



Evaluation of the Accelerator Programme 2017-21

A Final Report by Hatch
March 2022

Invest NI

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Executive Summary

- i. Hatch was commissioned by Invest Northern Ireland (Invest NI) to undertake an independent evaluation of its Ignite NI Seed Accelerator Programme (from here on referred to as Accelerator), covering the programme delivery period between 2017 and 2021.
- ii. The previous iteration of the programme was delivered by StartPlanet NI between 2015-17, with a total budget of £1.6m and performance for this period was captured in a prior Interim Evaluation. Ignite also deliver the Propel Pre-Accelerator programme, which supports earlier stage teams to advance closer to the point of revenue regeneration and investment readiness. Although not a prerequisite, Propel acts as a feeder programme to the Accelerator.
- iii. The overarching aim of the Accelerator focuses on raising investment to support technology based, high growth potential start-ups (HPSUs) to access early-stage venture capital/angel investment and establish a trading base in Northern Ireland. The programme also seeks to promote high growth and export sales, by targeting early stage, pre-seed companies to develop their ability to internationalise.
- iv. The findings of this evaluation will be drawn on in the subsequent business case of a future Accelerator programme.

Strategic and Economic Context

Strategic & Policy Context

- v. The Accelerator supports the overarching aims and objectives set out in key Northern Ireland strategy and policy, particularly responding to innovative, productive growth as well as promoting business activity and attracting inward investment.
- vi. There is a clear and on-going rationale for public investment in the Accelerator, based-on several market failures, economic need and challenges to the business operating environment relating to EU exit and Covid-19.
- vii. The Accelerator is designed to address two core market failures in the provision of support for businesses ie information failure and positive externalities.

The Need for the Accelerator

- viii. Northern Ireland continues to lag behind on a number of key economic indicators. The Accelerator aims to boost economic performance and address the changing economic landscape. This includes the potential to:
 - lift productivity rates by increasing knowledge-intensive activity
 - support raising investment for tech start-ups
 - improve business survivorship
 - grow export sales
 - and, improve access to risk capital and support businesses to be competitive and scale-up, considering the challenges of Covid-19 and EU exit.

A Review of Best Practice

- ix. Our review of the literature and evidence identified a number of practical lessons, which the Accelerator aims to reflect in its delivery:
 - 1) Deliver high quality mentorship and intensity of support
 - 2) Make expectations for the programme and businesses' objectives clear early on and ensuring participants are a good fit for accelerator support
 - 3) Build positive relationships with Accelerator cohorts
 - 4) Support strategies for investment and growth
 - 5) Implement streamlined programme management and administration
- x. Since the interim evaluation, Invest NI and Ignite staff have incorporated some of the learnings highlighted in the review¹. These include collaboration with other organisations supporting high-growth potential start-ups, information sharing between programme management / delivery staff / clients / Accelerator mentors, and long term comprehensive performance data tracking.

Financial and Output Performance

- xi. Core programme spend has been variable. Expenditure has been on target during Cohorts 1 and 2 but some underspend has occurred during Cohorts 3 and 4 due to the Covid-19 pandemic. At the time of the evaluation, programme spend in Cohort 4 was at just under 70% of the total annual budget (delivery ending in July 2021), however programme spend is expected to be close to budget by the end of the delivery period.
- xii. The Accelerator has consistently performed in line with its target of 8-10 teams supported per annum, with nine businesses participating in Cohort 2 and ten businesses in the remaining cohorts during 2017-21.
- xiii. The Accelerator has met its target of helping companies raise investment² after participating in the programme. At the time of evaluation, a total of £20.7m was raised by Cohort 1, £4.1m by Cohort 2, £4.6m by Cohort 3 and £8.3m by Cohort 4 (with a number of other investment deals expected to close shortly).
- xiv. There were some reflections that the take-up from under-represented groups (including women, BAME people, disabled people, different age groups and different NI regions) could be higher to ensure broader access to the support experience, as well as strengthen the longer-term impacts of the Accelerator.
- xv. Over the delivery period, the number of participating companies that have originated outside of Northern Ireland has been variable. This has ranged from two of ten companies (20%) supported in Cohort 3, to five of ten (50%) in Cohort 4. The take-up of companies based overseas has been largely driven by the Accelerator's presence in the US through the Landing Pad Initiative and San

¹ Hatch Regeneris, Evaluation of the Northern Ireland Accelerator Programme 2015-18, August 2019. The full interim evaluation best practice review is presented in Appendix C.

² This is based on investment raised following Accelerator support. This includes companies who had only participated in the Accelerator as well as companies who had accessed Propel prior to completing the Accelerator programme.

Francisco study trips, as well as the networks of international mentors and investors involved in the programme.

- xvi. In any future programme, there is a need to retain a balance between attracting foreign-owned companies to participate in the Accelerator and relocate to NI, and ensuring the programme continues to be cost effective and delivers appropriate, meaningful support.

Delivery Review

Marketing and Engagement

- xvii. Success stories and interviews with alumni companies appear to be the most successful way to attract businesses, raise wider awareness of the Accelerator and establish direct business leads. The programme has been highly visible in the NI business support landscape, due to the reputation of Ignite and the Accelerator's links to a wide range of networks both in Northern Ireland and overseas. This has helped to strengthen the Accelerator's brand recognition.
- xviii. The Ignite team could benefit from additional resource and time to develop a marketing strategy to attract clients to the programme. The limited resource in the team has meant the programme's links with wider networks have not been as strong as hoped for. There could be closer engagement with different entrepreneurial organisations, universities, and investment networks.
- xix. The Accelerator could benefit from a longer-term marketing campaign, with Ignite and Invest NI working collaboratively to raise awareness of entrepreneurship. Increasing the lead time from two-three months to around 12 months prior to programme kick-off could create more scope to maximise engagement and interest in the programme.
- xx. Opportunities to collaborate with universities to promote the entrepreneurship agenda and reach a wider pool of potential clients should be explored as they arise.

Take-up and Prioritisation

- xxi. The Accelerator's two-stage application process is smooth and efficient, with unsuccessful applicants signposted to other relevant business support programmes.
- xxii. EU Exit and Covid-19 appear to have reduced take-up among foreign teams in the latter cohorts. The programme should maintain some flexibility but also encourage foreign teams to apply due to the benefits of their involvement for the cohort.
- xxiii. Future delivery could prioritise efforts to improve diversity and representation among participating teams. The delivery team have reached out to a wide range of female-led business groups and networks to promote the programme, however additional complementary approaches appear to be necessary to further boost take-up across among BAME and disabled people, as well as improve take-up from outside the Greater Belfast area.
- xxiv. It is important to ensure that the selection process encourages a more diverse take-up and also considers the need to achieve contractual targets.
- xxv. Remote working elements of support should be maintained to further drive take-up from less represented areas of NI.

The Support Offer

- xxvi. The Accelerator is very distinctive in the NI business support landscape and its flexible, tailored support offered by the programme has been beneficial and aligned to beneficiary needs.
- xxvii. The one-to-one support and investor readiness activities were regarded as the most effective support elements of the programme. The entrepreneurial experience and expertise of the Ignite team was highly regarded and provided valuable support to teams on the direction of their business as well as investment decisions.
- xxviii. The three-month duration of support has been sufficient for the Accelerator in terms of being able to meet business needs effectively, in line with other tech-focussed Accelerators.
- xxix. There could be greater flexibility in the design and delivery of programme activities to reflect industry developments and the changing landscape for businesses. For example, the nature of fundraising for early-stage companies has changed in recent years, with more businesses choosing to raise money remotely.
- xxx. There is a case for providing additional, follow-on support to assist alumni teams after participating in the Accelerator. There appears to be a gap in the wider Invest NI support offer which means companies with turnover of less than £10m have not been able to access further scale-up support. A smooth exit strategy and introduction to relevant Invest NI support services could address this provision gap (such as the Access to Finance suite of funds).

Responding to Covid-19

- xxxi. Due to the restrictions in place in response to the Covid-19 pandemic, the programme had to move support online with beneficiaries joining remotely. In some regards, this has benefitted the programme due to:
 - Removing geographical restrictions for programme participants
 - Facilitating international participation
 - Easier to fit sessions around business activity
 - Awareness of how to build companies has changed
- xxxii. However, in other respects, Covid-19 has created challenges for the programme:
 - Peer learning environment
 - Businesses/teams more impacted by Covid-19 restrictions
 - Limited travel opportunities
- xxxiii. A hybrid approach should be adopted going forward, with a mix of office and virtual support to reduce geographical constraints for the programme but with in-person peer learning and networking throughout.

Management and Governance

- xxxiv. Invest NI and Ignite have continued to engage with wider stakeholders and build strategic relationships with other organisations/programmes in the NI business ecosystem as well as internationally. This has enabled the programme to develop key partnerships, however further engagement could be made with stakeholders in wider networks.

- xxxv. There have been improvements in day-to-day communication between the Invest NI and Ignite teams since the interim evaluation. Roles and responsibilities across both teams have been clear and there has been shared appreciation of each member's expertise and role in shaping programme delivery.
- xxxvi. There could be further improvements in Invest NI-Ignite communication regarding the strategic direction of the Accelerator to help enhance the support provision and greater in person visibility of Invest NI among mentors as Covid-19 restrictions are lifted.

Programme Management and Administration

- xxxvii. There are effective monitoring processes in place for the programme. Monthly reporting is undertaken, and the processes are considered clear and not too onerous for operational staff.
- xxxviii. If the Convertible Loan Note (CLN) continues to remain part of future Accelerator programmes, it is important to ensure the governance of CLN can be managed effectively through dedicated resource as companies go onto securing future investment. The promotion of the CLN could be enhanced to ensure that beneficiaries and the wider NI business ecosystem understand its benefits and drive take-up of this particular support.
- xxxix. While monitoring and administration systems appear to have been effective, it can be difficult to capture softer outcomes and impacts achieved by beneficiaries as a result of the programme. For future delivery, it will be important to better capture the spill-over effects of the Accelerator and how the programme supports the wider NI ecosystem.

Client Journey and Outcomes

Client Journey

- xl. The main motivations among participants for joining the programme were to grow an already established business, and to access support with raising finance. For those who had previously been through the Propel programme, they saw the Accelerator as the next step in growing their business.
- xli. The key benefits of the programme include:
- access to support of the Ignite team
 - opportunities to speak with investors and develop a clear investor message and pitching style
 - mentoring and networking connections made
 - availability of office space in Belfast
 - international market opportunities.
- xlii. Given the time demands on beneficiaries, consideration should be given as to whether beneficiaries should attend all sessions within the programme or only those which are relevant to their business.
- xliii. The wider Invest NI business support offer was not promoted as well as it could be to beneficiaries, and discussions indicate beneficiaries would benefit from a better understanding of the complementary support available. In future delivery, it would be beneficial to have dedicated

Invest NI Client Executive (CE) resource available to Accelerator teams to help improve awareness of wider Invest NI support.

Outcomes

- xliv. The programme has been effective in challenging participating businesses' ideas. Businesses have been encouraged to include customers in product development and to develop messaging for investors effectively. The programme has enabled participants to understand which geographic and product markets are most beneficial for their businesses to engage in based on customer feedback and to develop ambitious strategies to realise their goals.
- xlv. Participating businesses are keen to put their lessons from the Accelerator into practice and grow their businesses by raising finance, building stronger teams, developing their client base and expanding into new markets. Beneficiaries continue to benefit from the programme by networking with Accelerator cohorts at Ormeau Baths and online.

Assessing the Impact on the Northern Ireland Economy

- xlvi. The scale of the net additional impacts from the Accelerator are subject to some uncertainty due to:
 - the timing of the evaluation, with some businesses in the latter cohorts having only recently received support and/or not yet having had chance to implement business changes
 - significant growth expectations among participants that are yet to be realised and therefore subject to greater uncertainty
 - the impact, deadweight and displacement estimates being based on self-reported perceptions of participating firms
 - and, the margin of error for beneficiary responses overall being 14%.
- xlvi. Our assessment suggests that the Accelerator has created an estimated £755k in net additional GVA for the Northern Ireland economy to date.
- xlvi. The majority of the economic value generated as a result of the Accelerator is expected to emerge over the next four years. We estimate that the business growth among beneficiaries supported to date could lead to a further £51.4 million in net additional GVA for the Northern Ireland economy by 2025. Due to the uncertainty regarding our estimate of future impacts and the limitations of the analysis outlined in this section, these figures should be treated with caution and considered as indicative.
- xlix. There were three businesses which predicted turnover growth of between £10 million and £27 million over the next four years and on average, attributed 63% of their future turnover expectations to the support received on the programme. One of these businesses had previously taken part in the Propel Pre-Accelerator before joining the programme. If these individual businesses are removed from the analysis as outliers, this reduces the estimated total net additional GVA to date to £612k and the estimated net additional GVA over the next four years to £16.3 million.
- l. £2.09 million has been spent on the programme to date which we estimate has so far generated £755k in net additional GVA and which could by 2025 (subject to businesses continuing to make the progress planned) rise to a total of £52.1 million. Discounting future benefits at 10%, in line

with the Invest NI Economic Appraisal Methodology³ would result in £0.37 generated for every £1 of public money invested to date, rising to £19.10 by 2025.

Benefit Cost Calculations		
	To Date	To date and up to 2025
Net Additional GVA Benefits	£755k	£52.1m
Net Additional GVA Benefits (outliers removed)	£612k	£16.9m
Public Sector Cost	£2.09m	
Net Present Value of Benefits ⁴	£755k	£39.5m
Net Present Value of Benefits (outliers removed)	£612k	£12.9m
Benefit-Cost Ratio	0.37:1	19.1:1
Benefit-Cost Ratio (outliers removed)	0.30:1	6.2:1

Source: Hatch

- li. The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, the estimates of return on investment to date (£0.37) and to 2025 (£19.1) can be judged as a reasonable start, with potential to be very positive in the future.
- lii. We reviewed the value for money of the Accelerator across four recent business support evaluations which we have undertaken. As shown in the table below, there are a wide range of costs per net additional job created in the other projects reviewed.

Summary of Comparator Cost Effectiveness Indicators			
	Minimum	Median	Maximum
Net Additional Cost per Job (to date)	£7,000	£22,000	£297,000
Net Additional Cost per Job (to date and future)	£900	£6,000	£29,000
Benefit-Cost Ratio (to date)	0.24	1.6	3.3
Benefit-Cost Ratio (in future)	3.9	11.7	19.6

Source: Hatch. Cost per output rounded to the nearest £1,000. Note: based on a review of four recent business support interventions undertaken by Hatch.

- liii. The Accelerator's benefit-cost ratio (BCR) falls between the minimum and maximum of the comparator figures reviewed. When considering the BCR to date and in the future (19.1:1), this stands at the top of the maximum range.
- liv. This indicates that into the future, the programme is expected to perform reasonably well in the short term and represent great value for money in the long term. However, some caution must be taken in interpreting how the Accelerator compares to what are a diverse set of programmes, offering different types and intensities of support.

³ The standard discount rate as per NIGEAE is 3.5%. However, as per INI policy a 10% discount rate is applied as projects are usually of a commercial or industrial nature. See 2.8.18 & 2.8.19 in the link: <https://www.finance-ni.gov.uk/articles/step-eight-calculate-net-present-values-and-assess-uncertainties>.

⁴ Net present benefits are discounted at a rate of 10% in line with Invest NI guidance. Costs incurred to date are not discounted.

Recommendations

- iv. Subject to Invest NI budgets and the availability of funding, a future Accelerator programme should be developed within the upcoming business case, drawing on the findings of this evaluation.
- lvi. We set out the specific recommendations that the business case should build upon below:
 - 1) The Accelerator KPIs should be revisited to ensure that they fully capture the desired outputs, outcomes and impacts of the programme. These should include a mix of qualitative, softer skill outcomes as well as quantifiable metrics.
 - 2) The business case should consider the possibility of the programme providing access to space outside of Belfast, which could be provided through a hub and spoke model, or a membership offer which includes access to flexible workspace in different locations (including locations outside of Belfast).
 - 3) The case for introducing resource for a marketing specialist within the delivery team to plan annual targeted marketing campaign and support with promotion of participating teams should be explored. It is important to ensure any marketing resource is used to implement consistent messaging / branding between the Propel Pre-Accelerator and the Accelerator in any future delivery.
 - 4) The case for introducing resource for a diversity/inclusion lead within the delivery team or wider Invest NI team should be considered, to ensure that there is improved female, ethnicity, disability, and age representation within the cohorts as well as wider strategic involvement in the agenda.
 - 5) There is a need for more structured support beyond the completion of the 3-month period of support. The business case should consider whether additional resource is required to enable the programme team to provide more formalised aftercare support for programme participants and help to support an alumni network; or whether a separate programme is required to meet this need.
 - 6) The business case should look into determining a target for participation of foreign-based teams which reflects the changing economic landscape due to Covid-19 and the EU exit and plan corresponding marketing activities around increasing the take-up of these businesses (to align with 10x strategy and proposed strategic opportunities).
 - 7) The case for introducing an alternative financial support package (such as a higher value grant) to the CLN should be explored to consider whether there is a different form of support which can meet beneficiary needs effectively and requires less resource input from the team.

1. Introduction

- 1.1 Hatch was commissioned by Invest Northern Ireland (Invest NI) to undertake an independent evaluation of its Ignite NI Seed Accelerator Programme (from here on referred to as Accelerator), covering the programme delivery period between 2017 and 2021. This study has been undertaken alongside our evaluation of the Invest NI Propel Pre-Accelerator 2017-2021.
- 1.2 The total programme budget for the October 2017- October 2021 delivery period is £2.9m (inc. VAT). The Accelerator is delivered by Ignite Holdings Ltd, an External Delivery Organisation (EDO) appointed by Invest NI to deliver the programme from October 2017-September 2021.
- 1.3 The previous iteration of the programme was delivered by StartPlanet NI between 2015-17, with a total budget of £1.6m and performance for this period was captured in a prior Interim Evaluation. Ignite also deliver the Propel Pre-Accelerator programme, which supports earlier stage teams to advance closer to the point of revenue regeneration and investment readiness. Although not a prerequisite, Propel acts as a feeder programme to the Accelerator.
- 1.4 The overarching aim of the Accelerator focuses on raising investment to support technology based, high growth potential start-ups (HPSUs) to access early-stage venture capital/angel investment and establish a trading base in Northern Ireland. The programme also seeks to promote high growth and export sales, by targeting early stage, pre-seed companies to develop their ability to internationalise.

Evaluation Approach

- 1.5 The purpose of conducting an evaluation is to gain an independent understanding of project performance, impacts and value for money, explore the mechanisms through which these impacts have been achieved and generate insight into which delivery approaches work and why. This will include reviewing any examples of best practice, challenges experienced during the delivery, and lessons learnt along the way.
- 1.6 The evaluation is undertaken in line with HM Treasury's The Green Book: Appraisal and Evaluation in Central Government⁵, The Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE)⁶ and HM Treasury's The Magenta Book: Guidance for Evaluation⁷.
- 1.7 Based on the requirements of this evaluation and as set out in our proposal, the approach primarily focuses on process evaluation, theory-based impact evaluation and value for money assessment. The evaluation methodology uses a combination of quantitative and qualitative research methods, drawing on a variety of relevant information, data and qualitative insights including:
 - **A review of background documentation:** including the original Accelerator specification, signed casework and minutes, Ignite handover documents, monthly reports etc., to understand in detail the programme's design and development and assess the programme's need, market failure rationale and continued relevance in light of changes to the strategic and economic context.

⁵ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

⁶ <https://www.finance-ni.gov.uk/topics/finance/northern-ireland-guide-expenditure-appraisal-and-evaluation-nigeae>

⁷ <https://www.gov.uk/government/publications/the-magenta-book>

- **Best practice review:** reviewing examples of accelerator programmes delivered elsewhere to assess the extent to which the Accelerator has drawn on best practice and lessons from accelerator programmes delivered elsewhere.
- **Detailed analysis of project monitoring data:** captured by the Invest NI team, including programme costs data, beneficiary monitoring data and monthly reports, to assess the programme’s performance against financial and output targets.
- **Stakeholder engagement:** to elicit views on project performance, a detailed consultation and engagement process has been carried out to obtain stakeholder insights. Due to the restrictions on face-to-face meetings on account of COVID-19, consultations have been carried out remotely through a mix of Microsoft Teams and telephone calls with:
 - the Invest NI Accelerator programme team
 - the IgniteNI programme team
 - wider Invest NI staff
 - and, external stakeholders.
- **Beneficiary consultation:** including one-to-one interviews with a sample of participant entrepreneurs. This approach was designed to explore motivations for seeking support, views on experience and the quality of support provided, outcomes, impacts (actual and expected), attribution and views on how the project could evolve to better meet their needs.
- **Quantitative impact analysis:** to obtain a more detailed view of the economic impacts by grossing up the impacts of the interviewed businesses, carrying out gross-to-net impact calculations and assessing value for money for the net impacts achieved.

1.8 Self-reported beneficiary information through interviews has its limitations as a means of estimating economic impact due to the potential for businesses to incorrectly recall or misreport the changes in business performance and the difficulty of estimating the extent to which changes experienced can be attributed to the support received. Nevertheless, our evaluation scoping concluded that a self-reported assessment was the most appropriate method, given the limited scope to use counterfactual methods of impact evaluation due to:

- many of the methods not being appropriate for the Accelerator programme’s scale (i.e. the limited population of supported beneficiaries)
- methods using administrative datasets (e.g. the Inter Departmental Business Register, IDBR) to inform counterfactual impact evaluation of projects would not be suitable due to the various time lags in data (meaning it is often at least two years out of date). Bearing in mind the time it could take for quantified benefits to materialise from a programme focused on, in some cases, quite early-stage start-ups, and that some businesses (i.e. those in cohort 4) had only completed the programme very recently, changes in employment and turnover might not yet be evident in the IDBR (even for those businesses which were assisted in the earlier cohorts).
- the small number of potentially feasible methods to construct comparison groups carry considerable risk, may not provide credible answers to evaluation questions and were unlikely to be affordable within the budget for the evaluation.

1.9 The analysis concluded that a robust counterfactual assessment was not feasible within the scope and budget for this study, and that self-reported impact assessment would be the most appropriate impact assessment approach. Although this method has some limitations, it offers a pragmatic solution to:

- capture timely and insightful evidence on outcomes and impacts
- explore additionality quantitatively and qualitatively.

Structure of the Report

1.10 The evaluation is structured around the following topics:

- **Section 2. Strategic and Economic Context:** considers the programme logic model, alongside the economic and policy context in which the project was designed and delivered, including the nature of market failure, project objectives and rationale for the delivery approach and a review of best practice from accelerator programmes elsewhere.
- **Section 3. Theory of Change Analysis:** presents a Theory of Change diagram for the programme, which traces the step-by-step rationale for the intervention to its intended outcomes and impacts in a sequential manner and explains the assumptions which the intended outcomes and impacts depend on. The Theory of Change enables us to analyse the project's impacts by reviewing and testing the causal chains thought to bring about change.
- **Section 4. Financial and Output Performance:** reviews performance to date against the programme's expenditure profile and output targets and reviews the explanatory factors for any areas of over/underperformance, in addition to the extent to which risks have been managed and mitigated appropriately.
- **Section 5. Delivery Review:** provides a more qualitative analysis of the project's delivery performance and considers the challenges and achievements in terms of different aspects of programme delivery.
- **Section 6. Client Journey and Outcomes:** reviews the beneficiary journey, outcomes achieved and overall satisfaction, drawing on evidence from the one-to-one consultations undertaken with a sample of beneficiaries.
- **Section 7. Impact Assessment:** reviews the progress that the project has made towards the impacts outlined in the project logic model and estimates the gross and net impacts that have been secured. This section also provides an assessment of the value for money of the programme, on the basis of return on investment to date and to 2025.
- **Section 8. Conclusions and Recommendations:** this section will synthesise the evaluation findings, drawing on evidence from all research strands, outlining the conclusions that can be drawn and recommendations for any future delivery of the programme.

2. Strategic and Economic Context

• Key Findings & Recommendations

The Accelerator continues to:

- support the aims and objectives set out in key Northern Ireland strategy and policy, particularly responding to innovative, productive growth as well as promoting business activity and attracting inward investment.
- address fundamental market failures in the provision of risk capital and support for seed and early-stage businesses.
- address a clear need to increase rates of business start-up and growth, productivity, export sales and FDI. EU Exit and the Covid-19 pandemic are recent contextual changes which have enhanced the importance and relevance of the Accelerator in supporting productivity and economic recovery in Northern Ireland.
- address information failure. This relates to entrepreneurs understanding of and confidence in establishing a business, raise investment and establish sustainable patterns of high growth. This is identified as a key barrier to business start-up and growth in NI, where entrepreneurs suffer a heightened fear of business failure⁸.
- The Accelerator continues to deliver various aspects of support in line with best practice.
- In response to the learning points from the interim evaluation, there has been some progress in information sharing between programme management and delivery staff, collaboration with other organisations and tracking of long-term performance data.

- 2.1 This section explores the areas of Northern Ireland strategy that the Accelerator is set to secure progress against, the programme's logic model and appropriateness of the programme's design given its objectives, as well as the underpinning rationale and need for public investment in the programme. Findings have also been summarised from a review of the best practice and lessons learned from other accelerator programmes, from UK and international accelerator case studies and wider literature and evidence.

Strategic & Policy Context

- 2.2 A review of Northern Ireland strategy and policy demonstrates that the Accelerator continues to align with and support key strategic and policy objectives. Common policy themes identified which have most relevance to the Accelerator are driving innovative, productive growth as well as promoting business activity and attracting inward investment in Northern Ireland.

A 10x Economy: Northern Ireland's Decade of Innovation (2021)

- 2.3 The Northern Ireland strategy sets out ambitions to *'encourage greater collaboration and innovation to deliver a ten times better economy with benefits for all our people'*. There are ten guiding principles identified to help progress this vision, of which four are closely linked with the Accelerator programme:
- **Inspire the future generations to thrive:** the Accelerator offers mentoring, coaching and pitch training to participant teams, covering areas such as market validation, finance and

⁸ Based on data from the Global Entrepreneur Monitor, see para. 2.22.

investor readiness. The programme develops valuable business skillsets to help drive future scaleup growth.

- **Position NI amongst the most competitive small, advanced economies in the world:** the Accelerator supports technology-based high potential start-ups to access early-stage venture capital/angel investment and foreign-owned start-ups to establish in Northern Ireland, contributing to long term economic growth.
- **Focus on increasing innovation in high value-added areas and priority clusters resulting in higher wages:** the Accelerator encourages entrepreneurship and innovation in high-growth sectors through by providing risk capital and targeted business support for seed and early-stage businesses.
- **Position NI as an optimum place to work, invest, live and visit:** the Accelerator seeks to attract inward investment, secure business relocation and contribute to economic growth in Northern Ireland by supporting early-stage businesses to be investor-ready and become successful scaleups.

Economic Recovery Action Plan: Rebuilding a Stronger Economy (2021)

- 2.4 The strategy sets out several priorities to rebuild a stronger, more competitive, inclusive and greener economy in Northern Ireland, as a response to the impacts of the Covid-19 pandemic. This will involve:
- building a higher skilled and agile workforce
 - pursuing and securing better jobs; and
 - producing a more regionally balanced economy.
- 2.5 In light of the changing economic landscape, the Accelerator continues to remain highly relevant in maximising NI's future growth potential and encouraging growth in internationally focussed, high value sectors. The programme directly supports two of the four key pillars:
- **Stimulating Research & Development and Innovation:** the Accelerator supports early-stage businesses to innovate and develop new products/services quicker through coaching, access to grants and other funding sources, and follow-on investment.
 - **Promoting Investment, Trade and Exports:** the Accelerator continues to promote entrepreneurship and increase export-confidence, which is a critical factor for attracting inward investment and instilling economic recovery. Through initiatives such as the Landing Pad Initiative, study visit trips, and grants for overseas teams to relocate, the programme offers exposure to international markets to maximise high growth, export-focussed business activity in Northern Ireland.

Building Foundations for a Better Economy: Invest NI Business Plan 2021/22 (2021)

- 2.6 The Invest NI Business Plan calls for Invest NI to align interventions with the ambitions set out in the 10X strategy and deliver transformational growth, by supporting Northern Ireland's core technologies and economic clusters over the next decade.
- 2.7 The Accelerator continues to be relevant in driving resilience and innovative growth in Northern Ireland, contributing to the achievement of more jobs, increased investment, and a higher quality of life. The programme closely links with four of the eight drivers of success outlined in the Invest NI Business Plan:

- **Grow external sales:** the Accelerator deepens Invest NI's support for teams of entrepreneurs establishing businesses with the potential to develop technological solutions and access growing international markets. It supports businesses to access networks of investors and clients that will enable them to increase export sales.
- **Innovation:** the Accelerator actively encourages innovation by supporting high value businesses with potential to scale in the technology sector. The programme works with businesses to accelerate new technology solutions into their target markets.
- **Entrepreneurship and Commercialisation:** the Accelerator works with businesses with standout technological solutions that have the potential to be used widely and internationally. It supports them to develop leadership qualities, realise plans for job creation and large-scale turnover growth, and in doing so it promotes Northern Ireland as a place for business.
- **Investment:** the Accelerator works with participants to increase investor readiness, facilitate introductions with investors which helps to attract investment. This contributes towards the ambition for Northern Ireland to be a global leader in a number of key clusters including digital, fintech and agri-tech.

The Draft Programme for Government Framework 2016-21

- 2.8 The Accelerator directly supports progress against three of the 14 outcomes that form the focus of the Draft Programme for Government. Table 2.1 sets out the outcomes, indicators and measures that have the most alignment with the Accelerator programme.
- 2.9 Note that the 2021 Draft Outcomes Framework is currently in development, where the responses from the consultation are now being considered.

Table 2.1 NI Programme for Government: Direct Outcomes, Indicators and Measures for the Accelerator Programme

Outcomes	Indicators	Measures	Links with NI Accelerator
O1: A strong, competitive, regionally balanced economy	I20: Increase the size of the economy	Private Sector Northern Ireland Composite Economic Index (NICEI)	Supporting businesses to be more competitive in domestic & international markets.
	I21: Increase the competitiveness of the economy	External sales	Supporting businesses to identify and capitalise on new, emerging, and developed markets.
O5: An innovative, creative society, where people can fulfil their potential	I22: Increase innovation in our economy	Regional innovation ranking	Strengthening the resilience of businesses and driving growth in employment and turnover.
O12: A place where people want to live and work, to visit and invest	I40: Improve our international reputation	National brand index	Attracting inward investment, business relocation and economic growth in Northern Ireland. Supporting start-ups that present the opportunity for standout technological solutions and growth.

Source: Draft Programme for Government Framework 2016-21; Hatch

Economy 2030: An Industrial Strategy for Northern Ireland

2.10 The Draft Industrial Strategy proposes a Framework for Growth based on five pillars. This is closely related, and in response to, the UK Government’s Industrial Strategy White Paper. The pillars cover overarching themes including inclusivity, prosperity and achieving economic rebalance. The Accelerator Programme will help to underpin progress against:

- **Pillar 1 - Accelerating Innovation & Research:** by supporting innovative businesses to develop new stand out digital technologies.
- **Pillar 3 - Driving Inclusive Sustainable Growth:** by supporting business start-ups to establish sustainable high-growth patterns in expanding tech markets.
- **Pillar 4 - Succeeding in Global Markets:** by preparing businesses for the growth opportunities and barriers to growth associated with internationalisation.

The Northern Ireland Innovation Strategy 2014-2025

2.11 The Innovation Strategy aims to promote and enhance creativity and innovation across the NI economy so that by 2025, Northern Ireland will be recognised as an innovation hub and become one of the UK’s leading high growth, knowledge-based regions.

2.12 The table below demonstrates the Accelerator’s continued relevance to the four themes outlined in the Innovation Strategy.

Strategy Areas	Relevant Strategy Aims	Links with NI Accelerator
Culture Change <i>"Changed attitudes and behaviour towards collaboration, and openness towards the use of new ideas, innovation and risk taking"</i>	Strong leadership to drive innovative growth	Coaching offered to business teams, to understand opportunities and barriers to growth.
	Celebrate innovation	Through investor events, Accelerator marketing and promotion of key success stories.
	Increase investment in supporting / stimulating collaborations	Through intensive cohorts, that stimulate collaboration among supported teams.
Knowledge Generation <i>"creating an environment which encourages research and creativity"</i>	More companies, particularly local SMEs, investing in R&D	By stimulating the market for innovative solutions and SME investment in product development.
	Prioritise support in areas which will have the greatest potential economic impact for NI	By targeting FDI clients and businesses in high-growth tech sectors with scope to increase export growth.
Knowledge Exchange <i>"facilitating exchange & access to quality information across all sectors to support economic growth"</i>	More international partnerships and collaboration	By exposing participants to international investors, supporting expansion into international markets and by targeting international businesses with the potential to relocate to NI.
Knowledge Exploitation	Support businesses with high growth and export potential	By targeting businesses with high-growth potential to establish and compete in international markets.

<i>"Transformation of knowledge into products and services which can add value and be exported"</i>	More companies accessing finance to exploit their knowledge and IP	Through support to secure investment and exposure to venture capitalists and business angels.
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Source: Innovation Strategy 2014-2025; Hatch

The Invest NI Access to Finance Strategy

- 2.13 The Accelerator also aligns with Invest NI's provision of finance for SMEs. It feeds Invest NI's suite of funds by providing a flow of high-growth businesses with investment potential.

The Programme Logic Model

- 2.14 The logic model shown below provides an overview of the Accelerator programme inputs, activities, outputs and outcomes that were agreed at project inception. This has been expanded on for the Theory of Change Analysis, set out in Section 3.

Objectives

- 2.15 The overarching aim of the Accelerator focuses on raising investment, to:

"support technology based, high growth potential start-ups (HPSUs) to access early stage venture capital/angel investment and establish in Northern Ireland."

- 2.16 The programme also seeks to promote high growth and export sales, by targeting early stage, seed companies and developing their ability to internationalise.

"maximise the potential for growth and economic development from very early stage businesses that have exceptionally high growth potential and can move straight to selling in global markets."

Inputs

- 2.17 The budget for the Accelerator is £2,936,421 (inc. VAT)⁹ for the period 2017-2021. A detailed breakdown of the programme costs is presented in the table below, with the majority of budget allocated to office / staffing costs and the delivery of the convertible loan note.

⁹ The budget includes an additional year of expenditure to align with the Propel Pre-Accelerator's operational period, which is referenced in the 'Budget Monitoring Worksheets Propel Accel – June 2021' spreadsheet provided by the programme team on 6th July 2021.

	Costs	% of total
Office and staffing	£921,300	36%
Convertible loan note (<i>incl. uplift</i>)	£860,000	34%
Content creation & video production	£165,700	6%
Travel and accommodation	£160,700	6%
Workshops and sessions	£102,900	4%
Mentors	£100,400	4%
Study visit in San Francisco	£72,000	3%
Marketing and PR (<i>incl. uplift</i>)	£66,200	3%
Events	£60,200	2%
Landing Pad Initiative (<i>incl. uplift</i>)	£49,200	2%
Total Costs	£2,588,600¹⁰	100%

Source: Invest NI Monitoring Data; Hatch. All costs are rounded to the nearest 100 and are inclusive of VAT.

Activities

- 2.18 The Accelerator provides intensive support for three months to each cohort. The programme covers a number of support elements designed to assess business strengths and weaknesses of participating teams, as set out below:

Workshops: weekly sessions covering a range of different topics including market validation, development, design, finance, sales.

Mentoring: mentors offer one-to-one support to all participating teams, which enables them to refocus and improve their business strategy/model, as well as provide guidance around raising investment. A large proportion of mentors are based outside of Northern Ireland, giving the participants a global perspective.

Networking: the Accelerator delivers various opportunities for the cohort to network and connect with each other, as well as gain access to wider business and investment networks.

Pitch Training: each team is offered informal pitching sessions and access to 'pitch clinics' in order to improve investor and market readiness. At the end of the programme, a final showcase enables participants to present to an invited audience of investors and stakeholders.

Convertible Loan Note (CLN): each participating team receives a £23,000 convertible loan (uncapped), which can be used to inject early finance into the business.

Office Space: free office space is provided to participating teams for nine months at Ormeau Baths in Belfast. The Accelerator has also set up an enterprise hub at Ormeau Baths, where teams have access to "open hours" support from Ignite staff.

Business Relocation: all foreign-owned teams are eligible for a CLN of £28,000, an increase of £5,000 grant, which aims to financially support teams who wish to relocate to Northern Ireland.

¹⁰ These costs reflect a £337k variance from the original budget in TOR, as referenced in the 'Budget Monitoring Worksheets Propel Accel – June 2021' spreadsheet provided by the programme team. The variance has been attributed to Covid-19 impacts on the latter half of delivery, where activities: San Francisco study visits, the Landing Pad initiative, and investor lunches could not take place in Cohorts 3 and 4.

£250k Credits¹¹: subsidised credits are provided to participating teams, so that they have free access to a range of different business products, services and platforms during the programme, by a range of organisations such as Amazon AWS, Google, Intercom, etc. It encourages teams to continue using the products and services beyond the Accelerator as they scale in the future.

San Francisco Study Visit: each participating team can meet and interact with key businesses, entrepreneurs, investors and mentors during a week-long trip to San Francisco. Teams have the option to meet on both an individual and group basis.

Investor Lunches: held in London, Dublin and Belfast, the purpose of the lunches is to introduce the teams to investors with sector expertise who can provide mentoring support or investment.

Landing Pad Initiative: the top five graduate teams in each cohort year are able to set up base in San Francisco for three months following participation in the programme. The purpose is to encourage teams to build on existing connections made with US investors and mentors during the programme as well as evaluate a product launch in the US market.

Outputs

2.19 The Accelerator’s SMART targets, as referenced in the original TOR document, are:

- 8-10 small teams supported per year, each team including 2-6 individuals
- 50% of participant teams from Northern Ireland and 50% from other UK regions or overseas
- establish a bank of high calibre international mentors
- 60% of participant teams to receive follow-on investment
- and, creation of 30 tradeable businesses.

Intended Outcomes and Impacts

2.20 The programme objectives are underpinned by a number of outcome measures, aimed at generating a measurable economic impact at the level of Northern Ireland:

Regional Economic Impacts

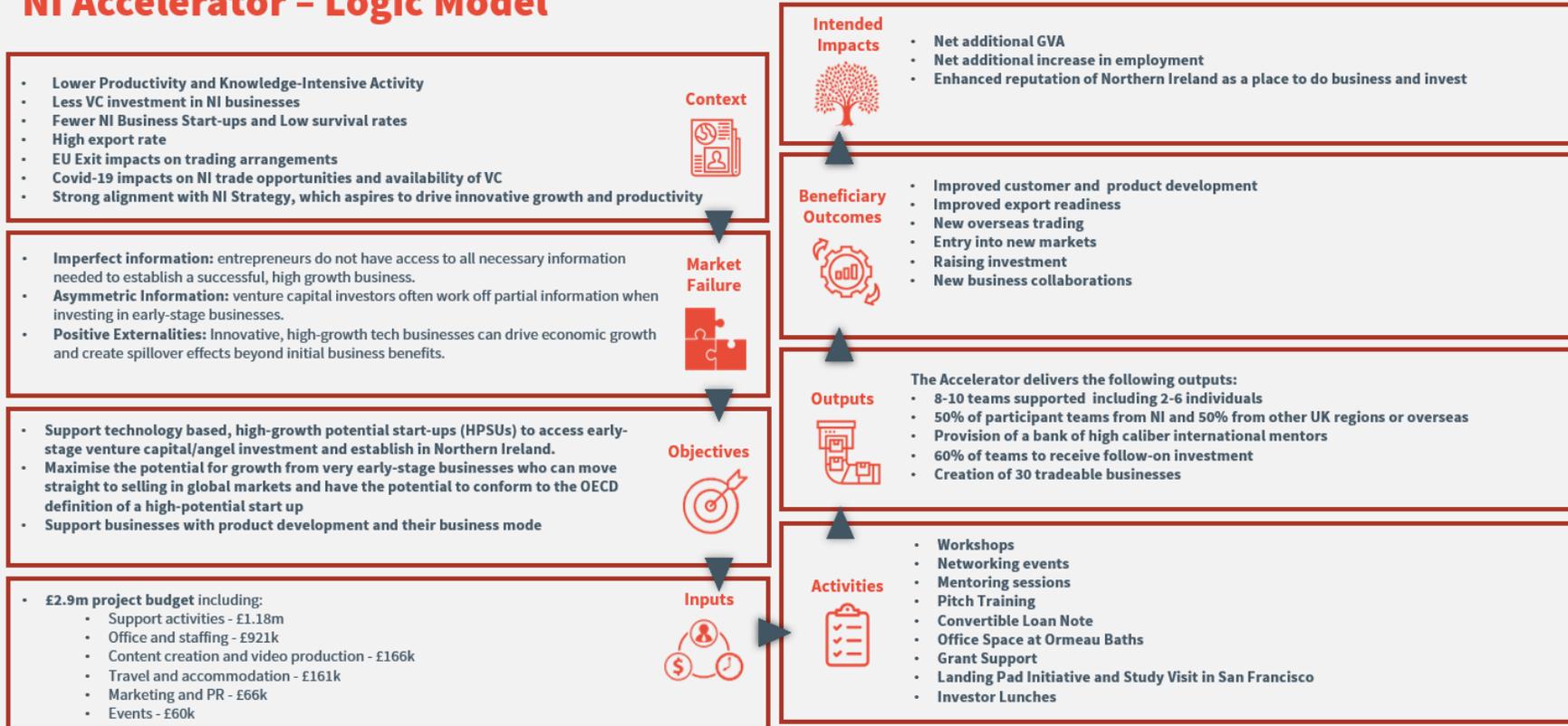
- Minimum of £10.1m net GVA by September 2025
- Minimum of 100 net additional FTE jobs by September 2025
- Minimum ROI of £1.72 for every £1 investment by September 2025

Wider Impacts

- Enhanced reputation of Northern Ireland, as a place to do business and invest

¹¹ Although this was not a requirement of tender, the £250k credits was included as part of the Accelerator’s support offer, due to it being common in other accelerator programmes.

NI Accelerator – Logic Model



The Rationale for Public Investment

Market Failure

2.21 The Accelerator is designed to address two core market failures in the provision of risk capital and support for seed and early-stage businesses:

1) Information Failure

2.22 There are two information failures which constrain growth of early-stage businesses, and are relevant to the design of the Accelerator:

- **Imperfect Information:** According to the 2019 Global Entrepreneur Monitor (GEM), fewer entrepreneurs (31%) in Northern Ireland feel that there are good start-up opportunities available compared to the national average (39%)¹². This is often attributed to imperfect information, where entrepreneurs do not have access to all the necessary information needed to establish a successful, high growth business. A lack of knowledge on start-up opportunities can hold back entrepreneurs to start and grow their business, raise investment and access international markets. This is regarded as a key barrier for business start-up and growth in NI and has been raised by Invest NI and key partners delivering entrepreneurial support¹³. The Accelerator can provide access to specialist information, e.g. to demystify and understand channels to raising investment, help early-stage entrepreneurs to develop their business plan to be more sustainable, carry lower risk of failure and improve chances of establishing patterns of high-growth.
- **Asymmetric Information:** investing in an early-stage business is inherently risky, and venture capital investors often work off partial information when it comes to selecting which businesses to back. The Accelerator selects and supports businesses with the greatest prospects for growth and traverses this asymmetry by bringing participants and investors together. Without such intervention, the market is likely to under-supply finance to early-stage entrepreneurs such as those engaging with the Accelerator.

2) Positive Externalities

2.23 Innovative high-growth tech-businesses can accelerate the drive for economic growth. Beyond the benefits secured by the businesses themselves, they can deliver higher quality jobs and increased output for the Northern Ireland economy and stimulate increased competition and innovation in the tech sector. Public investment can be justified to help secure these wider outcomes which might not otherwise occur to the same degree.

The Need for the Accelerator

2.24 Northern Ireland continues to lag behind on a number of key economic indicators. The Accelerator is able to boost economic performance, and also address the changing economic landscape:

¹² <https://www.gemconsortium.org/file/open?fileId=50680>

¹³ E.g. highlighted as a key barrier to business start-up and growth at the June 2014 Access to Finance Conference at Titanic Belfast.

- **Productivity & the Knowledge Economy:** the average GVA per job in NI is £50,646, which falls 10% below the UK¹⁴. Knowledge-intensive businesses are a key driver of productivity but represent just 16% of all businesses in Northern Ireland versus 31% across the UK¹⁵. The Accelerator aims to create highly productive knowledge businesses and jobs in an emerging tech cluster.
- **Investment:** data from the British Private Equity & Venture Capital Association (BVCA) shows that NI accounts for just 1% of UK venture capital investment and 5% of companies receiving VC investment (suggesting a lower-than-average size of VC investment per business)¹⁶. In tandem, BVCA data shows relatively little UK private finance is invested in NI ICT businesses. The Accelerator's core focus is on supporting tech start-ups to raise investment. The programme also encourages a more active investment market in NI by demonstrating the emergence of local high-growth tech start-up clusters.
- **Business Start-up & Survival:** 6,625 new businesses were established in NI in 2019. This represented 10% of all active businesses, compared to a UK start-up rate of 13%¹⁷. Of those businesses established in 2014 in NI, 70% continued to trade for at least two years. This compares to 76% across the UK. It is the Accelerator's role to support early-stage participants to establish themselves and set out towards sustainable patterns of high-growth.
- **Exports:** total NI exports in 2018 accounted for 36% of GVA, compared to 28% across the UK in 2018. The number of NI exporter businesses in 2018 was 12% of the total business base, compared with 6% across the UK¹⁸. A higher export rate is unsurprising for an economy with a smaller internal market and large land border to its south. By supporting tech start-up businesses to boost export sales, the Accelerator plays an important role in helping start-ups maintain and grow NI's share in international technology markets and to deliver additional economic growth.
- **EU Exit:** more recently, the departure from the EU has created an uncertain climate for NI businesses in terms of long-term trading arrangements, migration and regulatory changes. By targeting NI and foreign owned knowledge-intensive start-ups with growth potential, the Accelerator continues to be relevant in enhancing Northern Ireland's competitive advantage as well as promoting NI as an attractive destination to invest and do business.
- **Covid-19:** more recently, the Covid-19 pandemic has brought significant challenges to businesses in terms of limited exporting and domestic trade opportunities, as well as reduced supply of venture capital. The impacts of the pandemic have reinforced the need for the Accelerator to plug the 'investment gap' to ensure that early-stage businesses with high growth potential continue to access risk capital and are supported to scale-up.

¹⁴ ONS Regional and sub-regional productivity in the UK, Feb 2020.

¹⁵ Based on the number of businesses operating in ICT, finance, real estate and professional, scientific and technical activities. ONS UK Business Counts, 2018.

¹⁶ BVCA Report on Investment Activity, 2019. BVCA provides data based on its investor membership. It does not provide a full picture on levels of private investment. In particular it may not account for all the investment made in businesses through Invest NI's own equity and loan funds. Nonetheless, it provides the most comprehensive regional comparison available.

¹⁷ ONS Business Demography, 2019

¹⁸ HMRC Regional Trade Statistics, 2018; IN UK Business Counts, 2018.

A Review of Best Practice

- 2.25 The evaluation is supported by a review of best practice and learning from other Accelerator programmes, drawing on examples of programmes delivered in the UK and internationally and the wider literature and evidence on what works well. Appendix C provides a summary of the more detailed findings from the review.
- 2.26 As part of the interim evaluation, the review draws on best practice and learning available from the Canada Accelerator and Incubator Program (CAIP)¹⁹, the Start-up Chile Accelerator²⁰, the Canadian Technology Accelerator²¹, the Growth Accelerator²² delivered in England and the Scottish Smart Accelerator²³ (designed to help low carbon projects develop from concept to commercialisation and implementation). Alongside the wider literature on best practice and learning on accelerators, we have drawn on some of the key points highlighted by Brad Feld (co-founder of the well-known global accelerator TechStars)²⁴ and Ian Browne, who researched the delivery and benefits associated with accelerators prior to joining the Ignite team that delivers the NI Accelerator²⁵.
- 2.27 The NI Accelerator reflects many of the areas of best practice found elsewhere:
- 1) **Delivering high quality mentorship and intensity of support:** a key determinant of positive outcomes for participants, the NI Accelerator is providing close contact with a group of mentors that have experience and knowledge that is tailored to the sector focus of the programme. This is in-line with best practice, as is the need to maintain the rhythm of an intensive programme and balance the demands on participants. The NI Accelerator is achieving these through a well-structured and organised schedule driven by a highly engaged programme team.
 - 2) **Making expectations for the programme and businesses' objectives clear early on and ensuring participants are a good fit for accelerator support:** the NI Accelerator identifies prime candidates from within Ignite and wider domestic and international networks, and uses clearly defined targeting. It operates a four-stage application process to ensure that businesses are the right fit for the programme and understand the demands and expectations that will be placed on them. Businesses have suggested that they had clear expectations of what the Accelerator would do for their business.
 - 3) **Building positive relationships within Accelerator cohorts:** the NI Accelerator capitalises on opportunities for structured and unstructured business-to-business learning among a cohort of teams operating in similar fields and based in shared accommodation. The programme focusses on the participants as people, rather than a business idea. This is in line with recommendations from Brad Feld, the co-founder of Tech Stars. Participants have highlighted the major benefit that they have drawn from this form of learning.

¹⁹ <https://nrc-publications.canada.ca/eng/view/fulltext/?id=9078bfbf-0boa-48aa-8738-94bae64f3cfe>

²⁰ centreforpublicimpact.org/case-study/innovation-development-in-chile/

²¹ international.gc.ca/gac-amc/publications/evaluation/2015/eval_cta-eval_atc.aspx?lang=eng#exec1

²² Department for Business Innovation & Skills (2015). 'Formative Evaluation of GrowthAccelerator'.

²³ climatexchange.org.uk/media/1924/rl_final_draft_smart_accelerator_24_02_16_docx_js_amb_clean.pdf

²⁴ See brookings.edu/research/accelerating-growth-startup-accelerator-programs-in-the-united-states/

²⁵ Browne, I. A Study to Investigate the Business Accelerator Ecosystem in Northern Ireland, Their Efficacy on High Growth Start-ups and the Proposal of A New Framework for a Regional Business Accelerator'. Published prior to joining Ignite.

- 4) **Supporting strategies for investment and growth:** the review suggested there is a need to manage expectations among participants regarding the scale of investment that they could secure and for additional support of customer discovery/engagement for some participants. To that end, the NI Accelerator works closely with businesses to:
 - understand what the introduction of capital will mean for their businesses and how to reach scale
 - and, to raise awareness of investment opportunities.
- 5) **Implementing streamlined programme management and administration:** evidence from other Accelerators suggests that minimising the time spent by the delivery team on programme management and administration can allow services to offer more intensive support and increased value for money. The NI Accelerator operates an efficient and closely managed schedule to maximise support time and the wider experience of participants.

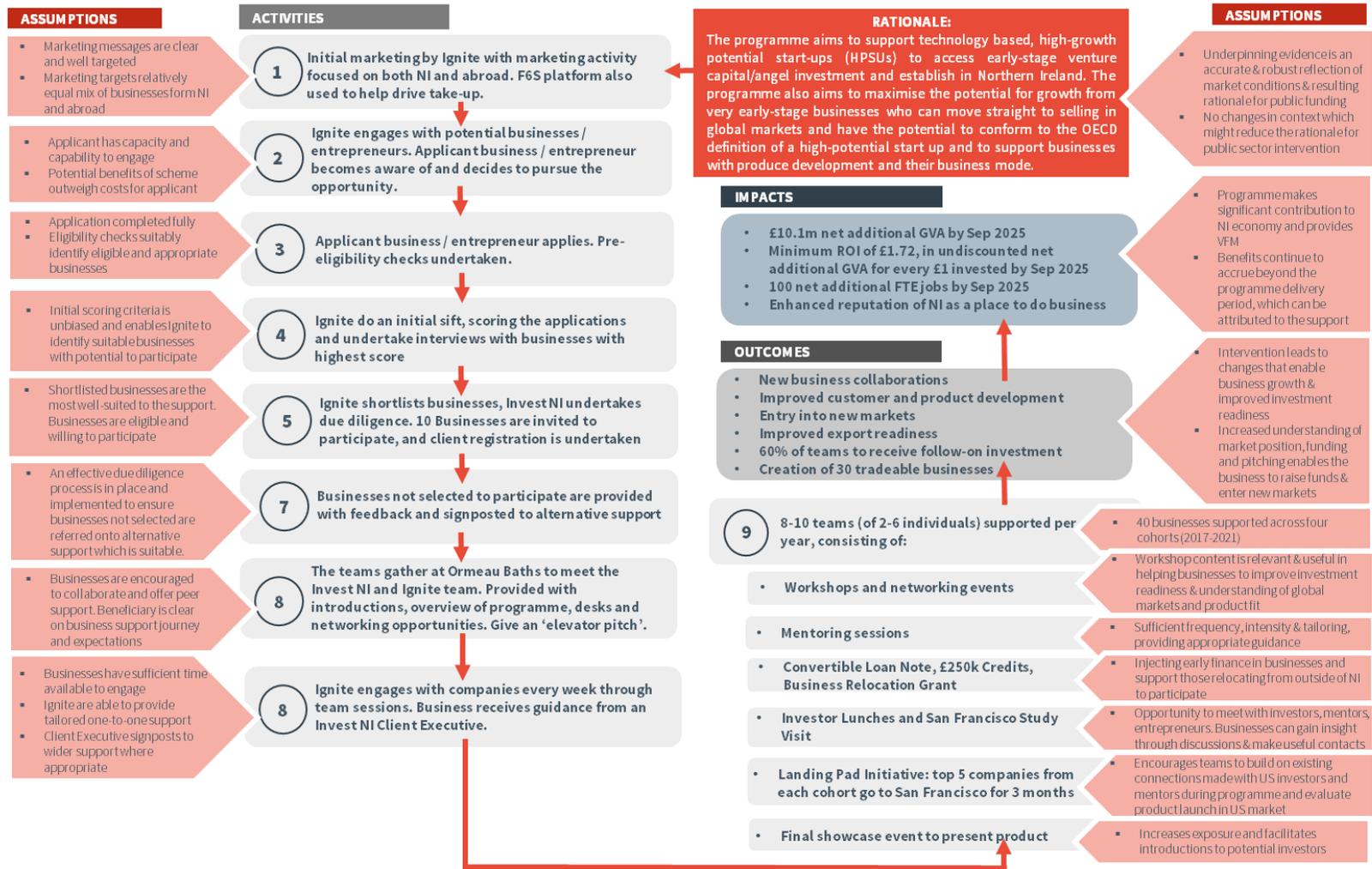
2.28 Since the interim evaluation, Invest NI and Ignite staff have incorporated some of the learnings highlighted in the best practice review into the delivery of Accelerator:

- 1) **Collaboration with other organisations supporting high-growth potential early-stage start-ups to help share insights on clients and offer complementary services.** The delivery team has approached other organisations to build strategic relationships and work in closer partnership, however this has been difficult to progress as far as desired, due to the short timeframe between evaluations. Catalyst has been the main organisation which the Accelerator team has collaborated with and this has led to joint working with regional councils in NI to expand the reach of the programme. There has also been collaborative activity with NDRC based in Dublin, which has recently secured a contract to run the Republic of Ireland's suite of regional pre-accelerators and a flagship Dublin-based accelerator for the next five years. It is hoped that working with the organisation would help facilitate cross-border activity and help widen access to funding. Other organisations the Accelerator has worked with include Royal Academy of Engineering, Kainos, and Irish Business Competition.
- 2) **Information sharing between programme management and delivery staff, clients, and networks of Accelerator mentors to help identify client needs and provide enhanced, tailored support provision.** There have been improvements in day-to-day communication between Invest NI and Ignite staff and greater transparency in programme performance via the Air Table database and regular meetings. The Invest NI Programme Manager reflected that communication and Invest NI visibility with the mentors has been impacted by Covid-19 restrictions, and there could be further improvements in communication between Invest NI and Ignite to discuss the programme's strategic direction. Further details are presented in Section 5.
- 3) **Long term comprehensive performance data for tracking the progress of businesses and to demonstrate the benefits created.** The Invest NI Client Executives work closely with the teams during the programme and afterwards to collect data on turnover and employment to track the performance of teams over three years. There were reflections that it has been difficult to track the wider benefits of the programme through the current KPIs; this is explored further in Sections 4 and 5.

Theory of Change Analysis

- 2.29 The intervention logic underpinning the Accelerator is presented in Figure 2.1 below. This Theory of Change diagram traces the step-by-step rationale for the intervention to its intended outcomes and impacts in a sequential manner and explains the assumptions which the intended outcomes and impacts depend upon.
- 2.30 It is a useful tool to evaluate the Accelerator programme as it compares the original intent at the design stage with how the project has performed in practice and enables us to analyse the programme's impacts by reviewing and testing the causal chains thought to bring about change.
- 2.31 The theory of change illustrates how the Accelerator programme proposed to:
- target and attract suitable beneficiaries
 - deliver bespoke support to tech-based high potential start-ups to help them to access early-stage VC/angel investment, establish in Northern Ireland, sell in global markets and ultimately
 - enable the achievement of longer-term economic impacts.

Figure 2.1 Accelerator Programme Theory of Change



Source: Hatch

3. Financial and Output Performance

• Key Findings & Recommendations

- There are effective monitoring structures in place to track the programme's delivery and performance. This includes annual reports produced by Ignite, monthly update reports and the Air Table database.
- There have been challenges in capturing the wider benefits of the programme through the current KPIs.
- Core programme spend stands at just under £2.94m and met expectations during Cohorts 1 and 2, however there was some underspend in Cohorts 3 and 4, largely due to delivery changes arising from the Covid-19 pandemic.
- The programme has consistently met its target to provide support to between eight and ten teams per year.
- Investment performance has been positive, with around three-fifths (59%) of teams securing investment across the four years of delivery.
- Consultation feedback suggested that the take-up of teams from underrepresented groups (including women, BAME, disabled people, different age groups and different NI regions) could be higher to help diversify the cohort.
- The performance against the target for a 50/50 balance between FDI and NI-based clients has been variable, with the proportion of FDI companies fluctuating from 20% to 50% across cohorts. Delivery staff believe that take-up among FDI clients has been impacted by the EU exit and Covid-19 in the latter cohorts, however, there remains a strong need to retain the 50/50 target. Any future programme should retain a balance between attracting foreign-owned companies to participate in the Accelerator and relocate to NI, and ensuring the programme continues to be cost effective and delivers appropriate, meaningful support.

- 3.1 This section provides an overview of the Accelerator's progress against output targets, as well as an assessment of the programme's financial performance. It includes a review of explanatory factors for any areas of over/under performance and the effectiveness of monitoring processes undertaken by the delivery team.
- 3.2 The analysis draws on a review of programme documentation and data provided by Invest NI, as well as consultations with the Ignite team and Invest NI.

Monitoring Programme Performance

- 3.3 The Accelerator has a number of monitoring systems in place to track the programme's delivery and performance against its outcome and output targets:
- **Ignite Annual Reports** are disseminated at the end of each delivery year and summarises outcomes and impacts achieved in each cohort, as well as performance of key metrics.
 - **Monthly Update Reports** are produced by the Invest NI team and covers the programme's performance against budgetary and output targets, also capturing qualitative feedback from participating teams.
 - **Air Table Database** is an online platform populated by the Ignite team and shared with Invest NI; and includes key metrics, invoicing reports, and governance documents

- 3.4 Qualitative feedback from beneficiaries is informally captured by Ignite staff at weekly team sessions and reviewed by both the Ignite team and Invest NI Programme Manager at meetings. This tends to record intangible outcomes and business progress, which the team uses to pivot their delivery approach accordingly.
- 3.5 In tandem, there are more informal catch-ups held between the delivery team members and weekly meetings held between the Invest NI Programme Manager, Ignite Programme Director and occasionally Ignite COO to discuss programme performance and ensure any challenges in delivery are swiftly dealt with.
- 3.6 Consultation evidence suggests that the Accelerator’s monitoring processes as well as communication and co-ordination between the Ignite and Invest NI teams has been positive overall, however it has been challenging to capture the wider benefits of the programme through the current KPIs. These benefits include pitching for investment, peer-to-peer learning, and the community benefits of the cohort. This is explored further in Section 5.

Programme Spend

- 3.7 As outlined in the interim evaluation, the total Invest NI spend approved through Invest NI Board Casework for the Accelerator was £4,521,000 across a five-year delivery period (2015-20). The total budget allocated for 2017-2021 covered by this evaluation is just under £2.94 million. Overall, core programme spend has been variable, where expenditure has been on target during Cohorts 1 and 2, compared to some underspend during Cohorts 3 and 4. The underspend was largely a result of the programme having to be flexible in light of current market conditions impacted by Covid-19, with the delivery of the Landing Pad Initiative, Investor Lunches and San Francisco study trips not able to take place. At the time of the evaluation, programme spend in Cohort 4 represents just under 70% of the total annual budget, with delivery ending in July 2021. The programme spend is expected to be close to budget by the end of delivery.

Table 3.1 Summary of Spend to Date

	Cohort 1 (2017/18)	Cohort 2 (2018/19)	Cohort 3 (2019/20)	Cohort 4 (2020/21)
	Programme Costs			
Budget	£520,700	£579,100	£650,000	£660,200
Actual	£497,900	£563,400	£553,700	£453,000
Actual vs Budget	-22,800	-15,700	-96,300	-207,200
% of Budget	(96%)	(97%)	(85%)	(69%)

Source: Invest NI monitoring data; Hatch calculations. All core programme costs/spend are inclusive of VAT and rounded to the nearest £100.

Programme Outputs

- 3.8 The Accelerator outputs are centred on the provision of support to between eight and ten early-stage high growth potential businesses who are ready for seed investment. The programme aims to support a 50/50 split of teams from Northern Ireland and overseas (including other UK regions).

Businesses Supported

- 3.9 The Accelerator has consistently performed in line with the target of 8-10 teams supported per annum, with nine businesses participating in Cohort 2 and ten businesses in the remaining cohorts during 2017-21.

- 3.10 The previous success of the Accelerator has resulted in strong brand recognition in NI and internationally and encouraged solid demand across all four years of delivery. In tandem, the programme's links with the wider NI business support ecosystem (including Ormeau Baths, Catalyst and the Propel Pre-Accelerator) have acted as important feeders into the Accelerator, with many Propel participants choosing to apply to the Accelerator after receiving support from the programme. The number of applicants for the Accelerator have more than doubled during 2017-21, starting from 73 applications in Cohort 1 to 192 in Cohort 4. Consultations with the delivery team indicated that the two-stage application process has worked well and contributed to the overall quality of take-up.
- 3.11 The Accelerator has met its target of helping companies raise investment after participating in the programme. At the time of evaluation, a total of £20.7m was raised in Cohort 1, £4.1m in Cohort 2, £4.6m in Cohort 3 and £8.3m in Cohort 4 (with a number of other investment deals expected to close shortly) which indicates a strong investment performance overall. Of the 39 companies which have participated during 2017-21, 29 (74%) have secured investment either during or after the Accelerator. An average of seven teams per cohort went on to raise investment. Beneficiary feedback suggested that working with the Ignite team and external mentors to connect with investors and international speakers had enabled them to improve their investment proposition, helped to demystify investment and boosted confidence in pitching for investment.
- 3.12 There were some reflections that the take-up of teams from under-represented groups (including women, BAME people, disabled people, different age groups and different NI regions) could be higher to ensure broader access to the support experience, as well as strengthen the longer-term impacts of the Accelerator. Over the delivery period, of the 39 participating teams who joined the programme:
- nine (23%) of its founders were female compared to 77% who were male. When accounting for other team members, this slightly increases to 26%.
 - four (10%) of its founders identified as BAME
 - none of the founders who participated identified that they had a disability.
- 3.13 The delivery team have made efforts to attract more under-represented teams to join the programme by reaching out to networks and attending events to raise awareness of the Accelerator, however recognised further improvements could be made. This is explored further in Section 5.
- 3.14 As very early-stage businesses, it is likely that some proportion of participating teams will not succeed. Only one of the 39 businesses supported through the Accelerator (3%) are no longer trading, which is significantly less than failure rates seen among UK start-ups operating in the broad ICT sector. Of the UK start-ups that were established in 2016, 37% had closed within three years²⁶.

FDI Clients

- 3.15 Over the delivery period, the number of participating companies that have originated outside of Northern Ireland has been variable. This has ranged from two of ten companies (20%) supported in Cohort 3, to five of ten (50%) in Cohort 4. The take-up of companies based overseas has been largely driven by the Accelerator's presence in the US through the Landing Pad Initiative and San Francisco study trips, as well as the networks of international mentors and investors involved in the programme. The performance review suggested that although the programme has received a high volume of applications, there have been concerns around the quality of companies applying

²⁶ Based on ONS UK Business Demography data (2021)

from overseas and how it has fallen slightly in recent years. Consultation feedback from the Invest NI and Ignite staff suggested that EU Exit and Covid-19 have impacted the Accelerator’s take-up of FDI clients in the latter cohorts.

- 3.16 The delivery team agreed that there is a strong argument to continue providing support to businesses located overseas, due to the benefits for the wider NI business ecosystem. FDI companies are considered to bring diversity to the cohorts, encourage innovative thinking and knowledge exchange, as well as help improve access to international networks. Going forward, the team recognise there is a need to retain a balance between attracting foreign-owned companies to participate in the Accelerator and relocate to NI, and ensuring the programme continues to be cost effective and delivers appropriate, meaningful support.

SMART Output Targets	Performance to date
8-10 small teams supported per year, each team including 2-6 individuals	The Accelerator’s performance has been in line with output targets, with ten participant teams selected across all four consecutive years, with the exception of Cohort 2 (nine teams supported).
50% of participant teams from Northern Ireland and 50% from other UK regions or overseas	15 of the 39 companies (38%) have originated from outside Northern Ireland, which falls below the programme’s target to have a 50/50 split of teams. By cohort, the Accelerator’s performance has been variable, with 40% of participant teams from overseas in Cohort 1 and 2, 20% in Cohort 3, compared to half (50%) of teams in Cohort 4. Three of the 15 companies (20%) have stayed in NI after completing the programme.
Provision of a bank of high calibre international mentors	200 mentors, investors and entrepreneurs have assisted participating teams across both the Propel Pre-Accelerator and Accelerator programmes. A wide selection of mentors covering different sectors and levels of expertise, have helped companies develop strategies to scale up.
60% of participant teams to receive follow-on investment	Investment raised has been wide-ranging, but positive overall, with £20.7m raised in Cohort 1, £4.1m in Cohort 2, £4.6m in Cohort 3 and £8.3m in Cohort 4. It was suggested that the variations in investment raised per cohort were largely due to some teams attracting investment quicker than others. Across all four cohorts, 29 of the 39 companies (74%) have secured investment, indicating performance has been in line with expectations. Around two-thirds (65%) of investment ²⁷ has originated from the US, and the remainder from the UK (34%) and Europe (1%). Only one company has relocated to the US after completing the programme, to be closer to its primary market and as a requirement of the equity investment.
Creation of 30 tradeable businesses	Over the delivery period, there were 39 companies who participated in the Accelerator, of which 38 are still tradeable businesses. Only one company has ceased trading during 2017-21.

²⁷ Note that this includes multiple investment rounds from companies who took part in the Accelerator programme, and those who took part in both the Propel and Accelerator programmes.

Source: Invest NI and Ignite monitoring data; Hatch Consultations

4. Delivery Review

Key Findings & Recommendations

- Promoting the success stories of participating companies has been effective in attracting businesses and raising awareness of the programme.
- There is strong brand recognition in NI and internationally, which has helped to promote the programme more widely.
- There is scope to have a dedicated marketing resource within the team to help plan marketing campaigns for the Accelerator and develop a long-term marketing strategy.
- Delivery staff have sought to engage with different organisations to collaborate and build partnership working. Consultation evidence reflected there could be further engagement with wider networks to expand beneficiary reach and strengthen links between complementary programmes.
- The application process for the Accelerator has been smooth and efficient, with unsuccessful applicants contacted and signposted to relevant support provision.
- The Accelerator remains distinctive in the NI business support landscape and has provided flexible, tailored support to meet business needs. This is largely due to the entrepreneurial experience of the Ignite team.
- One-to-one support provided by external mentors and activities related to investor readiness and raising investment have been most valued by beneficiaries.
- The duration and intensity of support has been appropriate and worked well in meeting business needs. It was noted that frequency of contact could be made more flexible to accommodate different business needs.
- There is a need to provide reactive support which can be flexible in its design and delivery to reflect industry developments and the changing business landscape.
- There has been demand for more structured, follow-on support to assist alumni teams after graduating from the programme. It is important to ensure that any additional support does not duplicate Invest NI's existing support services.
- The Covid-19 pandemic has required aspects of programme delivery to change which has created benefits as well as challenges for beneficiaries.
- Communication and transparency between Ignite and Invest NI has progressed since the interim evaluation, but there is still room to improve further.
- Additional resource has been needed within Ignite and Invest NI to administer the convertible loan note (CLN), and there were mixed views on whether the CLN should be used in future delivery. In any future programme, the CLN should be reviewed and if it is provided again as part of any future delivery, it should be appropriately resourced with the correct governance procedures in place.

4.1 This section assesses the effectiveness of the NI Accelerator, both in terms of implementation and delivery and draws on evidence, information and insights from:

- consultations with the delivery staff (Ignite and Invest NI teams) as well as strategic partners – list of consultees are presented in Appendix A

- consultations with beneficiaries – list of consultees are presented in Appendix A
- and programme performance data and background documents.

Marketing and Engagement

4.2 At programme inception, it was agreed that Ignite NI would be primarily responsible for attracting teams into the Accelerator, with marketing activity focussed on both Northern Ireland and overseas to attract an equal mix of teams into the programme. In tandem, external PR agencies and Invest NI staff provided additional resource and support to Ignite if and when required to promote the Accelerator more widely. The main marketing channels used by the Ignite team to promote and enhance take-up were:

- social media platforms
- tech websites
- raising awareness via mentor and investor networks
- meeting people at business events
- showcasing the success of alumni teams
- business networks in NI and overseas
- F6S promotion
- and direct approaches to interesting companies, and hosting 'office hours' at Ormeau Baths to increase applications.

Promoting success stories of participating companies has been effective

4.3 Producing success stories and undertaking interviews with alumni companies are regarded by the Ignite team as most successful in attracting businesses, raising wider awareness of the Accelerator and establishing direct business leads. The team should continue to explore and use newer, modern marketing channels such as podcasts to communicate the success of previous teams and promote the programme.

Strong brand recognition in NI and internationally

4.4 The Accelerator brand has played a pivotal role in securing demand for the programme as well as helping to promote the programme more widely. The programme has been highly visible in the NI business support landscape, due to the reputation of Ignite and the Accelerator's links to a wide range of networks both in Northern Ireland and overseas. Having US connections (through the Landing Pad Initiative and Investor Lunches) and offering opportunities to meet international speakers and investors, has been helpful in promoting the programme in international markets and making the Accelerator more attractive to foreign teams.

4.5 The links between the programme and Ormeau Baths have also helped to strengthen the Accelerator brand, and increased awareness of the programme. Potential applicants have often heard of the Accelerator when working in the office space and having Ormeau Baths as a co-working base for teams, has meant the Ignite team have been accessible to potential applicants for the programme.

Appetite to increase marketing resource in the team

- 4.6 The Ignite team could have benefitted from additional resource and time to plan marketing campaigns and develop a marketing strategy to attract clients to the programme. The Ignite team has often outsourced the marketing function of the Accelerator to external PR agencies, who have also provided ad-hoc marketing support to participating teams with their social media engagement. Having the marketing function in-house by hiring a marketing specialist might have helped improve the effectiveness of lead generation and expanding the reach of the programme.
- 4.7 The Accelerator could also benefit from a longer-term marketing campaign, with Ignite and Invest NI working collaboratively to raise awareness of entrepreneurship within Invest NI as well as Northern Ireland. Increasing the lead time from two-three months to around 12 months prior to programme kick-off could create more scope to maximise engagement and interest in the programme.

Opportunity to tap into wider networks

- 4.8 The limited resource in the team has meant the programme's links with wider networks have not been as strong as hoped for. Nevertheless, Invest NI and Ignite staff have made attempts to work collaboratively with organisations such as Catalyst, Royal Academy of Engineering, Kainos and MDRC to lead on regional activity, expand beneficiary reach and strengthen links with complementary programmes. In any future delivery, there would be merit in discussing resources within Invest NI and the EDO, ensuring that roles are matched effectively to the needs of the new programme.
- 4.9 Despite some progress, the Ignite team acknowledge that there could still be closer engagement with different entrepreneurial networks, universities, and organisations to promote the programme more widely and expand the client pool. Likewise, stakeholders welcomed opportunities for strengthened partnerships between universities. Going forward, there are opportunities to collaborate with universities to promote the entrepreneurship agenda and reach a wider pool of potential clients which are outside of the traditional business networks currently used to market the programme. These should be explored as they arise.
- 4.10 It was suggested that alignment between the Accelerator and Halo Business Angels Network (HBAN) could be strengthened in future delivery. Looking ahead, there are opportunities for sharing of resources and it is important to ensure complementarity and collaborative working are improved.

Take-up and Prioritisation

A smooth and efficient application process

- 4.11 The Accelerator's selection process is managed by the Ignite team. It involves a two-stage process which identifies 40 shortlisted companies for interview. The online applications received are assessed on the following criteria:
- team
 - product / service
 - growth / market opportunity
 - stage of business idea

- and innovation.

- 4.12 Follow-up phone conversations with applicants take place if further clarification is required. The 40 shortlisted companies are then invited to attend a two-hour interview at the Ormeau Baths in Belfast (Cohorts 1, 2 and 3) and held virtually for Cohort 4. Companies from outside NI were often interviewed via Skype, if unable to travel to Belfast. The interviews were structured in a round-robin style where teams are put into groups of four and interviewed for 20 minutes by a panel (2-3 colleagues from Ignite, EIR, Frankly Innovations and Invest NI), before being rotated to the next group. The ten highest scoring teams are then invited to join the Accelerator.
- 4.13 Unsuccessful applicants have been signposted to other relevant business support programmes, funding and network groups delivered by Invest NI and other providers including Belfast City Council and Ulster Bank.
- 4.14 There were some suggestions that while there is strong demand for the programme, and that the programme attracts high quality teams, the selection process could be refined to ensure inclusivity²⁸ in future delivery. Going forward, it is important to ensure that the selection process encourages a more diverse take-up and also considers the need to achieve contractual targets.

The EU exit and Covid-19 impacted the take-up of foreign-based teams in Cohorts 3 and 4

- 4.15 During 2017-21, the Accelerator had a target of attracting 50% of teams participating in each cohort from overseas. In the earlier cohorts, the take-up by foreign-based teams met expectations and was largely driven by the programme's connections to international mentors and networks predominately in the US and Europe. EU Exit and Covid-19 appear to have reduced foreign interest in the later cohorts, and there are mixed views on whether the 50% target should be maintained in future delivery or lowered. There were also some suggestions that attracting and retaining foreign businesses in NI can prove to be more difficult if there are family commitments which discourages them from relocating.
- 4.16 There are large benefits of attracting foreign teams onto the programme for both beneficiaries and the wider NI business ecosystem, in terms of building relationships and peer-to-peer learning, which involves learning how companies operate their business and attract investment in other countries. Looking ahead, the programme should maintain some flexibility but also encourage foreign teams to apply due to the benefits of their involvement for the cohort. The team should continue to promote the programme through their international networks and consider implementing a targeted marketing strategy to further enhance brand recognition overseas, increase take-up of foreign-based teams on the programme as well as improve their retention.

Scope to improve diversity within the cohorts

- 4.17 Future delivery of the Accelerator could prioritise efforts to improve diversity and representation of participating teams. The delivery team have reached out to a wide range of female-led business groups and networks to promote the programme, however additional complementary approaches appear to be necessary to further boost take-up across among BAME and disabled people. This could involve a targeted marketing approach which focuses on increasing representation, diversity and inclusion, as well as raising awareness of entrepreneurship among under-represented groups.

²⁸ Equality screening was completed by Invest NI before the Accelerator contract was awarded as required. Programme documentation does not suggest that further screening is required by the EDO. Ignite recently went through an external audit that did not highlight screening.

- 4.18 In tandem, geographical representation, particularly from outside the Greater Belfast area, could be improved by introducing a regional focus by setting up workspaces in Derry and other locations. The team have also begun to engage with business support providers in Ireland who offer complementary services, to develop strategic partnerships and facilitate referrals. Looking ahead, remote working elements of support should be maintained to further drive take-up from less represented areas of NI.
- 4.19 Other approaches to consider for future delivery include:
- Leading educational events in schools to boost awareness of entrepreneurship among young people.
 - Seeking a strategic joined-up approach with NI government.
 - Having a dedicated resource within the delivery team to help facilitate and promote the diversity and inclusion agenda.
 - Involvement in strategic working groups in Northern Ireland, which lead on diversity and inclusion.

The Support Offer

A distinctive programme which was tailored to meet business needs

- 4.20 The majority of beneficiaries see the Accelerator as very distinctive in the NI business support landscape, and without the programme, would have found it difficult to access similar support elsewhere. Beneficiary feedback suggested that the main motivations for seeking support were to have greater exposure to international markets, improve investor readiness and raise investment to scale-up their business. Nearly all agreed that the flexible, tailored support offered by the programme has been beneficial and aligned to their business needs. The entrepreneurial experience of the Ignite team and their one-to-one approach as well as being able to access investors and cohort support were frequently noted as contributing to more effective, targeted support provision.

One-One support and investment opportunities have been the most valuable

- 4.21 Beneficiaries were largely positive about their experience with the Accelerator, noting the one-to-one support and investor readiness activities as being the most effective overall. The entrepreneurial experience and expertise of the Ignite team was highly regarded and provided valuable support to teams on the direction of their business as well as investment decisions.
- 4.22 'Mentor Madness' was a popular session for most teams, where they met and interacted with different mentors, and as a result, were able to expand their networks and make new connections. In addition, the investor lunches (both virtual and face-to-face) and interaction with external speakers were beneficial for teams, by helping to demystify the investment round process and raise their aspirations for funding.

The duration and intensity of support has been appropriate, but frequency of contact could be more flexible

- 4.23 The three-month duration of support has been sufficient for the Accelerator in terms of being able to meet business needs effectively. The three-month period matches other tech-focused

accelerator programmes and overall has worked well in delivery. There were some suggestions that the while working within the time limitations of the programme, frequency of contact could be made more flexible in future delivery to accommodate different business needs and to respond to resource requirements within the delivery team.

Opportunity to revolutionise aspects of support in line with industry developments

- 4.24 For future delivery, there could be greater flexibility in the design and delivery of programme support activities to reflect industry developments and the changing landscape for businesses. For example, the nature of fund raising for early-stage companies has changed in recent years, with more businesses choosing to raise money remotely.

Increasing demand for follow-on support

- 4.25 There is a case for providing additional, follow-on support to assist alumni teams after participating in the Accelerator. While the Ignite team have remained accessible and offered ad-hoc guidance where required, the delivery team has limited resource to effectively embed follow-on support with future investment rounds after the Accelerator programme. Beneficiary feedback underlined that some businesses would welcome investment advice and guidance from the Ignite team, even up to three months after participating in the programme.
- 4.26 There appears to be a gap in the wider Invest NI support offer which means companies with turnover of less than £10m have not been able to access further scale-up support. As a result, a smooth exit strategy and introduction to relevant Invest NI support services is required to address this provision gap. Looking ahead, Invest NI are considering introducing a follow-on one-to-one support offer which targets these businesses with the highest potential to scale-up. In future delivery, it is important to ensure that any additional support service minimises duplication within Invest NI's existing business support offer.
- 4.27 Although resources may well continue to be constrained, there could be real merit in offering help to encourage alumni to support each other and continue building relationships which could maximise future outcomes for the programme.

Responding to Covid-19

- 4.28 Due to the restrictions in place in response to the Covid-19 pandemic, the programme had to move support online with beneficiaries joining remotely. In some regards, this has benefitted the programme due to:
- **Removing geographical restrictions for programme participants:** businesses which already had offices based outside of Belfast appreciated not having to commute to Belfast to receive the support.
 - **Facilitating international participation:** speakers from across c.13 countries were able to get involved in the programme, without needing to fly over to NI.
 - **Easier to fit sessions around business activity:** particularly for businesses based outside of NI, the time saved on travel could be spent on the business.
 - **Awareness of how to build companies has changed:** both the programme team and participating businesses now have a better understanding of how to build companies remotely. This can be beneficial both in terms of being able to recruit staff from different

locations, not needing to have a city centre office location and being able to connect with investors and raise investment remotely.

4.29 However, in other respects, Covid-19 has created challenges for the programme:

- **Peer learning environment:** one of the core aspects of the programme is the cohort format which encourages teams to network, collaborate and support a peer learning environment. It was more difficult to stimulate this type of environment remotely, although the programme appears to have still worked well with additional sessions added to help build relationships among the cohort teams.
- **Businesses/teams more impacted by Covid-19 restrictions:** some of the tech service businesses operating in sectors more impacted by the pandemic (e.g. leisure and facilities, travel, entertainment) found that they needed to pivot their business / respond to immediate business challenges they were facing. As a consequence, they were not able to invest as much time in the programme as they would have liked. Some of the participating teams also highlighted that having to work from home meant that there were more distractions, particularly for those with children at times where schools were closed due to Covid-19 restrictions.
- **Limited travel opportunities:** participating teams in Cohorts 3 and 4 were unable to access the Landing Pad Initiative in San Francisco or the Investor Lunches in San Francisco, London and Dublin. While the delivery team offered virtual alternatives, some beneficiaries felt that this compromised their overall experience as they missed out on the opportunity to travel, network face-to-face and launch their business internationally.

4.30 Overall, Covid-19 has meant that participating teams in Cohorts 3 and 4 received a different experience to those in the earlier pre-Covid cohorts (Cohorts 1 and 2). However, it is worth noting that programme performance in the latter years has continued to be strong.

4.31 A hybrid approach should be considered as the primary model going forward, with a mix of office and virtual support to reduce geographical constraints for the programme but with in-person peer learning and networking throughout.

Management and Governance

4.32 Within Invest NI, the Accelerator was managed by a Programme Manager (PM) and supported by a part-time Executive Officer. Although the PM has held overall responsibility for the programme, delivery has been contracted out to an External Delivery Organisation (EDO) i.e. Ignite Holdings Ltd. Other Invest NI staff supported the programme including Client Executives and the marketing unit, although the resourcing of Client Executives was impacted by the Covid-19 pandemic in Cohorts 3 and 4. Within Ignite, the roles and main responsibilities of the staff included:

- **The CEO:** overall responsibility for the contract management and the strategic direction of the company. The CEO has been responsible for setting up the programme from Ignite's side and engaged with the programme as an entrepreneur in residence to support teams, manage budgets and generate forecasts.
- **The Programme Director:** initial role was more strategic but quickly evolved into programme delivery. The programme director is the first and main point of contact with the Invest NI Programme Manager and is responsible for operations management, designing the programme, getting speakers in place, setting up workshops, planning activities to fit business needs and, running internal and external sessions on a weekly business.

- **The COO:** responsible for managing internal budgets, payroll, resource allocation and forecasting, liaising with the programme director to ensure targets are met, direct mentoring and coaching for start-up founders participating in the programme, creating and executing strategy in partnership with the CEO.
 - **The Operations Manager:** has run the day-to-day operation of the Accelerator programme, in addition to being responsible for liaising with Invest NI to keep them updated on performance, identify deal flow for the programme, keep monitoring data about the participating companies up to date, and to represent Ignite at events, showcases, mentoring sessions and conferences.
- 4.33 Formal meetings were held weekly between the Invest NI Programme Manager and the Ignite Programme Director to address issues relating to the Accelerator's performance, progress against targets and strategic direction. In addition, monthly meetings were held between the Invest NI Programme Manager and the Ignite team to report on various aspects of programme performance. The Invest NI Programme Manager often liaised with wider Invest NI staff to keep them informed of progress during delivery.
- 4.34 Both Invest NI and Ignite have continued to engage with wider stakeholders and build strategic relationships with other organisations/programmes in the NI business ecosystem as well as internationally. This has enabled the programme to develop key partnerships, however as mentioned previously, further engagement could be made with stakeholders in wider networks.

Enhanced communication and transparency between Ignite and Invest NI has benefitted delivery, but scope to improve further.

- 4.35 Consultation feedback was largely positive and indicated that there have been improvements in day-to-day communication between the Invest NI and Ignite teams since the interim evaluation. Roles and responsibilities across both teams have been clear and there has been shared appreciation of each member's expertise and role in shaping programme delivery.
- 4.36 There has been greater transparency in delivery, due to more effective reporting measures implemented such as the Air Table which Ignite uses to monitor programme indicators. Issues relating to programme performance and delivery have been raised and communicated early with the Invest NI team to ensure targets are met effectively.
- 4.37 There could be further improvements in Invest NI-Ignite communication regarding the strategic direction of the Accelerator to help enhance the support provision and greater in person visibility of Invest NI among mentors as Covid-19 restrictions are lifted.

Programme Management and Administration

Comprehensive monitoring systems in place

- 4.38 There are effective monitoring processes in place for the programme. Monthly reporting is undertaken, and the processes are considered clear and not too onerous for operational staff. The introduction of Air Table which Ignite use to monitor and share programme activity indicators with Invest NI has helped to make the process more efficient and transparent.
- 4.39 In tandem, qualitative feedback from beneficiaries is informally captured by Ignite staff at weekly team sessions and reviewed by both the Ignite team and Invest NI Programme Manager at meetings. This tends to record intangible outcomes and business progress, which the team uses to pivot their delivery approach accordingly.

Growing administration burden with CLN

- 4.40 During 2017-21, there were approximately 35 convertible loan notes (CLNs) issued to participating teams, which had an 18 month long stop date for repayment. This falls slightly below the programme's expectations to have 40 CLNs issued (10 per cohort). It was suggested that some teams did not require the CLN or were not keen to receive a government loan.
- 4.41 The price per share on conversion is set by the lead investor upon further equity rounds. The purpose of CLNs have been to provide a quasi-equity financial intervention which does not place a valuation on early-stage companies, therefore supporting the companies' ability to attract future investment.
- 4.42 A small number of businesses reported that they had benefitted from the CLN and have used the finance tool to invest in their business. Nevertheless, increasing resource has been required to oversee the CLN administration which has impacted programme delivery. As most teams have been already trading and pursuing funding rounds, the CLN (£25k) may be less desirable than other aspects of support. What is more, it has taken time to mitigate the legal implications for companies and have investors sign off the CLN, which has caused some governance-related issues.
- 4.43 There were mixed views on whether the CLN should continue to be offered in future delivery, with some suggesting a higher value grant support package which has fewer administration costs and greater flexibility for beneficiaries could be a good alternative to the CLN. Research from Arthur Cox Solicitors indicates that a grant could be a viable alternative to the CLN, given that grant funding may reduce the risk of Invest NI holding shares with little value in companies, and require less administration and legal advice down the line when shares are allotted/repayment is sought. If Invest NI consider replacing the CLN with grant funding, it will be important to consider whether the start-up companies qualify for any of Invest NI's other existing grant funding schemes first, or whether a new scheme would be required and the relevant state aid approvals that would be needed.
- 4.44 Arthur Cox Solicitors have also suggested that a Simple Agreement for Future Equity (SAFE) could be a viable alternative to the CLN. Developed by Y Combinator and targeted at start-ups, a SAFE gives investors the right to purchase shares up to the value of their investments at a later date such as a future funding round. The benefit of this intervention is that SAFE is not a loan agreement but is a simple contract which can be negotiated and entered into quickly. However, the research did indicate a few drawbacks of this approach which should be considered in any future programme:
- the company has to allocate shares to the investor at a discounted price, impacting their ability to raise future investment; and
 - SAFEs are drafted to stay in place indefinitely, which means Invest NI could have the option to wait until the company has experienced extensive growth before converting their notes to shares at a discounted price.
- 4.45 If the CLN continues to remain part of future Accelerator programmes, it is important to ensure the governance of CLN can be managed effectively through dedicated resource as companies go onto securing future investment. This will involve Invest NI monitoring the governance of CLN as well as businesses applying governance measures in managing its cap table. In tandem, the promotion of the CLN could be enhanced to ensure that beneficiaries and the wider NI business ecosystem understand its benefits and drive take-up of this particular support.

Challenging to capture the wider benefits of the programme through the current KPIs

- 4.46 While monitoring and administration systems appear to have been effective, it can be difficult to capture softer outcomes and impacts achieved by beneficiaries as a result of the programme. It has been challenging to track and report on the confidence of companies when pitching for investment, peer-to-peer learning, the community benefits of the cohort and how the teams have been able to support each other. For future delivery, it will be important to consider the spillover effects of the Accelerator and how the programme supports the wider NI ecosystem. It was anecdotally suggested that the presence of the Accelerator in NI has contributed to increasing venture capital locally, which has resulted in non-accelerator companies raising higher levels of investment.

5. Client Journey & Outcomes

Key Findings and Recommendations

- The programme has a good reputation in Northern Ireland which has helped to attract entrepreneurs to join it.
- Given the time demands on beneficiaries, there is a need to consider whether they should attend all sessions or only those which are relevant to their business.
- Use of a hybrid approach with face-to-face delivery used where possible would help to reduce the negative impacts of online delivery.
- More input from Invest NI about the wider support offer would help raise awareness of the business support ecosystem in NI. Including dedicated client executive support within any future programme would help to support this.
- Beneficiaries gain clear and honest feedback on their potential business decisions, which helps them to develop a mindset for growth and for the business to grow more quickly.
- Outcomes from the programme are still emerging for many beneficiaries but are expected to be significant.
- Post-programme support is currently sufficient, but a valued element is support of Ignite for alumni and so there is a risk that the Ignite team will not be able to maintain this additional support as the group grows.

- 5.1 This section provides a review of the client journey and outcomes achieved for beneficiary businesses. Findings are based on consultations with 22 beneficiaries of the programme across programme cohorts.

Client Journey

- 5.2 Businesses on the course are drawn from a range of sectors, mostly with a technology element and at a range of stages of development when they joined, however most were early stage with a minimum viable product.
- 5.3 Motivations for joining the programme often centred around growing an already established business (41%). Many beneficiaries wanted support in raising finance (59%), while others had previously been through the Propel programme and saw the Accelerator as the next step in growing their business (10%) or wanted support in growing into new markets (18%).
- 5.4 Routes into the Accelerator programme demonstrate the programme's good reputation in Northern Ireland. While the programme is based in Belfast, most businesses who join the programme are from outside the City. Many of the beneficiaries were recommended to join the programme by contacts within the NI SME ecosystem (41%). Some first saw the offer online or on social media adverts (32%).
- 5.5 The programme is viewed positively. Key benefits of the scheme include:
- access to support of the Ignite team who are viewed as very effective due to their level of experience and commitment to beneficiaries
 - opportunities to speak with investors and to develop a clear investor message and pitching style

- mentoring and networking connections made
- availability of office space in Belfast
- international opportunities which broaden perspectives on utilising the global market

The programme is limited by the broad needs of participating businesses

- 5.6 Group sessions could be too generic for some businesses (36% beneficiaries surveyed highlighted this as an issue). Participants recognised that it can be challenging to meet the needs of all businesses in one-to-many support, but those with more developed businesses tended to benefit to a lesser extent than others on the programme. The programme was also less relevant for businesses which were not currently looking to raise finance. Given the time demands on beneficiaries, consideration should be given as to whether beneficiaries should attend all sessions within the programme or only those which are relevant to their business. It should be noted that some of these sessions (eg those focused on raising finance) may be less relevant for some participants at their current stage / thinking but all provide information that may be useful to the businesses in future.
-
- “The shared experience with other businesses and opportunity for co-working is fantastic.”
-
- 5.7 While not a major benefit of the programme, for some beneficiaries the convertible loan note was useful in helping progress their business while participating in the programme (14%). The company location restrictions on gaining the convertible loan note could be detrimental to the growth of businesses based outside of Northern Ireland and/or not well-placed to relocate to Northern Ireland. However, the purpose of this restriction is to support companies with the intention of being based in Northern Ireland and pivoting elsewhere as necessary.
- 5.8 Adjustments made to the programme in light of Covid-19 restrictions worked well for some beneficiaries (8 of 12) and less well for others (4 of 12). Reasons for difficulties with these adjustments included:
- personal preferences for face-to-face interaction
 - difficulties around developing meaningful network relationships over online platforms
 - missing out on the San Francisco trip and Landing Pad Initiative
 - and, difficulties in engaging online around managing home commitments and burnout from time spent on video calls.
- 5.9 Use of a hybrid approach with face-to-face delivery where possible would help to reduce the negative impacts of online delivery.
- 5.10 Upon completion, some beneficiaries would have liked the option to retain office space in Belfast to enable local meetings and working (14%). The wider Invest NI business support offer was not promoted as well as it could be to beneficiaries, and discussions indicate beneficiaries would benefit from a better understanding of the complementary support available. In future delivery, it would be beneficial to have dedicated Invest NI CE resource available to Accelerator teams to help improve awareness of wider Invest NI support.

Outcomes

Participants have made good progress in developing their businesses as a result of the programme

- 5.11 The programme has been effective in challenging the participating businesses' ideas. Businesses have been encouraged to include customers in product development and to develop messaging for investors effectively. Activities which enabled this were mentoring and networking within the cohort and the high-quality speakers attending workshops on market testing for product development and developing an investment pitch and strategy. Beneficiaries reported that this support has enabled them to grow their business more quickly. This has been achieved through changed mindsets on how to achieve growth, developing a better understanding of how to prepare the product for the market and how to gain investor readiness.
- 5.12 The programme has enabled participants to understand which geographic and product markets are most beneficial for their businesses to engage in based on customer feedback and to develop ambitious strategies to realise their goals. For many businesses this has meant targeting large markets in the UK, Europe or US (27%), although more niche businesses are taking a more targeted approach. Businesses found that networking with counterparts based in other countries gave them confidence that they could grow into new markets.

“The programme is on a par with leading global accelerators. It’s a real asset for Northern Ireland.”

Outcomes from changes made to the businesses are still emerging but expected

- 5.13 Beneficiaries have seen mixed progress in raising investment to date. Half were in discussions with investors. The programme helped beneficiaries to increase their confidence and understanding of how to raise investment while increasing their access to investors and business networks.
- 5.14 Increases in turnover and employment to date vary by business and are limited. However, beneficiaries reported expected increases around the speed and scale of achieving longer term growth as a result of applying the learning of the programme, particularly in terms of gaining investment. These heightened expectations were attributed to benefits from participating in the programme such as being better prepared for fundraising, having developed a product which is more in line with demand, having a more ambitious mindset and securing introductions to investors and networking.

Future plans

- 5.15 Looking to the future, participating businesses are set to put their lessons from the Accelerator into practice and grow their businesses by raising finance, building stronger teams, developing their client base and expanding into new markets. Beneficiaries continue to benefit from the programme by networking with Accelerator cohorts at Ormeau Baths and online. There is a general view that Ignite is happy to provide ongoing support when needed, although there is a risk that the Ignite team will not be able to maintain support for the Accelerator alumni as the group grows. At present, when businesses complete the programme there is no requirement for a handover as Ignite continues to support them. Alumni businesses are able to request office hours with the Ignite team at any stage and Ignite run occasional group sessions. As alumni, businesses are also able to join other sessions that are run for the next year's cohort and Ignite tries to signpost to other support if required.

- 5.16 With any future programme delivered, exit strategies and follow-on support should be clearly identified so that companies know where to seek further assistance required or move onto private sector solutions.

Case Studies

- 5.17 The case studies presented in Appendix B draw on consultation with businesses to provide insights into the experience of participating in the Accelerator programme. The headline messages are:
- The businesses are early stage with some operating an early version of their product and others not yet having launched a product
 - Each business owner heard about the programme through their networks or a direct contact rather than any targeted advertising
 - The design of the programme has enabled beneficiaries to develop their skills and expertise and for the businesses to grow and secure investment opportunities
 - The programme creates opportunities for businesses to expand their offer in NI from an early stage
- 5.18 Limitations of the programme mainly revolve around further or continued support beneficiaries would like to receive. For example, this includes continued office space, more support around legal, financial and HR knowledge, more engagement from Invest NI about other support available and a need for an extended period of support while lessons are put into place within the business. Some beneficiaries would have also preferred to have undertaken the programme before it was adapted due to Covid-19.
- 5.19 Looking forward, beneficiaries are positive and ambitious about the future growth of their businesses. They have business plans which are set in place to outline how they intend to achieve this.

6. Impact Assessment

Key Findings and Recommendations:

- The scale of the net additional impacts from the Accelerator are subject to some uncertainty due to:
- the timing of the evaluation, with some businesses in the latter cohorts having only recently received support or not yet implemented business changes as a result of the support
- significant growth expectations among participants that are yet to be realised and therefore subject to greater uncertainty
- the impact, deadweight and displacement estimates being based on self-reported perceptions of businesses
- and, the margin of error for beneficiary responses overall being 14%.

Our assessment suggests that the programme has created an estimated £755k in net additional GVA for the Northern Ireland economy to date.

The majority of the economic value generated as a result of the programme is expected to emerge over the next four years. We estimate that the business growth among beneficiaries supported to date could lead to a further £51.4 million in net additional GVA for the Northern Ireland economy by 2025.

Due to the uncertainty of estimating future impacts and the limitations of the analysis outlined in this section, these figures should be treated with caution and considered as indicative.

£2.07 million has been spent on the programme to date which we estimate has so far generated £755k in net additional GVA and which could by 2025 (subject to businesses continuing to make the progress planned) rise to a total of £52.1 million. Discounting future benefits at 10%, in line with the Invest NI Economic Appraisal Methodology would result in £0.37 generated for every £1 of public money invested to date, rising to £19.10 by 2025. When the three outlier businesses are removed, the return on investment to date slightly decreases (£0.30) and reduces from £18.7 to £5.9 by 2025.

The results from the value for money assessment have been largely attributed to the programme supporting early-stage businesses with high growth potential who require time to achieve turnover growth and hence generate GVA impacts.

The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, **the estimates of return on investment to date (£0.37) and to 2025 (£19.1) can be judged as a reasonable start, with potential to be very positive in the future.**

- 6.1 This section provides a summary of gross and net additional economic impacts, in addition to an assessment of the value for money that the project has provided during its lifetime and an indication of potential future impact.

Limitations of the Impact Assessment

- 6.2 It is important to recognise that there are a range of limitations in undertaking an impact assessment of this nature, which need to be borne in mind when considering the findings of the assessment.

Challenges in Self-Reporting Approaches

- 6.3 A robust counterfactual assessment was not feasible within the current scope and budget for this study, therefore an evaluation scoping exercise concluded that self-reported impacts as part of the beneficiary consultations would be the most appropriate impact assessment approach.
- 6.4 It is important to note that the robustness of an impact assessment using self-reported beneficiary impacts would be considered low on the Maryland Scientific Methods Scale (an objective means of scoring the robustness of different approaches to counterfactual impact evaluation). Although this method has some limitations, it offers a pragmatic solution to:
- capture timely and insightful evidence on outcomes and impacts
 - cover all relevant aspects of the outcome and impact indicator framework
 - and, explore additionality quantitatively and qualitatively.
- 6.5 The impact estimates are based on self-reported perceptions of participants on how the support has enabled them to increase their turnover and employment to date, and whether turnover and employment is likely to increase in the future.
- 6.6 One of the key limitations in this approach is around businesses' willingness to provide the information required for modelling. A key challenge is around business turnover data, where businesses can often be sensitive about revealing this information. To reduce this risk, beneficiaries are asked to estimate turnover pre-support, to date and in the future either through a rough approximation or within given brackets, which tends to increase the response rate. Given the uncertainties around estimating future turnover, simplifying assumptions have to be used to estimate gross turnover change, which weakens the quality of the data.
- 6.7 A second, related limitation is that in order to model factors such as deadweight and displacement, beneficiaries were asked a series of questions which are not straightforward to answer (such as what they believe would have happened had the support not been available). There are inherent difficulties that businesses will face in attempting to answer such questions, which again affect the quality of the data produced.

Confidence Intervals

- 6.8 In grossing up from the data in the beneficiary sample to all businesses supported, we make the assumption that the information provided by the interviewed sample is representative of information that would be provided by the broader population. To ensure this is most representative, the turnover and employment impacts have been grossed up based on the proportion of total turnover generated in the beneficiary sample relative to the total turnover generated in the population of beneficiaries.
- 6.9 In order to assess the extent of certainty of these estimates, we can assess the confidence intervals of the sample, which helps to provide further understanding of the robustness of the final data.
- 6.10 Overall, 22 beneficiaries took part in consultations, of which:
- nine (41%) participated in Cohort 4
 - six (27%) participated in Cohort 3
 - four (18%) participated in Cohort 2
 - three (14%) participated in Cohort 1.
- 6.11 Collectively, this represents a 56% response rate (on the basis of 39 beneficiaries in total supported to date). At the 95% confidence level, the confidence interval for the sample as a whole is $\pm 14\%$.

- 6.12 Eleven (50%) of the 22 beneficiaries had participated in the Propel Pre-Accelerator programme prior to receiving Accelerator support. This is a larger representation compared to the population, where 13 (33%) of the 39 total businesses supported had previously participated in the Propel Pre-Accelerator programme. The inclusion of as many beneficiaries as possible that had received support from both programmes was intentional in order to maximise the response rates across both evaluations, within the budget available for interviews.

Timing of the Analysis

- 6.13 Due to the timing of the Final Evaluation, many of the businesses consulted may have only recently received support, with some continuing to participate at the time of the consultations. These businesses will not have yet fully realised the benefits associated with the programme.
- 6.14 The approach taken addresses this by asking businesses for both turnover and employment growth they have created since receiving support through the Accelerator and any growth they foresee over the next four years. However, future growth can be difficult to estimate for businesses that have not yet fully implemented changes in the business.
- 6.15 It is also important to note that beneficiary consultations were undertaken between July and early August 2021 during the COVID-19 pandemic, where some businesses would have been experiencing interruptions to normal business, difficult trading conditions, and potential disruptions to their supply chains.

Assessing Gross GVA Impacts

Establishing Gross Annual Turnover and Employment

- 6.16 As part of the beneficiary consultations, businesses were asked to state their turnover and employment before receiving support through the Accelerator and what turnover and employment growth they have created since receiving support. We have also asked them what growth they foresee over the next four years.
- 6.17 Across the sample of 22 beneficiaries, the following number of businesses reported gross changes in turnover and employment to date:
- 18 businesses indicated that they had increased their turnover since receiving support from the Accelerator programme
 - and, 18 businesses indicated that they had increased their employment since receiving support from the Accelerator programme.
- 6.18 The following indicated that they expected gross changes in turnover and employment in the next four years:
- all 22 businesses indicated that they expect a gross increase in turnover over the next four years
 - and, all 22 businesses indicated that they expect a gross increase in employment over the next four years.

Converting Turnover Growth to Annual GVA

- 6.19 To convert gross turnover into GVA, a ratio of turnover to GVA at a sector level has been used, based on the sector in which each business operates. This is based on the latest data from the ONS Annual Business Survey (2019). Where this data was not available for a particular business, the average turnover to GVA ratio across the sample was used.

Assessing Cumulative Impacts Over Time

- 6.20 Annual GVA impacts generated to date (i.e. current impacts) are counted over the period since participants started the Accelerator programme. Similarly, future impacts are based on the beneficiaries' considered projections in business performance over a period of four years since receiving support i.e. up to August 2025. These projections form the basis of each beneficiary's business plan. We apply linear growth over these periods towards the gross annual estimates. This aligns with government guidance on the persistence of impacts that can be associated with public interventions.

Accounting for Failure Rates

- 6.21 As early-stage businesses, it is likely that some proportion of participants will not succeed. Only one of the 19 businesses supported through the first two cohorts of the Accelerator (5%) have wound up within two to three years and will not create on-going economic impacts. This far exceeds the failure rates seen among UK start-ups operating in the broad ICT sector. Of those that were established in 2016, 37% had closed within three years.
- 6.22 We assume that the same proportion of Cohort 3 and Cohort 4 businesses will close over this period and downgrade the future impacts associated with this cohort by 5%.

Attributing Impacts to Propel Pre-Accelerator and the Accelerator

- 6.23 Eleven of the 22 beneficiaries (50%) consulted with reported that they had participated in both the Propel Pre-Accelerator and the Accelerator. To ensure that impacts were not double counted, we applied the following assumptions to attribute the gross and net additional benefits to the programme:
- If businesses participated in the Accelerator only, all (100%) of their gross and net additional benefits attributed to the programme.
 - If businesses participated in Propel Pre-Accelerator and the Accelerator, but specifically mentioned Propel contributed more to their growth, 75%²⁹ was attributed to the programme and 25% to the Accelerator.
 - If businesses participated in Propel Pre-Accelerator and the Accelerator, but did not specify any differences in contribution, 67%³⁰ was attributed to Propel and 33% to the Accelerator.

Estimated Gross Impacts

- 6.24 Based on the approach outlined above we estimate that the gross benefits generated as a result of the Accelerator programme are **£5.2 million** to date, rising to **£1.64 billion** by August 2025. In comparison to findings from the interim evaluation, the impacts to date are comparable and the estimated future benefits significantly higher than the £28 million previously estimated by 2023.
- 6.25 Note that a degree of caution is required when comparing the impact estimates, due to differences in the methodology used in both evaluations. These differences include:

²⁹ Only three of the 22 businesses specified that Propel contributed more to their growth than the Accelerator.

³⁰ Eight of the 22 businesses did not specify any differences in contribution between Propel and the Accelerator. The allocation of 67% to Propel and 33% to the Accelerator was based on Propel having a longer duration of support (six months) compared to the Accelerator (three months).

- individual turnover to GVA ratios have been used across a broader range of sectors, compared to the information and communication turnover to GVA ratio used in the interim evaluation.
- future impacts have been counted over a period of four years, compared to three years in the interim evaluation.
- one business had relocated outside of NI, compared to those who were interviewed in the interim evaluation (six of 15).

Figure 6.1 Estimated Gross Impacts of the Accelerator Programme

	Gross Benefits		
	To Date	Future (next 4 years)	Total
Employment	79	769	1,089
GVA	£5.2m	£1.63bn	£1.64bn

Source: Hatch Interviews with Beneficiaries, July-August 2021, n=22, margin of error =14%.

Assessing Net Additional Impacts

Deadweight and Attribution

- 6.26 This refers to the extent to which the gross change in business performance would have occurred without the beneficiaries taking part in the Accelerator programme
- 6.27 Our estimates of deadweight drew on business' assessment of two types of outcome:
- 1) Firstly, we assessed the proportion of gross change in performance that beneficiaries felt was attributable directly to the support from the programme. This was in respect to changes in turnover and employment experienced to date as well as those expected in future. For the 22 businesses consulted, on average:
 - 54% of the gross changes in turnover and employment to date were reported to be attributable to the programme
 - and, 44% of the gross changes in turnover and employment expected over the next four years were reported to be attributable to the programme.
 - 2) Secondly, we assessed what beneficiaries reported they might have done if the support from the Accelerator was not available. Half (50%) of businesses reported that they would not have accessed the support at all, and 36% would have accessed similar support elsewhere. Where this information was not provided by businesses, the average response across the sample was taken.
- 6.28 Where beneficiaries indicated they would have received the same support in the same timescales, this is removed as deadweight. For those responses indicating beneficiaries would have received support from a different provider and/or would have been of lower quality / occurring later, a proportion of the impacts have been removed as deadweight.

Leakage

- 6.29 This refers to the extent to which economic impacts generated by the programme will leak out of the Northern Ireland economy and benefit other economies.

6.30 Beneficiaries were asked to state where their staff are located, which was proportioned and then used to estimate leakage effects arising from the support received. For this analysis, we have assumed that the leakage of employment is the same as leakage of turnover. Of the 22 businesses consulted with, there were varied responses. Nine (40%) reported that all of their staff are located in Northern Ireland, and seven (31%) and six reported that between 65-100% and 25-50% are located elsewhere respectively.

Displacement

6.31 Economic impacts generated through the Accelerator programme will displace some activity from elsewhere in Northern Ireland.

6.32 Beneficiaries were asked to individually estimate the proportion of their direct competitors that operate within Northern Ireland which was then applied to the individual changes in business performance reported in order to estimate the displacement for GVA and employment. The vast majority (91%) reported that they had no direct competitors in Northern Ireland.

Net Additional Impacts

The majority of economic value generated as a result of the Accelerator will emerge over the next four years and beyond.

6.33 After accounting for deadweight, displacement and leakage, we estimate that **£755k** in net additional GVA has been created to date.

6.34 Drawing on the achievements to date and the future growth expected by businesses consulted with, we estimate that the business growth among beneficiaries supported to date could lead to a further **£51.4 million** in net additional GVA benefits for the Northern Ireland economy by 2025.

6.35 In comparison to the findings from the interim evaluation, the net benefits to date are smaller than the **£1.28 million** previously estimated while the net benefits over the next four years are considerably higher than the **£27.1 million** estimated by 2023.

6.36 As noted previously, a degree of caution is required when comparing the impact estimates, due to differences in the methodology used in both evaluations.

6.37 The estimated net benefits significantly exceed the net GVA target of **£10.1m** generated within four years of the final Accelerator cohort being delivered i.e. by 2025. Due to the uncertainty regarding the estimate of future impacts and the limitations of the analysis outlined in this section, these impact estimates should be treated with caution and considered as indicative.

6.38 In terms of job creation, we estimate that net employment created will total 383 by 2025, which significantly exceeds the target to generate 100 net FTE jobs over that period.

	Net Benefits		
	To Date	Future (next 4 years)	Total
Employment	27	356	383
GVA	£755k	£51.4m	£52.1m

Source: Hatch Interviews with Beneficiaries, July-August 2021, n=22, margin of error = 14%.

6.39 The table below provides a summary of attribution, deadweight, displacement and leakage on the gross to net additional impact calculations.

Table 6.1 Gross and Net Additional Impact for Employment and GVA (total lifetime impacts, including impacts to date and expected over the next 4 years)

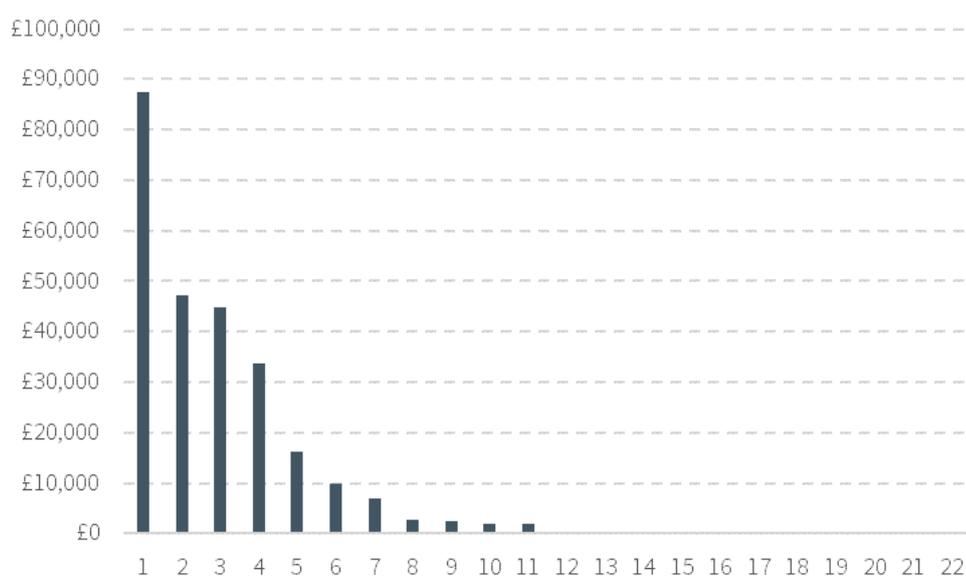
Impact Indicator:		Impact Area: Northern Ireland	
		Measure	Adjustment
Employment	Gross Impact	2,014	-
	Less Deadweight	542	73%
	Less Displacement	538	1%
	Less Leakage	383	29%
	Net Additional	383	-
Unit = FTEs			
GVA	Gross Impact	1,319	-
	Less Deadweight / Reference Case	159.5	88%
	Less Displacement	154.7	3%
	Less Leakage	52.1	66%
	Net Additional	52.1	-
Unit = £m			

Source: Hatch 2021, drawing on data from beneficiary interviews, July - August 2021

Some caution is required in interpreting our future impact estimate

- 6.40 It is typical for interventions which support early-stage high growth companies to generate a large proportion of their impact through a relatively small number of highly successful businesses. This is particularly the case for the Accelerator, which has a strong focus on improving investor readiness and helping businesses to raise investment. During the programme and after receiving support, some businesses may achieve their investment objectives more quickly than others.
- 6.41 The distribution of current net additional impacts is shown in Figure 6.3 below, which indicates the majority of total net additional GVA is accounted for by a small number of businesses that have achieved net GVA benefits of more than £30k per annum.

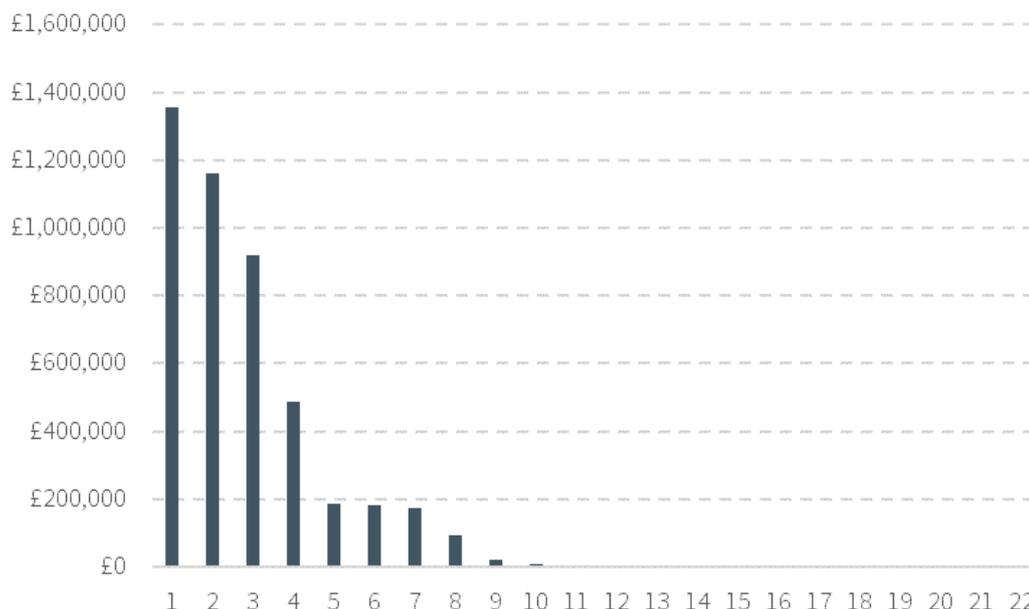
Figure 6.3 Distribution of Net Additional GVA Impacts to Date



Source: Hatch Beneficiary Interviews, July – August 2021

- 6.42 When looking at the net additional impacts expected in the future, the distribution indicates the same businesses account for most of these benefits, with one business in particular representing over two-thirds (68%) of the estimated impacts.

Figure 6.4 Distribution of Future Expected Net Additional Impacts



Source: Hatch Beneficiary Interviews, July-August 2021

- 6.43 There were three businesses which predicted turnover growth of between £10 million and £27 million over the next four years and on average, attributed 63% of their future turnover expectations to the support received on the programme. One of these businesses had previously taken part in the Propel Pre-Accelerator before joining the programme. If these individual businesses are removed from the analysis as outliers, this reduces the estimated total net additional GVA to date to £612k and the estimated net additional GVA over the next four years to £16.3 million. This would still see the programme meet its £10.1 million net GVA target by 2025.
- 6.44 Under this scenario, the future net additional benefits are comparable against findings from the previous evaluation (£18.3m) where when outliers were removed from the interim analysis, the programme was still expected to meet its target for GVA by 2023. Note that a degree of caution is required when comparing the impact estimates, due to differences in the methodology used in both evaluations.

Calculating the Benefit-Cost Ratio

- 6.45 The Benefit-Cost Ratio (BCR) shows the estimated return on public investment. A BCR of 2:1 indicates a £2 return in terms of economic value for the Northern Ireland economy for every £1 of public money contributed to the project.
- 6.46 £2.07 million has been spent on the programme to date which we estimate has so far generated £755k in net additional GVA and which could by 2025 (subject to businesses continuing to make the progress planned) rise to a total of £52.1 million.
- 6.47 Discounting future benefits at 10%, in line with the Invest NI Economic Appraisal Methodology would result in £0.37 generated for every £1 of public money invested to date, rising to £19.10 by

2025. When the three outlier businesses are removed, the return on investment to date slightly decreases (£0.30) and reduces from £18.7 to £5.9 by 2025.

- 6.48 Comparing the results to our findings from the interim evaluation, the BCR to date is slightly lower than previously estimated (0.5:1) and the future BCR is higher than the 10.5:1 estimated by March 2023.
- 6.49 Note that a degree of caution is required when comparing the BCRs, due to differences in the methodology used in both evaluations.
- 6.50 The Accelerator programme will represent excellent value for money if supported businesses achieve the expected benefits over the next four years and is already on the way to exceeding its goal of achieving a minimum return of £1.72 per £1 invested by 2025.
- 6.51 Significant growth expectations are yet to be realised with nearly all (c. 98%) of Net Present Value of benefits expected by 2025 accounted for by future impacts over the next four years. This also remains the case when the three outlier businesses are removed from the results.

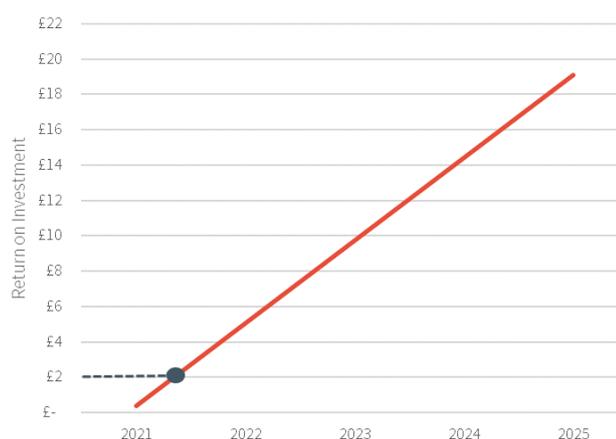
	To Date	To date and up to 2025
Net Additional GVA Benefits	£755k	£52.1m
Net Additional GVA Benefits (outliers removed)	£612k	£16.9m
Public Sector Cost	£2.07m	
Net Present Value of Benefits ³¹	£755k	£39.5m
Net Present Value of Benefits (outliers removed)	£612k	£12.9m
Benefit-Cost Ratio	0.37:1	19.1:1
Benefit-Cost Ratio (outliers removed)	0.30:1	6.2:1

Source: Hatch

- 6.52 The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, **the estimates of return on investment to date (£0.37) and to 2025 (£19.1) can be judged as reasonable, with potential to be very positive in the future.** The DCLG allows multipliers to be included in their assessment of impacts, which if applied to this assessment, would further boost the net impact of the Accelerator.
- 6.53 If the return on investment grows in a linear fashion between now and 2025, the programme is expected to reach a £2 return on investment by 2022. This is presented in Figure 6.5.

³¹ Net present benefits are discounted at a rate of 10% in line with NIGEAE guidance. Costs incurred to date are not discounted.

Figure 6.5 Return on Investment Projections

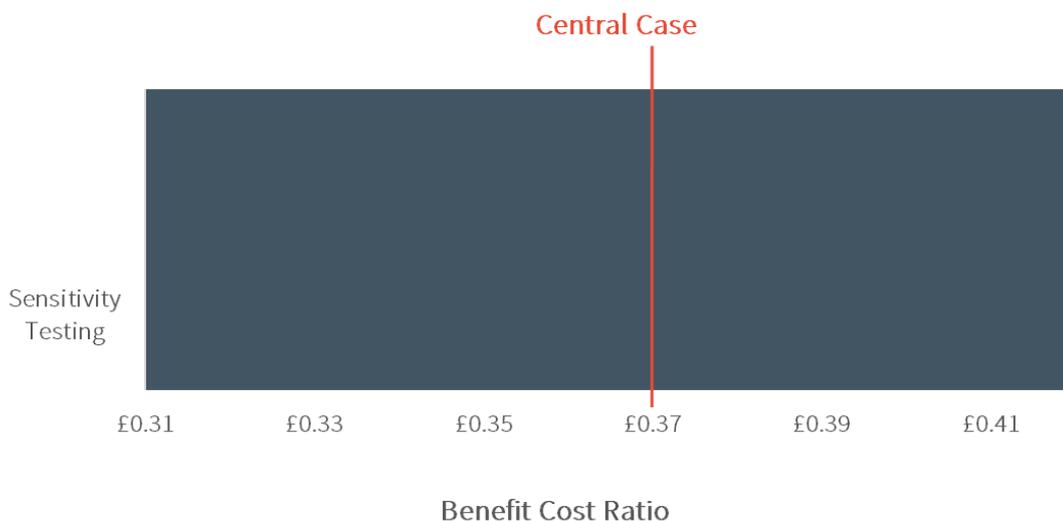


Source: Hatch

Sensitivity Analysis

- 6.54 The impact analysis is based on beneficiaries consulted with, of which there were 22 in total. Based on the 39 beneficiaries which have been supported to date, this represents a response rate overall of 56% and a confidence interval of $\pm 14\%$.
- 6.55 This suggests that any data generated from the survey could be 14% higher or lower for the population as a whole than was found in the survey sample.
- 6.56 To a degree, we can use sensitivity testing to analyse the potential effects of some of the unknown factors, helping to get a better sense of the potential range of impacts. Sensitivity testing has been undertaken to test two scenarios where 86% and 114% of estimated current and future impacts are realised.
- 6.57 Figure 6.5 below shows how the overall GVA per £1 funding invested would change if the impacts to date were 14% lower and higher than estimated. It demonstrates that the impacts of the programme could lead to a net additional return on every £1 invested of between **£0.31 to £0.42**.

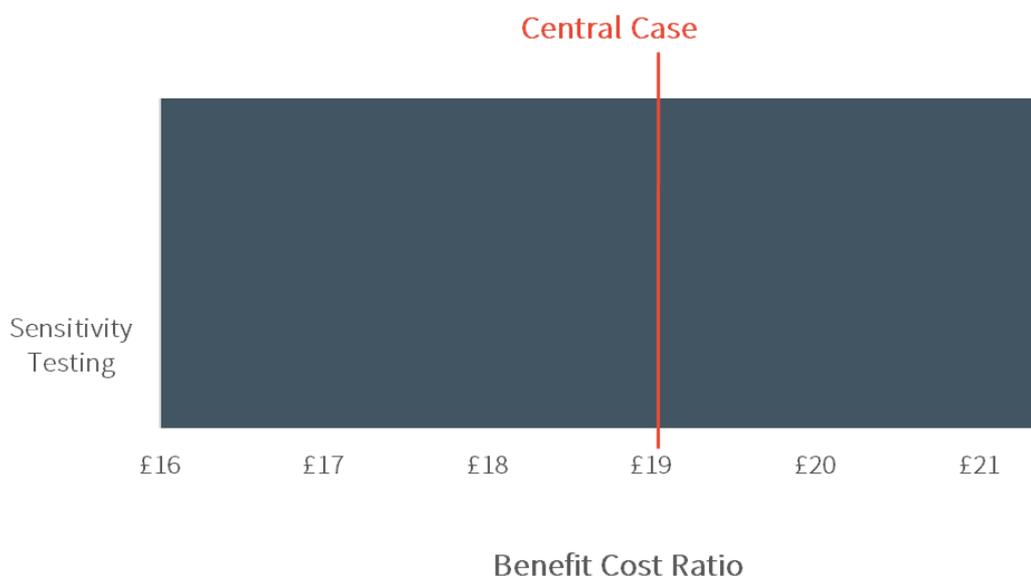
Figure 6.6 Sensitivity Testing and its impact on the Accelerator’s Benefit Cost Ratio to Date



Source: Hatch

- 6.58 When the outlier businesses are removed from the sensitivity testing analysis, the impacts could lead to a BCR range of between £0.25 to £0.34.
- 6.59 In terms of future impacts, if overall GVA per £1 funding changed to be 14% lower and higher than estimated, the impacts of the programme could lead to a net additional return on every £1 invested of between **£16.4 to £21.8**.

Figure 6.7 Sensitivity Testing and its impact on the Accelerator’s Benefit Cost Ratio in Future



Source: Hatch

- 6.60 When the outlier businesses are removed from the sensitivity testing analysis, the future impacts could lead to a BCR range of between £5.4 and £7.1.

- 6.61 Given the uncertainties around beneficiaries estimating future turnover, we undertook further sensitivity testing to understand the extent to which lower estimates for future turnover would impact the GVA benefits realised in the next four years. If all beneficiaries were more conservative in their growth projections and reported 30-50% less turnover expected by 2025, this would achieve net additional GVA benefits of between £25 and £36 million and net additional return on investment of between £9 and £13 per £1 invested. Under each scenario, the future impacts would still exceed the targets to achieve net GVA of £10.2m and BCR of 1.72:1 by 2025.

Figure 6.8 Sensitivity Testing on Future GVA Benefits and the Benefit-Cost Ratio			
	Future (next 4 years)		
	Net Additional GVA Benefits	Net Present Value of Benefits	Benefit-Cost Ratio
30% Less Turnover Estimated	£35.8m	£27m	£13.1
40% Less Turnover Estimated	£30.6m	£23.1m	£11.2
50% Less Turnover Estimated	£25.4m	£19.2m	£9.3

Source: Hatch

7. Conclusions and Recommendations

Conclusions

The Strategic and Economic Rationale

- The Accelerator continues to:
 - Support the aims and objectives set out in key Northern Ireland strategy and policy, particularly responding to innovative, productive growth as well as encouraging entrepreneurship and greater export-confidence.
 - Address fundamental market failures, particularly imperfect information where new entrepreneurs do not have access to all the necessary information needed to start and grow a successful business.
 - Address a clear need to increase rates of business start-up and growth, productivity, export sales and FDI. The EU exit and Covid-19 pandemic are recent contextual changes which have enhanced the importance and relevance of the Accelerator in supporting innovation-led productivity and economic recovery in Northern Ireland. The latest FT Tech Cities of the Future Report (2021) highlights a lack of start-up activity in NI.
- The programme continues to deliver various aspects of support in line with best practice. In response to the learning points from the interim evaluation, there has been some progress in information sharing between programme management and delivery staff, collaboration with other organisations and tracking of long-term performance data.

Financial and Output Performance

- There are effective monitoring structures in place to track the programme's delivery and performance. These include annual reports produced by Ignite, monthly update reports and the Air Table database.
- There have been challenges in capturing the wider benefits of the programme through the current KPIs. These include the community benefits of the cohort (such as peer-to-peer learning) and improved business confidence when pitching for investment.
- Core programme spend stands at just under £2.94m and met expectations during Cohorts 1 and 2, however there was some underspend in Cohorts 3 and 4, largely due to delivery changes arising from the Covid-19 pandemic.
- The programme has consistently met its target to provide support to between eight and ten teams per year.
- Investment performance has been positive, with around three-fifths (59%) of teams securing investment across the four years of delivery.
- The take-up of teams from underrepresented groups (including women, BAME, disabled founders, different age groups and different NI regions) could be higher to help diversify the cohort. It is recommended that a number of approaches be considered in future delivery to improve diversity/representation of participating teams and promote inclusion such as continuing remote working elements of support to enhance geographical

representation, targeted marketing, raising awareness of entrepreneurship in schools, and having a dedicated resource in the team to help facilitate and promote the diversity/inclusion agenda.

- Performance against the target for a 50/50 balance between FDI and NI-based clients has been variable, with the proportion of FDI companies fluctuating from 20% to 50% across cohorts. This has been impacted by the EU Exit and Covid-19 in the latter cohorts, however, there remains a strong case to retain the 50/50 target. The team should continue to promote the programme in international networks as well as consider a targeted marketing approach to increase take-up from overseas.

Delivery and Management

- A suite of different marketing channels has been used to promote the programme and enhance take-up including social media platforms, F68 promotion and hosting 'office hours' at Ormeau Baths. Promoting the success stories of participating companies has been most effective in attracting businesses and raising awareness of the programme.
- There is strong brand recognition in NI and internationally, which has helped to promote the programme more widely. The Ignite team have played a key role in providing access to and building connections with different networks.
- The marketing resource could be increased within the team to help plan marketing campaigns for the Accelerator and develop a long-term, targeted marketing strategy. A year-round marketing campaign would be beneficial to raise strategic awareness and promote the programme more widely.
- The programme team have engaged with different organisations to collaborate and build partnership working. There could be further engagement with wider networks to expand beneficiary reach and strengthen links between complementary programmes.
- The application process for the Accelerator has been smooth and efficient, with unsuccessful applicants contacted and signposted to relevant support provision. There were some suggestions that while there is strong demand for the programme, and that the programme attracts high quality teams, the selection process could be refined to ensure inclusivity.
- The communication and transparency between Ignite and Invest NI (in terms of understanding each other's needs, working patterns and capacity), has progressed since the interim evaluation, but there is still room to improve further.
- A small number of businesses have benefitted from the convertible loan note (CLN), however additional resource has been required to administer the convertible loan note (CLN). The programme team should assess the importance of the CLN to the Accelerator's support offer and to achieving beneficiary outcomes, as well as consider whether an alternative (such as a higher value grant support package) could be used to mitigate governance issues.

The Accelerator Support Offer

- The Accelerator continues to be distinctive in the NI business support landscape and has provided flexible, tailored support that meets strategically important business needs. This is largely due to the entrepreneurial experience and one-to-one approach of the Ignite team.

- The one-to-one support provided by external mentors and activities related to investor readiness and raising investment have been most valued by beneficiaries.
- The three-month duration and intensity of support has been appropriate and worked well in meeting business needs. The frequency of contact could be made more flexible in future delivery to accommodate different business needs.
- Invest NI should consider how best to provide more reactive support which can be flexible in its design and delivery to reflect industry developments and the changing business landscape, such as supporting businesses to raise investment remotely.
- There has been increasing demand for more structured, follow-on support to assist alumni once they graduate from the programme. While the Ignite team have been accessible and offered valuable advice/investor introductions to beneficiaries after completing, constrained resource means this has been more limited than hoped for. It is important that the team continue encouraging the alumni to support each other and build relationships to maximise the programme's long-term outcomes.
- The Covid-19 pandemic has changed a number of aspects in programme delivery, which has created benefits as well as challenges for participants. A hybrid approach to delivery, with a mix of online and in-person support, would be recommended going forward, with careful thought into the design of this approach, the timing and location of meetings and events.

Client Journey and Outcomes

- The Accelerator's strong reputation in Northern Ireland has been pivotal in attracting entrepreneurs to join the programme. Many beneficiaries were recommended to join by contacts within the NI business ecosystem.
- Given the time demands on beneficiaries, there is a case for considering whether beneficiaries should attend all sessions within the programme or only those which are relevant to their business.
- The programme team should consider whether the use of a hybrid approach with face-to-face delivery where possible would help to reduce the negative impacts of online delivery, such as limited development of meaningful relationships over online platforms, missing out on the San Francisco trips and associated travel benefits, as well as managing home commitments/burnout.
- Greater input from Invest NI about the wider support offer is required to raise awareness of relevant support available and the business support ecosystem in NI.
- Beneficiaries gained clear and honest feedback on their potential business decisions, which helped them to develop a mindset for growth and for the business to grow more quickly.
- The outcomes from the programme are still emerging for many beneficiaries but are expected to be significant.

Assessing the Impact on the Northern Ireland Economy

- The scale of the net additional impacts from the Accelerator programme are subject to some uncertainty due to:

- the timing of the evaluation, with some businesses having only recently received support or not yet implemented business changes as a result of the support
 - significant growth expectations among participants that are yet to be realised and therefore subject to greater uncertainty
 - and, the impact, deadweight and displacement estimates being based on beneficiaries' considered projections in business performance over the next four years. These projections form the basis of each beneficiary's business plan.
- Our assessment suggests that the Accelerator programme has created an estimated £755k in net additional GVA for the Northern Ireland economy to date.
 - The majority of the economic value generated as a result of the Accelerator programme is expected to emerge over the next four years. We estimate that business growth among beneficiaries supported to date could lead to a further £51.4 million in net additional GVA for the Northern Ireland economy by 2025.
 - Due to the uncertainty regarding future impacts estimated and the limitations of the analysis outlined in this section, these impact estimates should be treated with caution and considered as indicative.

Economy, Efficiency and Effectiveness

Economy

- Economy is achieved where the cost of resources is minimised. As outlined in Section 3, programme spend met expectations in Cohorts 1 and 2, however there was some underspend in Cohorts 3 and 4 as a result of delivery changes in response to the COVID-19 pandemic.
- Costs have been minimised by delivering aspects of support online during the COVID-19 pandemic, as well as deploying a small programme team (two employees at Invest NI and four at Ignite). Looking ahead, it is important to ensure there is sufficient programme management and delivery resource available to account for any changes made to the programme.

Efficiency

- Cost efficiency maximises activity or output for a given level of cost. We have reviewed the value for money of the Accelerator across four recent business support evaluations which we have undertaken. As shown in Table 7.1 below, there are a wide range of costs per net additional job created in the other projects reviewed.
- Based on these comparator returns on public investment figures, the Accelerator's expected cost per net additional job of £97,335 to date falls between the median and maximum of the comparator figures reviewed. When considering the programme's cost per net additional job to date and in the future (£4,689), this falls between the minimum and median ranges.
- The Accelerator's benefit-cost ratio (BCR) falls between the minimum and maximum of the comparator figures reviewed. When considering the BCR to date and in the future (19.1:1), this stands at the top of the maximum range.
- This indicates that into the future, the programme is expected to perform reasonably well in the short term and represent great value for money in the long term. However, some

caution must be taken in interpreting how the Accelerator compares to what are a diverse set of programmes, offering different types and intensities of support.

	Minimum	Median	Maximum
Net Additional Cost per Job (to date)	£7,000	£22,000	£297,000
Net Additional Cost per Job (to date and future)	£900	£6,000	£29,000
Benefit-Cost Ratio (to date)	0.24	1.6	3.3
Benefit-Cost Ratio (in future)	3.9	11.7	19.6

Source: Hatch. Cost per output rounded to the nearest £1,000. Note: based on a review of four recent business support interventions undertaken by Hatch.

Effectiveness

- Effectiveness maximises the benefits created for a given cost. It addresses the quality of the services provided as well as the efficiency of delivery. Effectiveness is another expression for value for money.
- Discounting future benefits at 10%, in line with the Invest NI Economic Appraisal Methodology would result in £0.37 generated for every £1 of public money invested to date, rising to £19 by 2025. This would see the programme exceed its target to generate a minimum of £7.3m in net additional GVA within four years of the final Accelerator cohort delivered, i.e. by August 2025 at latest.
- The 2016 DCLG Appraisal Guide suggests that anything exceeding a £2 return on public investment represents high value for money. On this basis, the estimates of return on investment to date (£0.37) and to 2025 (£19) can be judged as reasonable, with potential to be very positive in the future.

Recommendations

- 7.1 Subject to Invest NI budgets and the availability of funding, a future Accelerator programme should be developed within the upcoming business case and drawing on the findings of this evaluation.
- 7.2 Specific recommendations which the business case should build on are set out below:
- Invest NI should ensure that any future external delivery organisation includes staff in the programme delivery team with relevant entrepreneurial experience as a founder or experience in raising investment, as this has been highlighted as a unique strength of the programme.
 - The Accelerator programme needs to tackle long-standing issues around the geographical representation of beneficiaries on the programme, ensuring that businesses outside of Belfast are aware of the programme and that the location of programme activities does not inhibit businesses from outside of the capital applying.
 - The programme should more proactively target under-represented groups, with regards to gender, age, ethnicity and disabilities. It is important for the programme to focus on raising awareness of the programme, and entrepreneurship more widely, among underrepresented groups. However, the programme should also seek to implement more strategic approaches that will facilitate the participation of under-represented groups in the programme (e.g. running educational events in schools and embedding targeted marketing) and track the outcomes of these groups through programme metrics.

- Invest NI should raise awareness of its involvement in the programme to ensure that programme beneficiaries understand their role and are signposted to wider Invest NI support where relevant. All marketing, advertising and documentation used for the programme should refer to Invest NI and include Invest NI logos where possible. To ensure programme beneficiaries are aware of complementary support, Invest NI should ensure that there is a point of contact who can engage with programme participants to understand their needs and signpost to relevant assistance. Any external delivery organisation involved in the programme should also be briefed on the wider Invest NI support.
- The programme team should continue to engage with external strategic stakeholders to support the NI ecosystem. Increased focus on forming partnerships with local universities and promoting the programme in local schools would help to support entrepreneurship in Northern Ireland.
- The format of delivery should be considered in detail, including the design of a hybrid model, which includes a mixture of both online and in-person support. Invest NI should consider how to make the programme more accessible to underrepresented groups through the design.
- The use of the CLN should be reviewed for future delivery to ensure there is sufficient demand and to mitigate any administration resource / governance issues. Invest NI should consider whether a bigger grant or use of a Simple Agreement for Future Equity (SAFE) would be a more appropriate alternative for early-stage businesses who are looking to raise investment. Invest NI could also consider including the CLN within the Invest NI Loan and Equity Solutions offering delivered through an appointed Fund Manager, rather than as a part of the package of support included within the Accelerator programme.
- Invest NI should undertake a mapping exercise of NI business support provision (based on the different stages of the client journey) to identify existing gaps, understand complementarity of the Accelerator with other programmes and consider follow-on support options which would best benefit alumni teams after completing the Accelerator.
- Future programme design and delivery should continue to embed and prioritise the community benefits of the programme such as peer-to-peer learning in the cohort, and the ability of the cohort to connect with mentors and investors.
- The programme team should continue to promote the Accelerator in international networks and consider implementing a targeted strategy to help attract and facilitate take-up of foreign based teams as well as improve their retention³². The ability for NI and foreign-based teams to connect with each other and build relationships has been regarded as a key strength of the programme.
- The programme design should consider the changing industry developments (such as raising investment remotely) and economic landscape in NI, to ensure programme delivery is reactive and flexible.

Business Case Tasks

- 7.3 A number of recommendations that need to be explored in full detail within the upcoming Accelerator Business Case are outlined below:

³² The retention rate for FDI teams is 20% (three of the 15 FDI teams) across Cohorts 1-4.

- 1) The Accelerator KPIs should be revisited during the business case that follows this evaluation, to ensure that they are fully capturing the desired outputs, outcomes and impacts of the programme. These should include a mix of qualitative, softer skill outcomes as well as quantifiable metrics.
- 2) The business case should consider the possibility of the programme providing access to space outside of Belfast, which could be provided through a hub and spoke model, or the provision of a membership which includes access to flexible workspace in different locations (including locations outside of Belfast).
- 3) The case for introducing resource for a marketing specialist within the delivery team to plan annual targeted marketing campaign and support with promotion of participating teams (both during and after completing the programme) should be considered. Linked to this, it is important to ensure the resource implements consistent messaging / branding between the Propel Pre-Accelerator and the Accelerator in any future delivery.
- 4) The case for introducing resource for a diversity/inclusion lead within the delivery team or wider Invest NI team should be considered in any future programme, to ensure that there is improved female, ethnicity, disability, and age representation within the cohorts as well as wider strategic involvement in the agenda.
- 5) The evaluation findings suggest that there is a need for more structured support beyond the completion of the 3-month period of support. The business case should consider whether additional resource is required to enable the programme team to provide more formalised aftercare support for programme participants and help to support an alumni network; or whether a separate programme is required to meet this need. A smooth exit strategy at the end of the support and introduction to relevant Invest NI support services could also be included in order to address this provision gap.
- 6) The business case should look into determining an FDI team output target which reflects the changing economic landscape due to Covid-19 and the EU exit and plan corresponding marketing activities around increasing the take-up of these businesses.
- 7) The case for introducing an alternative financial support package (such as a higher value grant or a SAFE) to the CLN should be explored to consider whether there is a different form of support which can meet beneficiary needs effectively and requires less resource input from the team.

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