

# Impact of Interface in the Highlands and Islands – Executive Summary

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A Report to



8<sup>th</sup> August 2014

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# 1 EXECUTIVE SUMMARY

This report presents the findings of a study undertaken by BiGGAR Economics to assess the impact that Interface has generated for the Highlands and Islands economy<sup>1</sup> over the past three years.

## 1.1 Key Findings

The key findings of this report are that:

- Interface has delivered tangible commercial benefits for the businesses it has assisted and these benefits have been translated into substantial quantifiable economic benefits for the Highlands and Islands economy amounting to £2.2 million GVA/year and almost 80 jobs;
- Interface has also delivered a range of wider benefits for the Highlands and Islands economy that cannot be quantified. Of particular importance is the contribution that Interface has made to economic sustainability by helping to support employment in fragile rural communities;
- satisfaction with the service provided by Interface was extremely high, confirming that Interface is responding effectively to business needs and delivering the type of services that businesses want. Businesses do not require any substantive change to the current model of service delivery;
- Although there is still scope to further increase the profile of Interface, there was strong support amongst businesses in the Highlands and Islands for the current approach taken by Interface for doing this;
- there appears to be a strong and effective relationship between Interface and Highlands and Islands Enterprise (HIE);
- Interface has made it easier for businesses in the Highlands and Islands to access support from the higher education community and in many cases the links it has helped to establish have developed into long-term relationships; and
- Interface appears to be playing a distinctive role in the Highlands and Islands by supporting the competitive position of established businesses and helping to secure their long-term future.

## 1.2 Approach

The report is based on the results a combined telephone and on-line survey survey of 197 businesses that was undertaken between May and July 2014. In total 67 responses were received to the survey, giving an overall response rate of 34% - a healthy response rate for a survey of this type. The responses received

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<sup>1</sup> Throughout this report Highlands and Islands is defined as the area covered by Highlands and Islands Enterprise.

included 40 businesses that had undertaken a collaborative project with academia, 15 from businesses that were in discussion about a project and 12 from businesses that had decided not to proceed with a project.

### **1.3 Businesses and Economic Benefits**

Responses to the survey suggest that the projects facilitated by Interface help to generate substantial benefits for businesses.

Overall 83% of businesses that had participated in a project facilitated by Interface reported benefits such as reduced operating costs, increased productivity, higher profits, increased exports, higher turnover and new or safeguarded employment. Virtually all (97%) of these businesses also said that the project they were involved with would either probably not have happened or would have taken longer or been less valuable without the assistance provided by Interface.

It was estimated that the direct economic impact of these projects *that can be attributed to Interface* amounts to £1.8 million GVA and 63 jobs across the Highlands and Islands. Once multiplier effects were taken into account, these impacts increased to £2.8 million GVA and over 100 jobs across Scotland, including £2.2 million GVA and 76 jobs in the Highlands and Islands.

In addition to the economic benefits, 78% of the businesses that responded to the survey also reported that their engagement with Interface had helped to generate wider benefits for society. In particular, Interface has made an important contribution to economic sustainability in the Highlands and Islands by supporting employment in fragile rural communities.

### **1.4 What Businesses Want**

Feedback from businesses also suggests that Interface is responding effectively to business needs and delivering the type of services that businesses want.

Evidence for this can be found in the extremely high levels of business satisfaction with the service provided by Interface. Overall 98% of all respondents reporting that they were either satisfied or very satisfied with the service they had received. Further evidence of this can be found in the fact that 26 respondents said that they would be willing to give up their own time in order to act as business champions for Interface.

Businesses were also overwhelmingly positive in how they described Interface - the most common words used were “helpful”, “professional”, “supportive” and “effective” – high praise indeed for any customer focused organisation. Importantly, this view was reflected across all groups of respondents, even those who had decided not to proceed with a project.

It is also interesting to note that all of the businesses that had decided not to embark on a project said that there was nothing that Interface could have done to change this outcome. The main reason given for not proceeding with a project was that the proposed project no longer fitted with organisational objectives – businesses had simply changed their minds.

Despite these high levels of satisfaction, a small number of businesses were able to offer suggestions about how services could be further developed. The most helpful of these suggestions included using highland games and agricultural shows (e.g. the Black Isle Show) as a way of raising the profile of Interface. Another suggestion that may merit exploration related to how Interface might

support businesses to build long-term relationships with academia using a comprehensive needs assessment approach. This approach is discussed in section 6.1.5.

This extremely high level of satisfaction demonstrates that there is strong support amongst businesses for the current model of service delivery and no requirement for any fundamental changes – Interface is delivering what businesses want.

## **1.5 Building Relationships**

Evidence from the survey suggests that Interface has also been very successful over the past three years in building relationships – both between businesses and academia and with its own partners in HIE.

Overall 89% of businesses (including those that chose not to progress with a project) felt that Interface has made it easier for businesses to access support from higher education. More than two thirds (68%) of businesses also reported that they were either much more or a little bit more likely to work with academia again in the future as a result of the assistance they had received from Interface.

Importantly this report also provides evidence that in many cases the links that Interface has helped to broker between academia and businesses in the Highlands and Islands have developed into long-term relationships. In total 63% of respondents who had embarked on a project as a result of assistance provided by Interface said that they were either considering a potential future project or that the project had already led to a further project.

This report also provides some evidence that the relationship between Interface and HIE appears to be working well. In total 45% of businesses reported that they had found out about Interface through a referral from HIE – the single largest source of referrals. This suggests that the relationship between Interface and HIE is strong and that there is a high level of awareness amongst HIE staff about the service that Interface provides.

## **1.6 Distinctive Role in the Highlands and Islands**

Contrasting the results of this analysis with the previous Scotland wide analysis undertaken for Interface in 2013 suggests that the role that Interface plays within the Highlands and Islands may be slightly different to the role it plays at a national level. To date the quantifiable economic benefits generated by Interface in the Highlands and Islands have largely been generated by safeguarding existing jobs rather than creating new jobs or activity. This is not the case across Scotland as a whole and suggests that the role that Interface plays in the Highlands and Islands may be more about helping established businesses to maintain competitiveness and secure their long-term future.