? (Please tick)

Yes	
No	

26. How many products have you CE Marked since you participated in the Programme?

Please state number	
None yet but plan to in the future (tick if applicable)	

27. How many of these would you have CE Marked had you not taken part in the Programme?

Please state number	
---------------------	--

28. What do you consider to be the potential benefits of taking part in the Programme? (Please tick all applicable options)

Enhanced access to Export Markets	
External accreditation of Product	
Awareness of good practice	
Potential to innovate production methods	
Other Please specify	

29. Currently:

What countries do you now export to?	
How many employees are there in the company?	

30. FOR COMPANIES WHICH TOOK PART IN WAVES 10-12:

What was the annual turnover of the company for the 2008/09 financial year?	
What percentage of turnover was exported in the 2008/09 financial year?	

FOR COMPANIES WHICH TOOK PART IN WAVES 13-14:

What is the projected turnover of the company for the 2009/10 financial year?	
What is the projected percentage of turnover which will be exported in the 2009/10 financial year?	

Client questionnaire

B

FOR COMPANIES WHICH TOOK PART IN WAVE 15:

What is the projected turnover of the company for the 2010/11 financial year?	
What is the projected percentage of turnover which will be exported in the 2010/11 financial year?	

31. To what extent :

	A large extent	A little extent	No extent
Has CE marking products had a positive impact on exports (outwith of UK &RoI)?			
Did your company enter any new export markets as a result of CE Marking?			
In terms of production, were jobs sustained/created for those products you CE Marked?			
Has there been any diversification/innovation as a result of your product(s) being CE Marked?			

32. If you answered a large or little extent for any of the options in question 31, please comment on how participation in the Programme contributed to this outcome:

--

33. If you answered no extent to any of the options in question 31, please comment:

--

34. Were there any issues that were not covered in the Programme?

Yes		Go to Q35
No		Go to Q36

35. If yes, please comment in the box provided:

--

36. Did participating in the Programme encourage you to use any other Invest NI services?

Yes		Go to Q37
No		Go to Q38

37. If yes, please provide details of the Invest NI services:

--

Client questionnaire

B

38. Would you be interested in similar -Markingø Programmes for other export markets?
(Please tick)

Yes	<input type="checkbox"/>	Go to Q39
No	<input type="checkbox"/>	Go to Q 40

39. If yes, please comment on any export markets which you believe you would need assistance entering:

40. How would you rate your overall satisfaction with the Programme?

Very Satisfied	<input type="checkbox"/>
Satisfied	<input type="checkbox"/>
Neither satisfied nor dissatisfied	<input type="checkbox"/>
Dissatisfied	<input type="checkbox"/>
Very dissatisfied	<input type="checkbox"/>

41. Any other comments?

Thank you for completing the questionnaire

Please email your response to Keith.wilson@asmhorwath.com.

If you have any questions/concerns regarding the process please feel free to either email Keith or contact him at 028-9024-9222.

CE marking leaflet

C



CE MARKING PROGRAMME

Wave #16

November 2009 - March 2010

Introduction

A series of EU Directives setting out minimum standards of safety in the design of machinery, electrical equipment and medical devices, to name but a few, was introduced several years ago. Within Northern Ireland, these Directives are implemented through domestic legislation – with the most widely applicable being the Machinery, Low Voltage and Electro-Magnetic Compatibility (EMC) Directives.

What's involved?

For the majority of companies, CE marking is a self-certification process. A small percentage may require assessment and product testing by a Notified Body. The CE marking process involves an evaluation of the product or equipment either by risk assessment or against a relevant standard. This leads onto the development of a technical file, supply of appropriate information (e.g. installation, user, service manual), a Declaration of Conformity and affixing of the CE Mark itself.

What help is available?

An Invest NI programme takes companies through the complete process of CE marking a product, or group of products, using engineering consultants with considerable experience in this field. Managed by Queen's University's School of Education (QSE) in association with the Northern Ireland Technology Centre, the format of the programme is shown below. The cost for participating in the complete programme is £300 per company which includes sending two delegates to all seminars; however, if consultancy support is not required, then the cost for attending the seminars only is £150 per delegate per seminar.

Programme format

- Stage 1: Two seminars covering the CE Marking process and the following Directives:
 - Machinery Directive - 19 November 2009.
 - Low Voltage & EMC Directives - 26 November 2009.
- Stage 2: One-to-one, on-site consultancy & training support - November 2009 to March 2010.
- Stage 3: CE Marking final seminar & exam - 26 March 2010.

Aimed at...

Companies manufacturing machinery, electro-mechanical or electrical/electronic equipment, including control panel manufacturers are likely to benefit. The programme is open to all Invest NI client companies; organisations not currently registered as an Invest NI client should enquire for eligibility.

Benefits

Previous participants have not only increased their knowledge of the relevant product standards, but have improved the safety and often marketability of their products. Additional confidence in their design process has tended to impress both existing and new customers.

Testimonials:

- "A very good programme which was most informative - full of advice, interesting and well delivered." - Denis AW Conboy.
- "This programme offered us a great awareness of a range of product safety issues and how CE marking can lead to quality gains." - FM Environmental Systems.
- "Increased awareness of CE marking issues and practical support in applying relevant standards. We can now take our product and use the CE mark as a selling point." - Henry Garbin Systems.
- "We have greatly benefited from this programme; we can now perform proper risk analysis and overcome problems relating to machinery." - Trowel Puri Engineering.

Further information:

Martin McAteer at Invest NI: tel: 028 9069 6325, fax: 028 9049 0450, email: martin.mcafeer@investni.com
 Marc Forte at QSE: tel: 028 9167 3058 fax: 028 9167 1094, email: rpf@qub.ac.uk



Programme budget – cost breakdown per wave (20 companies)

D

Cost Breakdown for One Wave (Wave 12-20 Companies)

	AMT (£)	VAT (%)
STAGE 1: Seminar A - Machinery Directive		
Presenter #1 fees (UK - Dave Kilar)	750	131
Presenter #2 fees (AF - Alan Edge)	500	
Pre-design & development of Seminar A	550	
Flight & travel expenses (DK)	355	
Accommodation (UK)	100	
Notes & material plus folders (40 x £15)	600	136
CEI CE Marking for Machinery Directive Manual: (1 not copy)	350	
Catering & refreshments (20 x £50)	1,000	175
Role model company honorarium & expenses (Mach)	250	
Sub-total =	4,400	411
Seminar B - EMC/LVD Directives		
Presenter #1 fees (SE - Simon Skonwel)	400	70
Presenter #2 fees (MC)	500	
Pre-design & development of Seminar B	600	
Flight & travel expenses (SE)	150	
Accommodation (SE)	100	
Notes & material (add'l time)	500	
EMC & LVD reference books (10 EMC + 20 LVD)	1,500	
Venue facilities & equipment hire	100	
Catering & refreshments (50 x £20)	1,000	175
Role model company honorarium & expenses (EMC/LVD)	250	
Sub-total =	4,850	215
STAGE 2: Consultancy		
35 days external consultancy @ £500 (Machinery & LVD)	27,500	4,913
16 days internal consultancy @ £500 (EMC)	7,500	
Auxiliary support for complex product assignments	0	0
Traveling expenses @ 45p/mile (100 miles @ 80 mile)	3,600	566
LVD consultant flights & expenses (3 trips)	450	
LVD consultant accommodation (8 days)	750	
Copyright for CE Conformity Declaration (CA)	10	0
UK Standards / Standards @ £700	1,050	
Sub-total =	40,450	5,378
STAGE 3: Forum & Seminar		
Presenter's fees (AE)	300	
Presenter's fees (GB)	400	70
Pre-design & development (110 case studies) of Forum	500	
Case Study honorarium & expenses (10 - Paul Brennan, FEL)	250	
LVD consultant flight & expenses	250	
Notes & Material (additional)	200	
Catering & refreshments (50 x £20)	1,000	175
Sub-total =	3,195	245
Q&B: Marketing, Project Management & Administration		
Design, production & postage of CE guides plus materials	450	
Organisation & management of events (10 days)	2,500	
Management & admin assignments @ 5 meetings & visits	3,300	
Sub-total =	6,250	
Total Programme Cost =	59,750	6,574
Less Participant contributions (£200 x 20)	16,000	
NET PROGRAMME COST =	43,750	6,574
Associated VAT	6,272	
Net cost per company =	2,187	
% contribution from each company towards net cost =	20.0%	

Feedback Form

E



School of Education
 Queen's University Belfast
 20 College Green
 Belfast BT7 1LN
 cpd@qub.ac.uk

CE MARKING PROGRAMME EVALUATION FORM

Company: _____

Completed by: _____ Position: _____

Since participating in the CE Marking Programme (2008)...

1. Please describe the product(s) you have CE marked:
2. Has this helped you to gain business from countries you have not sold into before? Please specify where.
3. Has it helped you to gain new customers or break into new sectors? Please specify.
4. Are there any other benefits gained during the last year, or expected in the future?
5. Any other comments about the CE Marking Programme in general:

Thank you for taking the time to complete this programme evaluation.

CONFIDENTIAL

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 tel: 028 9097 5059 fax: 028 9097 1084 email: cpd@qub.ac.uk

Case Study

F

The company received CE Marking training under Wave 10, since then it has regularly engaged with the Programme for training updates and access to laboratory time for pre-EMC testing.

The success of the company has been built upon the twin aspects of continuous research and development and an export orientation, in which CE Marking has had the following impact:

- CE Marking is an essential prerequisite to key markets in Europe and beyond. In the core market of Europe the company would not be able to provide this service without the CE Mark;
- the CE Marking Programme is also a beneficial tool for staff training. Although all staff are from an appropriate technical discipline, the CE Marking Programme provides a useful tool to ensure all new staff are aware of compliance from the start. It ensures a consistency of approach and means that the issue of compliance is safely embedded;
- the embedding of the CE Marking approach has also efficiency implications. By adopting CE Marking techniques at the design stage means that there is less need for subsequent amendment of design at the implementation stage, when alteration is more costly. CE Marking Programme consultants have assisted the company in the design stage; and
- the company has also availed of pre notification laboratory testing within Queen's testing lab. This service was the most highly rated by the company as it meant that the company could test prototypes locally and at a cheaper rate, rather than travelling to a Notified body in England and being charged £1,000 per day (not including travel and accommodation costs). In addition there was a degree of flexibility in terms of scheduling, using the facilities when the company needed them, rather than when they were available (which would be the case in the English labs). Finally the company regularly called upon the services of consultants within the CE Marking Programme to assist at this stage. They stated that this approach had brought considerable savings and also meant that products could be brought to market quicker.

In summary, the company believes that the Programme has provided a valuable tool for staff training, has embedded good practice and above all has provided a flexible and affordable option for testing locally products at the design stage.

One recommendation from the company was that there should be an option to avail of a combination of both laboratory testing time and consultancy time.