Evaluation of Mentoring Pilots

A Final Evaluation Report for NESTA

March 2010

SQWconsulting

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Executive Summary

Introduction

1. This is the final report presenting evaluation findings from two mentoring programmes developed by NESTA and piloted during 2008 to 2010. The two programmes, the Creative Business Mentoring Network (CBMN) and Games Mentoring were developed to address important challenges facing businesses working within the creative industries that were believed to be hampering growth in relation to:

   - information, ideas, confidence and skills gaps at the early stages of business development
   - a lack of collaboration across creative sectors holding back innovation.

2. Given a widely held view that generic business support services were not meeting the needs of many creative businesses. The Final Report of the DCMS Creative Economy Programme: Infrastructure Working Group sums this up by identifying that in order to successfully grow the sector there is a need for:

   > *"A wide range of specialist creative industries support services with a focus on growth – such as business acceleration and investment programmes, high quality network initiatives, and continuous professional development. Vitally, such services support an existing dynamic creative industries sector."*[1]

3. Given encouraging evidence of the value of mentoring for entrepreneurs and businesses, NESTA decided to offer two tailored mentoring programmes for businesses with high growth potential. The overall concept of both programmes was to match companies (directors, owners and managers) from up and coming creative businesses with senior executives from the same sector. The creative sub-sectors that were supported during these programmes were:

   - CBMN: independent TV production, digital media and advertising
   - Games Mentoring: the video games sector.

4. This is the final report of a set of three that make up the evaluation of the NESTA mentoring programmes. SQW was commissioned by NESTA to evaluate both programmes. We have kept the overlap between reports to a minimum.

5. The other reports, which are also available from NESTA, are:

   - *A review of mentoring literature and best practice* (June 2009)
   - *Interim Report* (October 2009)
   - *Mentoring case studies* (CBMN and Games Mentoring)

[1] Fleming, T. Final Report of the DCMS Creative Economy Programme: Infrastructure Working Group *Introducing the Creative Grid: Connecting Creative Places for Global Competitiveness,* DCMS

The pilots

Creative Business Mentoring Network (CBMN)

6. CBMN was designed to help creative companies in the advertising, TV production and digital sub-sectors to reach their growth potential. Over a 12 month period of mentoring, the programme aimed to:

- make a difference to business performance, as defined by participants
- develop understanding in relation to best practice in mentoring
- understand the relevance and impact of using high level industry mentors to support creative businesses in the early growth stage
- develop a sustainable, successful network of creative business mentors.

7. The pilot matched with 24 mentee businesses with 24 high level mentors.

Games Mentoring

8. Games Mentoring was a pilot mentoring initiative designed for the video games sector. Part of NESTA's sector-wide programme, "Raise the Game", the programme aimed to help identify and address some of the pressing issues facing the UK games industry.

9. The programme engaged seven mentors[2], all of whom were chosen for their experience and expertise in the sector and it aimed to:

- "develop a method of support for mentors as they engage with creative businesses
- develop an effective and transferable model of how to match businesses with appropriate mentors
- engage and influence sector trade associations, economic agencies, RDAs and private organisations to replicate NESTA's support."[3]

Learning from the pilots:

10. Some of the overall findings from the evaluation of the pilot mentoring programmes include the following:

- Most of the matches worked well. It appeared that those who were very closely matched within their sectors appreciated the value that this provided. However, those that were matched across sub-sectors also gained the benefits of fresh perspectives and cross-fertilisation of ideas from other parts of the creative industries.
- Some of the mentors and mentees found that it took several meetings before they fully established a bond of trust and openness. However, in almost all cases this

[2] Eight mentors were initially recruited. However, one of the mentee companies went in to administration and had to withdraw from the programme. As a result, the 8th mentor is no longer involved with the programme.
[3] http://www.nesta.org.uk/games-mentoring/

happened over time and the partnerships usually went on to achieve significantly beneficial results for the business.

- A few mentors found that the time commitment of mentoring caused difficulties, but most were pleased to contribute their time and gained their own benefits too from being involved in supporting the growth of their mentored companies.

- In a few cases the mentors and mentees struggled to focus their discussions on achieving tangible actions or results. In most cases, though, having a structure and commitment through the programme, as well as the guidance of the input from the coaching and preparatory sessions, meant that while the format was informal, they focussed on actions.

- Most of the pairs found that the 12 month duration of the programme worked well. Within the 12 months, they had sufficient time to make significant changes to their businesses - with space for planning and starting to implement new strategies. There were a few who felt that they would have benefitted from a longer programme and equally a few cases where the benefit of the mentoring was concentrated in the initial sessions (e.g. more so with Games Mentoring than CBMN). We would recommend 12 months as an optimal length for an intensive mentoring programme like this.

- While the very intensive support (2 days per month) of the Games Mentoring involved the mentors getting deeply involved in the businesses in an operational as well as strategic sense; there were also significant benefits to mentees gained through the "lighter touch" mentoring of CBMN.

- Some mentors felt that their mentees were not sufficiently prepared to get the best out of the mentoring relationship and could have benefitted from more training. Some of the mentors too would have appreciated more guidance and induction to the process. This applied particularly to those who had not acted as mentors before. The games mentors had an initial training session which most felt was useful as an introduction to the approach and as a way of establishing the group.

- Many of the mentors felt that the experience of mentoring had beneficial effects on them as well as their mentees. For some it had been an opportunity to get up to date with newer parts of their industries; for some it had raised questions about their own performance and business practice.

- In the case of Games Mentoring, the mentor group gelled well and worked together to produce a publication based around their experiences of mentoring and with insight relating to the games industry. This publication can be regarded as a strong additional benefit of the programme.

- Within the two models, the Games Mentoring mentors were paid for their role, whereas CBMN mentors donated their time on a voluntary basis. Both approaches worked in most cases. It would be unrealistic to expect mentors to give two days per month on a voluntary basis.

Findings – benefits to businesses/impact

11. The additional number of beneficiaries involved in CBMN has meant that for this programme, we have had sufficient survey data to be able to develop an impact model. This estimates a value for the net economic impact attributable to the intervention, reported as gross value added (GVA). We have not attempted this for Games Mentoring due to the small number of beneficiaries.

12. Following their involvement in Games Mentoring, the mentored businesses are enjoying improved decision making, business structures, confidence, staffing, new markets, products and platforms, business planning. Some have achieved valuable new deals, pitched to financiers and entered new markets that they would not have attempted without the support of their mentors. Often, the overwhelming benefit to the mentees is that through working with their mentors, they have gained the confidence and drive to put in place strategies and ideas that they had previously toyed with. The mentors have provided an invaluable input to these younger businesses – giving support, guidance, insight and a sounding board to help them "raise their game". The mentors have benefited too as through the process of mentoring they have reflected on their own and their mentees businesses and had a chance to consider the wider issues affecting the games industry.

13. Likewise for CBMN, immediate qualitative benefits included:

    - reported increases in confidence
    - better skills for business
    - improved management capability
    - increased professionalism in individual managers and across business structures
    - increased ambition and drive to grow creative businesses.

14. These qualitative benefits are extremely important and particularly during the period of recession in which the programme has taken place.

15. Many of the businesses taking part have made substantial changes to their businesses in terms of planning, business structures, staffing, finance, accounting, marketing and exit plans, all influenced by their regular contact with their mentors.

16. We expect that the main benefits from the mentoring will follow within a medium-term period – with a sizeable return within a three year period. The types of changes that the mentors have helped the businesses to implement, by nature, will in most cases take time to come to fruition.

Turnover effects

17. Moreover, as noted, the programme has run during a period of major recession. Looking at gross figures, we find that businesses on the CBMN programme experienced an average decrease in sales turnover in 2009/10 compared to 2008/9.

18. However, even those companies that experienced a fall in turnover indicated that without mentoring they would have suffered far worse. In terms of future expectations, 80% of the businesses expected an increase that could be attributed at least in part to the mentoring programme.

19. Overall, we estimated that *net* turnover effects of the programme to date are £0.7 million to date (equivalent to GVA of £0.3 million), expected to rise to £8.6 million (equivalent to £3.9 million) by the end of 2011/12.

Employment increases

20. Similarly, with respect to employment, the mentored businesses had reduced their average employment (FTE) by 0.6 in 2009/10 compared to 2008/9. Several businesses had made redundancies or had left vacancies unfilled. However, many too had made strategic appointments of key staff who were beginning to impact their businesses' performance. Moreover, most expected to be recruiting again in the near future – including making appointments that were influenced by the support of their mentors.

21. Our estimates are that businesses would have decreased their staffing levels slightly more without the mentoring. More importantly, they are expecting to grow their staffing levels over the next years by more than they would have without the benefit of the mentoring.

22. So, again, the *net* employment effect of mentoring is expected to reach 0.9 average additional FTE per company by 2011/12. This translates to overall benefits of 43 FTE years[4] over the next three years.

Wider benefit

23. As well as the measurable benefits to mentees, the mentoring programmes also appear to have benefitted the mentors. In many cases, mentors have reported having taken a fresh look at their own business practice and management performance as a result of being involved with these younger companies.

24. In some cases, mentors and mentees have entered commercial relationships resulting from introductions through the programme, either as collaborations, NEDs or supply contracts.

25. Moreover, the games mentoring programme resulted in valuable evidence and guidance being assembled within a NESTA-published book, authored and edited by the mentors and mentees: "Playing the Game[5]". Not only does this publication provide invaluable insight for games developers, but also helps to promote the wider cause of the games industry in the UK.

26. The involvement of many high level mentors in both programmes, too, has played an important role in raising the profile of the creative industries in the UK and furthered the wider perception of the need to support the growth of these sectors in future.

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[4] FTE years are not the same as jobs created. The measure is of one FTE being employed for the equivalent period of one year. In some cases, the same person may occupy the job for several years, in others it will be different
[5] *Playing the Game,* Insider views on video game development, NESTA, 2009

What NESTA has learned

- **12 months appears to be a suitable duration for a formal mentoring programme.**
- **While there are benefits in close matching of mentors and mentees based on creative industry sub-sectors, some of the CBMN mentors felt that they would bring more benefit and challenge when working across sectors. Consider making complementary rather than very closely aligned matches to aid greater innovation in thinking and business models. This was not the case with Games Mentoring, however, where both mentors and mentees were insistent that mentoring needed to be within the industry to have credibility and maximum impact. This is at least partly explained by the fast pace of change affecting this sub-sector at present.**
- **If it is logistically feasible to do so, allow mentees some choice in their mentors so that they are taking some of the responsibility for the success of the relationship (e.g. as was the case with Games Mentoring where the mentees could choose out of two suggested mentors).**
- **It is important to provide both mentors and mentees with some light training and preparation for the mentoring. Approaches such as "Active Listening" are valuable, especially to new mentors. A short (e.g. half day) session is sufficient, setting out the expectations and some handy tools and techniques.**
- **While most mentoring pairs quickly find their own approaches, it would be useful for some to provide suggestions for how to structure meetings. We would not recommend trying to enforce a particular structure, but providing useful guidance for those that need it.**
- **Build in time for both mentors and mentees to network. There can be benefits arising from interactions between the wider groups as well as in the main mentoring pairs.**
- **On a related note, the Games Mentoring pilot has highlighted the benefit of creating a peer group of mentors that have become supportive of each other. This was one of the huge benefits of the Games Mentoring pilot where the mentors met quarterly and shared best practice. In supporting this type of networking is that the mentors themselves are able to share tips on how they can tackle certain issues within their industry, in addition to exchanging views on mentoring best practice.**
- **Build in a mechanism for ensuring that regular meetings are taking place and that everyone is happy with their mentoring relationships. The project manager should try to balance the need to be rigorous in supporting each mentee, with keeping a "light touch" involvement in what is essentially a relatively informal relationship between mentor and mentee.**

- **Consider offering a small input of coaching support both to help mentees get the most out of their mentor; and to support mentors in knowing that they are working effectively with their mentee.**

- **Towards the end of the 12 months, it is important for mentors and mentees to prepare for "exiting" or moving on to re-negotiate the relationship. NESTA produced a booklet to support this process for CBMN which includes some useful suggested options.**

1: Introduction

Introduction to the report

1.1 This is the final report presenting evaluation findings from two mentoring programmes developed by NESTA and piloted during 2008 to 2010. The two programmes, Creative Business Mentoring Network (CBMN) and Games Mentoring were developed to address important challenges facing businesses working within the creative industries sectors that were believed to be hampering growth in relation to:

- information, ideas, confidence and skills gaps at the early stages of business development
- lack of collaboration across creative sectors holding back innovation.

1.2 Given a widely held view that generic business support services were not meeting the needs of many creative industries businesses, and given encouraging evidence of the value of mentoring for entrepreneurs and businesses, NESTA decided to offer tailored mentoring programmes for businesses with high growth potential. The overall concept of both programmes was to match directors, owners and managers from up and coming creative businesses with senior executives from the same sector. The creative sub-sectors that were supported during these programmes were:

- for CBMN, independent TV production, digital media and advertising
- for Games Mentoring, the video games sector.

1.3 This is the final report of a set of three that make up the evaluation of two mentoring programmes run by NESTA during 2008/10. NESTA commissioned SQW to evaluate both programmes. We have kept the overlap between reports to a minimum.

1.4 The other reports, which are also available from NESTA, are:

- A review of mentoring literature and best practice (June 2009)
- Interim Report (October 2009)
- Mentoring case studies (CBMN and Games Mentoring)

1.5 Readers that wish to follow up on sources should refer to the Literature Review; those that want to read more about the evaluation methodology, more details about each of the mentor pilots, or details about the recruitment criteria should refer to the Interim Report. Those wishing to find out more about individual partnerships should refer to the case studies that have also been developed by SQW alongside this evaluation.

1.6 This final report focuses on two main aspects: impact of the two pilots and overall key learning points.

Brief description of the two pilots

1.7 The two pilots were devised around two slightly different models. The details and differences between the two are discussed in greater depth in the Interim Report. Below though, we provide brief descriptions of each pilot, followed by a chart that sets out the similarities and differences of the two.

Creative Business Mentor Network (CBMN)

1.8 CBMN was designed to help creative companies in the advertising, TV production and digital sub-sectors to reach their growth potential. In particular, the programme aimed to:

- make a difference to business performance, as defined by participants
- develop understanding in relation to best practice in mentoring
- understand the relevance and impact of using high level industry mentors to support creative businesses in the early growth stage
- develop a sustainable, successful network of creative business mentors.

1.9 The CBMN programme was structured around a 12 months period of mentoring, the initial agreement being that mentors would have regular contact with their mentees amounting to two hours once a month during that time frame.

1.10 An initial training session was held for mentees, with follow-on workshops arranged on a quarterly basis. While primarily aimed at providing mentees with an opportunity to feedback on their experience, gain additional specific training and network with each other, their mentors are also requested to attend at least two of these workshops.

1.11 As an integral element of the mentoring programme, Sally Gritten, an executive coach/trainer who was also involved in some of the quarterly sessions, provided two one-to-one sessions for each company. This was to support the *individuals* within the programmes, as the mentors were focussed on the *businesses*.

Games Mentoring

1.12 Games Mentoring was a pilot mentoring initiative designed for the video games sector. Part of NESTA's sector-wide programme, "Raise the Game", the programme aimed to help identify and address some of the pressing issues facing the UK games industry at the current time. Games mentoring itself was developed to support some of its most promising growth companies within the games sector during a difficult time in their lifecycles. Like CBMN, this pilot matched SMEs from the independent game development sector with experienced games industry professionals to act as mentors for up to one year.

1.13 In particular, the programme intended to:

- "develop a method of support for mentors as they engage with creative businesses
- develop an effective and transferable model of how to match businesses with appropriate mentors

- engage and influence sector trade associations, economic agencies, RDAs and private organisations to replicate NESTA's support."[6]

1.14 The programme engaged seven mentors[7], all of whom were chosen for their experience and expertise in the sector. The programme lasted for 12 months, with some flexibility for individual mentoring relationships to finish before that if either party did not feel that the relationship was proving effective. Two mentoring meetings were scheduled each month.

Comparison of the two pilots

1.15 There are various similarities and differences between the model explored in the two mentoring pilots. A summary is provided in Table 1-1.

Structure of the document

1.16 The remainder of this document is structured as follows:

- Section 2 sets out the methodology for the evaluation
- In Section 3 we look at the benefits of the CBMN programme
- Section 4 considers the impact of the CBMN programme
- Section 5 provides some key learning points from both Games Mentoring and the CBMN programme
- Section 6 presents overall conclusions.

1.17 There is more emphasis on CBMN than Games Mentoring in this report. This is partly due to the fact that there were more beneficiaries for CBMN so we were able to investigate and estimate economic impact in more detail for this programme. It is also due to our previous focus on Games Mentoring in the Interim Report.

[6] http://www.nesta.org.uk/games-mentoring/
[7] Eight mentors were initially recruited. However, one of the mentee companies went in to administration and had to withdraw from the programme. As a result, the 8th mentor is no longer involved with the programme.

Table 1-1: Similarities and differences between the two mentoring programmes

	CBMN	**Games mentoring**
Length of relationship	12 months: March 09 – March 10	12 months: Jan 09 – Jan 10 (Flexible. Relationship should last at least 6 months)
Time commitment	2 hours per month	2 days a month
Payments for mentors	Mentors were unpaid but were recompensed for expenses	Mentors were paid a set day rate for their time and receive expenses
Goal	To develop a sustainable successful network of high calibre creative industries mentors	To develop a workable model of mentoring for the games sector and to identify best practice to transferring the model
Objectives	The programme should make a difference to business performance (as defined by participants) The development of understanding in relation to mentoring best practice that can be transferred to other models	It should make a material difference to business performance The programme should be a model of best practice for sector specific mentoring that can be replicated (in whole or part) by the sector
Mentors and mentees	24 mentors and 24 mentees across three sectors (advertising, digital media and TV)	8 mentors and 8 mentees were from the games sector. There was also one additional company mentor (who had a half-time role, split with one of the other mentors)
Geography	UK-wide with selected beneficiaries as follows: • 16 were based in London • 7 were based in England outside London • 1 is based in Scotland Mentors: • 22 were based in London • 2 were based in other parts of England	UK-wide with selected beneficiaries as follows: • 4 companies were based in England • 3 companies were based in Scotland • 1 company is based in Wales Mentors: • 4 were based in England • 3 were based in Scotland
Partners	Delivery partner – Grant Thornton Ethnographic filming was used to capture some of the learning/development process Sally Gritten provided training and coaching support to the mentees	Coach-in-a-box has provided training to both the mentors and mentees. The company also provided coaching support to the mentors throughout the programme
Selection and matching process	Recruited mentors then companies: 30-40 letters were sent to potential mentors. 24 responses Online application for mentees, followed by a 45 minute interview for those that met the initial selection criteria. Mentees were selected to fit the skills of the mentors. However, given a broad range of mentors, NESTA was able to pick the best companies and match skills with needs accordingly.	Recruited companies then mentors based on qualifying criteria The mentees were given a choice of two mentors and asked to select one
Mentor support	2 workshops for mentors (minimum) Coaching available to mentors through Sally Gritten	Initial training session provided by Coach-in-a-box focussing on communication, relationships & the mentoring process Initial introductions and networking with mentor group Quarterly informal group discussion/feedback sessions arranged for mentors Coaching calls available on an ad hoc basis through Coach-in-a-box

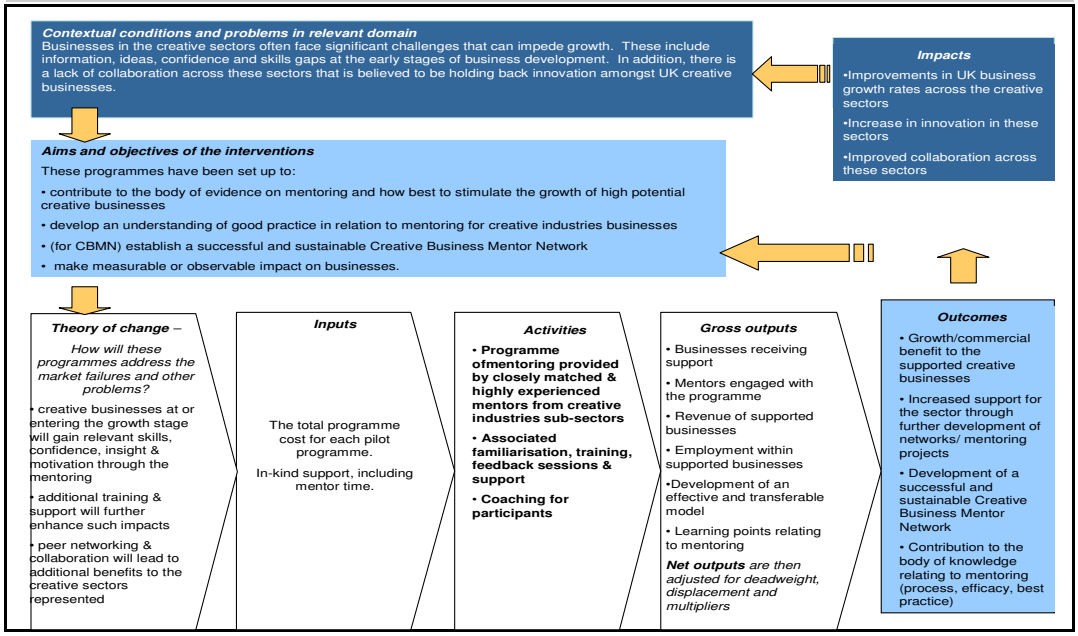
	CBMN	**Games mentoring**
Mentee support	Initial training session for mentees Quarterly workshops for mentees covering feedback on mentoring, training on aspects of business and networking slots Two one to one coaching visits from coach, Sally Gritten.	Initial training session for mentees provided by Coach-in-a-box Initial introductions and networking with mentor group

Source: discussion between NESTA and SQW

2: Methodology

2.1 A summary of the Impact Evaluation Framework for the two NESTA mentoring programmes is shown in Figure 2-1. The overall approach is based on a standardised approach to evaluation that is preferred by the Department of Business, Innovation and Skills (BIS) and used for evaluating Regional Development Agency (RDA) interventions. We have adapted the standardised framework to suit NESTA's requirements. NESTA's modus operandi involves piloting and testing innovative approaches to problems. As such, the organisation is concerned with capturing the learning relating to the design and operation of the programme itself and considering its applicability for other implementations. With this in mind, our evaluation takes account of both impacts on beneficiaries; and wider learning from the operation of the two pilots.

Figure 2-1 : Evaluation Framework



Source: SQW Consulting

2.2 The evidence for this evaluation was gathered through an intensive programme of on-going monitoring and feedback from mentees and mentors. Table 2-1 provides a summary of the relevant research tasks undertaken.

Table 2-1: Summary of research tasks

Research task	Purpose
Attendance at mentor and mentee workshops	To see how the programmes develop over time and understand arising issues To gather evidence about the nature of support being provided
Desk research and literature review	To establish the suitability of mentoring for creative entrepreneurs To provide guidance towards a methodology of best practice in mentoring To gather information about comparator programmes

Research task	Purpose
Initial survey with mentored companies	To gather information about the characteristics of the companies involved To establish expectations of the companies
Final survey with mentored companies	To establish the effectiveness of the programme To establish what characteristics made the model successful/unsuccessful To investigate impact of the programmes
Feedback surveys from individual mentoring sessions	To gather ongoing evidence as the programme progressed about the level of support provided by mentors and the difference this is making to the companies
Face-to-face consultations with mentored companies	To obtain in-depth feedback mid-way through the programme about the support received and the difference that this is making to their business
Follow up consultations with mentored companies	To obtain in-depth feedback towards the end of the programme about the mentoring model, the support received and the difference that this is making to their business
Consultations with mentors	To obtain feedback about the mentoring model, the support they gave and the perceived difference this is making to their mentored companies

Source: SQW Consulting

2.3 The additional number of beneficiaries involved in CBMN has meant that for this programme, we have had sufficient survey data to be able to develop an impact model. This estimates a value for the net economic impact attributable to the intervention, reported as gross value added (GVA). We have not attempted this for Games Mentoring due to the small number of beneficiaries and, therefore, lack of data. The feedback on the benefit of Games Mentoring is based on qualitative assessments.

2.4 We have also compiled a number of case studies that provide individual accounts of mentoring relationships for both the CBMN and Games Mentoring. These are also published separately by NESTA and have been used as a major source of insight for this evaluation.

3: Benefits of the CBMN programme

3.1 With a greater number of beneficiaries taking part in the CBMN programme, we have been able to look at the benefits in quantitative terms.

3.2 This section provides a summary of the responses that were given through the final survey with the mentored businesses once they had completed the programme. Out of the 24 businesses participating, 20 responded to the end of programme survey.

3.3 The results from this demonstrated a number of changes had occurred within the businesses since the diagnostic survey was carried out at the start of the programme. In this section, we look at:

- the perceived benefits of the mentoring to businesses
- what the businesses indicated having changed as a result of the mentoring
- the impact that respondents felt that mentoring had on their business performance
- the businesses expected next steps for these respondents.

The perceived benefits of the mentoring to businesses

> *"This is the best business course I've ever been part of by a long way. I wish I had access to these 5 years ago. I'm sure we'd be a bigger company by now"*
>
> - *Creative Business Mentoring Network participant*

3.4 Individual consultations with the mentees and mentors highlighted a number of benefits arising from the mentoring programme, and this was further supported by the survey data. There was evidence of improvements in confidence, skills development, networks and access to expert advice and support arising from the programme. The specific benefits for each company are explained within the individual case studies that have been prepared alongside this report.

Confidence and skills development

> *"We're much clearer about where we want to go and have the confidence to say it out loud, which informs everything we do now"*
>
> - *Creative Business Mentoring Network participant*

3.5 The survey showed that mentoring increased confidence for the participants on the programme in a number of areas. This supported findings from the case study discussions, where businesses told us that the assistance their mentor had given them in putting structures in place and with gathering information/evidence had increased their confidence in their ability to manage the business and to make sound business decisions.

3.6 Overall, 19 respondents (95%) told us that they felt their confidence had increased in at least one area as a result of the programme. More specifically, in the survey, we asked participants to rate their confidence both at the start and the end of the programme. The change percentage responding that their confidence was "excellent", "good", "developing" and "poor" in each case is shown in Table 3-1. The two main areas that the programme helped to develop participant confidence were in relation to their ability to survive the recession and their potential for growth.

Table 3-1: How confident are you in your business's ability in each of the following?

	Baseline (at start of programme)				**Change in percentage points by the end of the programme**			
	Excellent	Good	Developing	Poor	Excellent	Good	Developing	Poor
Ability to survive the recession	4%	67%	29%	0%	+21%	-7%	-14%	-
Potential for growth	42%	46%	13%	0%	+13%	-11%	-	-
Technical skills	46%	50%	4%	0%	+9%	-10%	+1%	-
Managerial skills	8%	46%	46%	0%	+7%	+4%	-11%	-
General business skills	13%	42%	46%	0%	+3%	+3%	-6%	-
Ability to manage business growth/ change	8%	46%	46%	0%	+2%	-1%	-1%	-
Aptitude for innovation	42%	33%	25%	0%	-2%	+12%	-10%	-
Commercial marketing ability	8%	25%	54%	13%	-3%	+25%	-9%	-13%
Creative skills	79%	17%	4%	0%	-14%	18%	-4%	-

Source: Initial survey of participants (N=24) and End of programme survey of participants (N=20)

3.7 Table 3-1 shows a marked improvement in confidence relating to the businesses' ability to survive the recession (an "excellent" rating was up by 21 percentage points from the beginning of the programme). Some of this added confidence may be as a result of timing – i.e. firms thinking that having now come through the worst of the recession, they will be able to survive the rest, as opposed to the beginning of the programme when no-one yet knew how long or deep the down-turn would turn out to be. However, additional insight from in-depth interviews suggested that the mentoring support was often important in helping the businesses to deal with the effects of the recession and to devise survival strategies.

3.8 The change in confidence in "potential for growth" might also have been influenced by changes in external market conditions - new optimism as they enter a period of recovery. It would have been interesting to test this with a control group. Again, having conducted in-depth discussions with these businesses we feel that the change is that through the mentoring process, they have put in place more appropriate plans and structures for growth. This is also

reflected in the increase in confidence in "managerial skills". Prior to the programme, almost half of the participants rated their confidence in this area as just "developing". Afterwards, 65% rated their confidence as at least "good".

3.9 However, the results indicate that further support could be useful for the businesses, 45% of which still only rate their "ability to manage business growth/change" as "developing" even after the programme.

3.10 Confidence in "commercial marketing ability" appears, from the survey results to have improved for those that previously rated their skills as only "poor" or "developing". This finding is supported by the in-depth discussions with mentees and their mentors, which in many cases highlighted a focus on taking a more targeted and professional approach to relationship marketing, business development and positioning.

3.11 In terms of "aptitude for innovation", the results are slightly more complex. Grouping together "excellent" and "good" responses gives an overall improvement in confidence, although the scoring of "excellent" actually fell between the first and second surveys. A similar effect is demonstrated with "creative skills".

Networks

3.12 Most of the respondents (85%) told us they had improved their networks or made new contacts as a result of the mentoring programme. Furthermore, almost two thirds felt that access to new networking opportunities had been a 'major benefit' of the programme.

3.13 We asked participants how they would rate their networks at the start of the programme and then again at the end (Table 3-2). The area which saw the greatest increase was "peer networks" where the percentage rating their network as "extensive" increased from around half to three quarters. This most likely reflects the fact that the programme involved workshops that were focused on bringing all the participants together for a structured networking opportunity.

3.14 While participants generally found the workshops useful, a number commented that they would have benefitted from having more time free for networking with peers:

> *"To some extent my peer group has expanded to other sectors in TV and advertising – but I feel I could have developed this more and I'm concerned the contacts I have made will disperse when the programme finishes."*

Table 3-2: How would you describe your networks within the following groups?

	Baseline (at start of programme)				Change in percentage by the end of the programme			
	Extensive	**Adequate**	**Limited**	**None**	**Extensive**	**Adequate**	**Limited**	**None**
Peer group	50%	38%	13%	0%	+25%	-18%	-8%	-
Expert technical help	13%	54%	25%	4%	+18%	-9%	-5%	-4%
Expert business help	0%	42%	54%	4%	+15%	+13%	-29%	-4%
Potential funders	0%	21%	54%	25%	+10%	-6%	+6%	-10%
Potential suppliers	8%	71%	21%	0%	+7%	-6%	-1%	-
Other partners	0%	42%	29%	17%	+5%	+3%	+1%	-17%
Potential customers	29%	46%	25%	0%	-4%	+14%	-10%	-

Source: Initial survey of participants (N=24) and End of programme survey of participants (N=20)

Access to expert advice and support

3.15 For 37% of respondents, signposting to other professional services was regarded as a 'major benefit' of the programme. As can be seen in Table 3-3, four businesses had also formalised their own advisor arrangements, by putting Non Executive Directors (NEDs) in place.

Table 3-3: Does the business have…

	Before	After
…A chair?	29% (7)	30% (6)
… any Non Executive Directors?	8% (2)	30% (6)
… any unofficial Board Advisors?	38% (9)	25% (5)

Source: Initial survey of participants (N=24) and End of programme survey of participants (N=20)

What did the businesses change as a result of the mentoring?

Changes to staffing and the business structure

> *"We've now got the right person for the job and mentoring has helped our focus on that"*
>
> *- Creative Business Mentoring Network participant*

3.16 A number of businesses had recruited, or were in the process of recruiting for new posts to fill gaps identified through the mentoring support. Many of the jobs created were high level, senior professional roles to support the companies with future growth aspirations. These included Planning Directors to provide ongoing strategic advice and insight, Financial Directors to ensure that financial processes and planning continued to receive sufficient

attention and Sales Directors to focus on increasing turnover. Other roles created included a General Office Manager and Head of Development.

3.17 In addition, three of the businesses reported an increase in the use of freelancers as a result of the programme and another two commented that they felt they were clearer about what they expected from freelancers and were able to use them in a more effective (profitable) way. At least two others indicated that they were now both getting better value from freelancers and were able to attract higher level talent.

3.18 It is interesting to see that, in sectors typified by extensive use of freelancers, the greater impact of the mentoring appears to have addressed changes in the core permanent employee base. In many or most cases the personnel changes were strategically designed to help improve the structure of the business, or to prepare it for future growth so were made at the management level (which would tend to be part of the permanently retained staff base).

Business plan

3.19 We asked businesses through the surveys at both the start and finish of the programme, about the degree to which they had formal written plans for their businesses. The responses showed an overall increase in the proportion of those that had "informal written ideas" (From 38% to 45%) but no noticeable improvement in the numbers with written "business plans". This appeared to be somewhat contradictory to indications from consultations, where many of the mentees talked about working with their mentors to develop business plans and from another question in the survey which indicated that just under half of mentees felt that their mentors had helped them "developing their business plan".

3.20 What we think may have happened here is that the mentors and mentees did not focus on producing "business plans" in the sense of creating formal documents. However, certainly the evidence from consultations and case studies indicated that the mentors focussed very much on instilling the practice of on-going business planning and review within their mentee businesses. Therefore, business planning became more of a process to be carried out on a regular basis, than as an end in itself.

Financial planning and monitoring

3.21 Financial planning and monitoring turned out to be one of the most important aspects in which the mentors helped their mentees. Mentors helped to show the importance of financial goal setting and monitoring and had often highlighted this awareness as an important first step in 'professionalising' the way a business operates.

3.22 At the start of the programme a fifth of businesses participating did not have any clear financial goals for their business. By the end of the process, only the odd one or two businesses were still in this position and 70% had detailed financial forecasts set out for the next one to three financial years. Over half of those with clear financial goals by the end of the programme had received assistance from their mentor to develop these.

3.23 Moreover, the mentors also played an important role in helping the businesses to organise their accounts. By the end of the programme, more than a third of respondents had made

changes to who looked after the accounts for their company. A summary of these changes is provided in Table 3-4. The totals for each column are over 100%, which means that responsibility falls with more than one individual for some or most companies. What we see here is more responsibility being taken by the management team. By the end of the programme, 60% of the businesses reported that their management team looks after the accounts (either those with or without accounts training) compared to around half at the beginning. In addition, there seems to be greater use of in-house book-keepers. This is indicative of a set-up where the management takes responsibility for accounts at a strategic level, with back-up on the detail and monitoring from an internal book-keeper.

Table 3-4: Who looks after the accounts for the company?

	Baseline (at start of programme)	Change in percentage by the end of the programme
In-house book keeper	17%	+8%
Member of management team – no account training	29%	+6%
Member of management team - some account training	21%	+4%
Internal accountant	13%	+3%
Other (please specify)	4%	+1%
A financial director	17%	-2%
External accountant	50%	-5%
External book keeper	29%	-9%

Source: Initial survey of participants (N=24) and End of programme survey of participants (N=20). N.B. Respondents could select more than one answer

Marketing and new markets

3.24 From our case study discussions, we learnt that mentors played an important role in encouraging companies to better understand the markets that they operated in and to carry out research to help inform their decision making.

3.25 Before the programme, only about a fifth of the businesses had carried out market research activities. Sixty percent had done so by the end of the programme. Some examples of the types of market research undertaken included gathering feedback from existing clients, identifying competitors, identifying USPs (Unique Selling Points) and sizing opportunities from new sectors.

Table 3-5: In the last financial year, have you undertaken any market/ audience research activities?

	Before	After
Yes – in depth	4% (1)	15% (3)
Yes – ad hoc	17% (4)	45% (9)
No – looked into it but too expensive	8% (2)	0% (0)
No	71% (17)	40% (8)

Source: Initial survey of participants (N=24) and End of programme survey of participants (N=20)

3.26 As a result of the research, a number of respondents had identified new markets. Thirty percent of respondents reported that access to new markets was a 'major benefit' of the programme and 60% of respondents told us that they had changed their client base as a result of the mentoring. Some of the changes that they had made included introducing a more focused approach to targeting specific clients or sectors (crucially, those that were seen to be more profitable) and being selective about which opportunities to pursue. In several cases, advice from the mentors had been to target their efforts rather than trying to be "all things to all people".

> *"We are much more confident in not going for business where we are only marginally suited, where the budgets are not high enough, where we do not feel that we can make a difference or where we feel we and the client are not a good match."*

3.27 Several respondents indicated that they had expanded their geographical markets. For example, at least four businesses had increased their US activities, supported by advice received from their mentors.

Next steps

3.28 While having made important steps in terms of developing their business, all the companies on the programme are still struggling to deal with many of the common issues affecting creative businesses including cash flow, recruitment and generating new business. Most of the businesses felt they were better informed as a result of the mentoring programme, and many had made strategic changes to their business. However, they still had concerns about the hurdles they faced to realise growth: *"I feel I know exactly what I need to do to grow the business profitably now. I just need the time and financial resources to do it!"*

3.29 Half of the businesses told us that they had identified new areas of potential growth as a result of the mentoring, most commonly through increasing sales from existing customers. Surprisingly, less regarded entering new markets and developing new clients as the main sources of growth potential compared to at the beginning of the programme, presumably as they had already explored new clients during the course of the year.

Table 3-6: Where do you see growth potential for your business?

	Baseline (at start of programme)	Change in percentage by the end of the programme
Increasing sales from your existing customers	88%	+8%
Changes to the business model	58%	+2%
Other	4%	-4%
New target customer groups	96%	-16%
New geographical markets	67%	-22%

Source: Initial survey of participants (N=24) and End of programme survey of participants (N=16) Numbers may not sum due to rounding.

3.30 In the longer term, 55% (11 respondents) had considered the sale of the company, or part of the company. Mergers and acquisitions were also being considered by 30% of respondents

(6). A full breakdown of which exit options companies had considered is shown in Table 3-7. Seven companies told us that their mentor had played an active role in their consideration of exit options through providing discussion, support and advice. For example, one mentor explained to their mentee*" how to go about selling the company and the planning that goes in to that."*

Table 3-7: Have you considered any of the following?

	Percentage of respondents answering "yes" (number of respondents)
Sale of the company/ part of company	55% (11)
Flotation	-
Management buy-out	-
Family succession	15% (3)
Close the business	10% (2)
Merger/acquisition	30% (6)
Other exit strategy (please specify)	10% (2)

Source: End of programme survey of participants (N=20) N.B. Respondents could select more than one answer

The mentoring relationship

> *"Enabling us to be more bold and ambitious in our plans/goals on one level combined with very detailed advice about how to make particular pieces of business happen."*
>
> - Creative Business Mentoring Network participant, in response to the question, *"Overall, what do you think has been the most valuable contribution that your mentor has made to your business?"*

3.31 The mentors provided a variety of roles throughout the programme, with one mentee describing their mentor as: *"*A *reality check. A trusted ear. An experienced commercially savvy advisor". A very connected person to boot!".* The combination of helping companies to regain their enthusiasm and develop their strategic ambitions, at the same time as focusing on improving the day-to-day operational aspects of the business has the potential to create a very powerful impact. Mentees all felt they had gained something from the programme, although the extent to which this is likely to translate in to commercial improvements in the future will vary. Whilst some companies felt it had made a big difference to their organisation, others felt that they had already been able to get sufficient support elsewhere *"I have very much enjoyed my mentor/mentee relationship, but much of the insight and contributions that a mentor could assist with I had covered off by someone who could allocate more of his time to us as a business (i.e. more than 1 meeting a month)."*

3.32 All of the 19 respondents answering the question about whether or not they expected to stay in touch with their mentor in the future agreed that wholeheartedly that they would. In the majority of cases, mentees expected that the relationship would become more informal once the programme finished. However there were others that were developing towards more formal relationships including:

- one continuing the relationship on a similar basis
- one looking in to recruiting their mentor as a NED
- one expecting their mentor to become their Chair
- another expecting their mentor to continue attending board meetings.

3.33 Overall, the companies valued the mentoring experience highly and 75% (15 respondents) told us that they would be willing to pay for future or continued mentoring. Some had already entered in to negotiations with their mentor regarding the provision of continued support in return for payment. Most anticipated that, if they did pay for mentoring in the future, it would be based on a fixed fee (either monthly or annually). Others thought it would be more appropriate to take a project-based approach to the fee structure, for example by paying a day rate for time spent on a particular activity.

3.34 However, this finding should be read with caution. Further informal discussions with both CBMN and games mentoring groups suggested that introducing payment into the mentoring relationships would have fundamentally changed the relationships in several ways. Some of the changes would have included:

- while mentees saw the value of mentoring after the event, several were unsure as to whether they would have been prepared to pay upfront for the service. Moreover, with tight budgets and a difficult economic environment, even if they did see the potential value they may not have taken up the mentoring due to restrictions on their cash-flow.

- Even amongst those who would have been prepared to pay, the agreement was that the bigger challenge would not be their ability or willingness to pay, per ce, but the difficulties that they would have faced in accessing this level and quality of mentors. Some of the mentees had previously paid for business support, coaching or mentoring services from private sector providers but had never had access to the specific knowledge and experience of the mentors who were lined up for them in the NESTA programme.

- Both mentors and mentees agreed that by introducing a financial arrangement between the pair would change both the dynamic of the relationship (from mentor-mentee to buyer-supplier) and would also involve a subtle shift in the “contract” and responsibilities of each. In some cases this may be desirable but in many more, mentors were more comfortable playing a less formal role where they were an informal source of opinion, guidance and support but were not contracted in an official advisory role.

4: Assessing impact

What impact has the mentoring had on business performance?

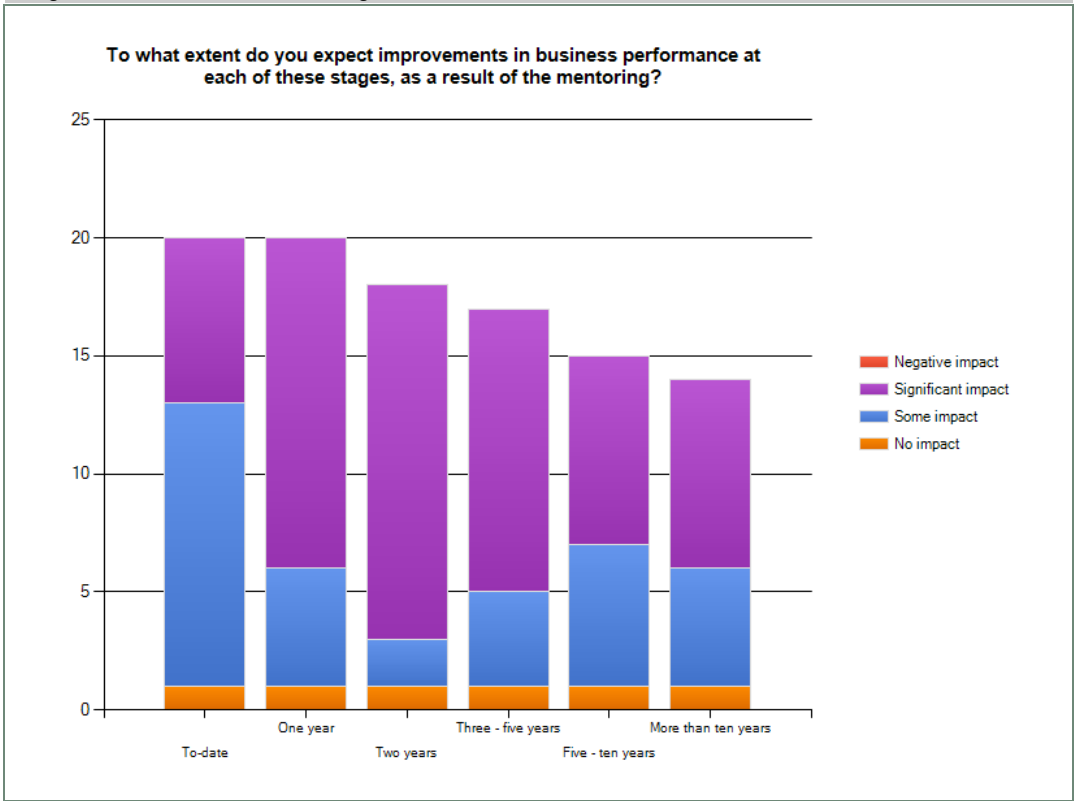
> *"The contact with other companies – and with our mentor – has enabled us to be much more confident about our aspirations as well as finding more ways of achieving them"*
>
> - *Creative Business Mentoring Network participant*

4.1 In this section we investigate the impact of the mentoring programme on businesses and business performance. We have taken reported and forecast performance of the beneficiary companies provided through the online surveys, along with their qualitative statements, to build estimates of economic impact in quantitative terms.

4.2 Three quarters (15 respondents) felt the programme had created 'major benefits' in terms of improvements to the commercial performance of their business. However, the focus of the programme was on getting the companies "in shape" for the longer term. As highlighted above, many of the companies have spent this past year putting structures and processes in place which they expect to lead to impacts in the future.

4.3 As such, the impacts to date are quite limited. It is in the medium to longer term that we would expect to see the full impacts arising from the programme's activities. This was confirmed by participants, most of whom told us that they expected significant impact to arise next year and in future years, with half expecting the level of impact to drop again after five years. As one participant explained, *"I have really enjoyed the mentoring programme and – although I don't think this is reflected in any financial results as yet – I have got a lot from it, and think it will change the business over time."*

Figure 4-1: To what extent do you expect improvements in business performance at each of these stages, as a result of the mentoring?



Source: End of programme survey of participants. N = 20.

Turnover improvements

4.4 The quantitative findings backed up messages that came through the case studies – notably that the mentoring had helped them to put structures and practices in place this year, which they expected to lead to improvements in business performance next year. Whilst only 5% (1 respondent) felt the programme had had a significant impact on their turnover to-date, 42% (8 respondents) expected the mentoring to lead to a significant turnover impact in future years.

Gross turnover changes

4.5 The programme was operating at a time when many creative businesses were facing difficulties in dealing with the recession. In line with the sector as a whole, gross turnover for nine of the businesses on the programme fell between 2008/09 and 2009/10 although ten of the businesses (47%) did manage to increase their turnover this year. On average, businesses on the programme experienced a reduction in turnover of £117,158 between 2008/09 and 2009/10.

4.6 However, all the businesses are forecasting an increase in turnover next year, with an average increase of £736,000 compared to their turnover in 2008/09. Further increases are also being forecast for 2011/12.

Net turnover changes

4.7 In order to take account of the difference that the programme made to turnover (the 'additional' impact), we need to consider what would have happened if the businesses had not participated in the programme. Any impacts that would have arisen anyway are known as **'deadweight'**. Most of the businesses that suffered a loss in turnover said that they would have experienced this anyway, even if they had not participated in the mentoring. Two businesses (10%) that had a fall in turnover told us that their turnover would most likely have been even lower without the mentoring. Fifteen percent of those experiencing an increase (3 businesses) felt that the mentoring had played a part in this and one business (5%) told us that their turnover would have been higher this year if they had not been participating in the programme because *"I had to focus on the business to move it forward, thus reduced my time looking for new work. This should now start to pay off."*

4.8 In terms of future expectations, 16 of the businesses (80%) expected an increased level of turnover as a result of the mentoring.

4.9 As well as deadweight, it is also important to consider the following gross-to-net factors:

- **Displacement** – This is a measure of the extent to which one business has benefitted at the expense of another. i.e. By supporting these businesses, has the programme had a negative impact on competing businesses? To ascertain this, we asked beneficiary businesses what proportion of sales, by value, would go to competitors within the UK if they were to cease trading tomorrow. Thirteen businesses answered this question, and only one reported that no sales would go to UK competitors. On average, businesses thought that 62% of their sales would go to competitors within the UK

- **Leakage** – All the businesses are located in the UK, which is the geography that NESTA covers. Therefore, none of them are outside the target area. We also asked businesses what proportion of any jobs created as a result of the programme are located outside the UK. Two businesses told us that a small number of jobs had been created outside the UK.

- **Multiplier effects** – These are the 'knock-on' effects that arise through increased trade among businesses that supply the companies whose performance has improved through NESTA's assistance to the business (supplier effects) or through the increased spending of the employees of these companies (income effects). Since multipliers are not available at a UK level for the creative industries as a whole, we used the multipliers from Oxford Economics' Economic Contribution of the UK Film Industry Report[8] as a suitable proxy.

- **Optimism bias –** To allow for over-optimistic forecasts, we have introduced an optimism bias to future turnover and employment figures. This is based on the level of optimism bias that was demonstrated in their forecasts of 2009/10 turnover and employment at the start of the programme and their actual 2009 figures which were available at the end of the programme.

[8] Oxford Economics (2007) The Economic Contribution of the UK Film Industry Report, p32. Available at: http://ukfilmcouncil.org.uk/media/pdf/5/8/FilmCouncilreport190707.pdf

- **Discounting to reflect Net Present Value (NPV)** – In line with Treasury Green book guidelines, all forecast future impacts have been discounted at 3.5%.

4.10 Applying the above factors to the additional turnover gives an average net increase in turnover of £30,733 by 2009/10, although this is quite heavily skewed by one company which accredited a large turnover increase to the programme. By 2011/12, the average net increase in turnover compared to 2008/09 figures is expected to be £209,105 per business.

4.11 Furthermore, 53% (10 respondents) reported that the programme had generated 'major benefits' for them in terms of *profitability*.

Employment increases

Gross employment changes

4.12 Many of the companies had made redundancies quite near the start of the programme. Although a number had also recruited new staff, on average, companies were employing 0.6 less Full Time Equivalent staff (FTEs) in 2009/10 than they were in 2008/09. However, a number felt that this cutting back of the employee base was a necessary step towards achieving their longer term growth goal. As one participant put it:

"Not only have we recruited new staff members, we've also managed to lose the ones that were holding back the business. So whilst our numbers haven't over-all increased, we're in a much better shape than before!"

4.13 One company also told us that

"although we haven't recruited new members we have made longer term commitments to our temporary staff and made one member of staff a director and shareholder in the company."

4.14 This is reflected in future forecasts, which show the businesses beginning to grow again. Next year, they expect to be employing 1.7 more FTEs than they were in 2008/09 and that this is expected to increase further in 2011/12.

Net employment changes

4.15 Without the programme, four businesses thought they would currently be employing even fewer people than they are now. In future years, thirteen of the businesses expected the numbers employed to increase as a result of the mentoring. As with turnover, we have applied the various gross-to-net factors to employment figures.

4.16 On average, by 2009/10, companies had employed a net increase of 0.06 FTEs as a result of the mentoring. By 2011/12, this was expected to increase to an average of 0.9 net employees (FTEs) per company.

GVA changes

4.17 Final impacts in the economy are often best expressed in terms of Gross Value Added (GVA)[9]. We have done this using GVA ratios calculated from sales and value add figures given in the Economic Contribution of the UK Film Industry Report. These ratios were then applied to the turnover impacts arising from the programme.[10]

Summary of impacts

Table 4-1 provides a summary of the net impacts arising from the Creative Business Mentoring Programme. This includes both impacts arising to-date (2009/10) and forecast benefits based on the information provided to us by the companies participating in the programme. This shows that the programme has generated turnover improvements of £0.7 million (equivalent to £0.3 million GVA) to-date, and that these are expected to increase to a total of £8.6 million turnover (equivalent to £3.9 million GVA) by the end of 2011/12.

Table 4-1: Net impacts arising from the Creative Business Mentoring Network programme

	Benefits arising in 2009/10	Benefits arising in 2010/11	Benefits arising in 2011/12	Total benefits arising*
Turnover improvements (£ million)	0.7	3.1	4.8	8.6
GVA increases (£ million)	0.3	1.4	2.2	3.9
Employment increases (FTE years)	1	22	20	43

*Source: SQW calculations based on surveys of participants * N.B. Totals are the sum total impact to-date by 2011/12, rather than total annual impacts (i.e. the 43 refers to 43 job years, rather than 43 permanent jobs)*

Value for money

4.18 Based on the above impacts, this provides a return on investment[11] to-date of £1.49 net additional GVA for every £1 invested. When future benefits are taken in to account, the return on investment increases to £18.23 net additional GVA for every £1 invested.

4.19 This is very strong and impressive forecast return on investment of which the programme team and the mentors and mentees alike should be proud. The return on investment ratio is particularly high, given that this style of mentoring programme is able to provide very intensive, targeted support to a select group of companies for an unusually low cost. The costs included within our impact model include management, administration, coaching, evaluation and the cost of running workshops. However, there is no cost allocated to the time of the mentors. If we factored in a notional value for the mentors time at their usual day rate, we would find the value for money ratio fall significantly. This is not to detract at all from the overall value of the programme, it points though to the fact that through generously donating their valuable time to helping growing businesses, the mentors are "giving back" to the economy in measurable terms.

[9] Turnover can crudely be defined as the sales of a business; GVA is equivalent to sales less the total inputs of good and services to the business. It is the net contribution that the business makes to the economy.

[10] Oxford Economics (2007) The Economic Contribution of the UK Film Industry Report, Table 4-2. Available at: http://ukfilmcouncil.org.uk/media/pdf/5/8/FilmCouncilreport190707.pdf

[11] This does not include the pro-bono support provided by each of the mentors.

5: Summary of key learning points

Games mentoring

Preparation & support

5.1 At the start of the mentoring programme, NESTA provided training for mentors and mentees. All the mentors felt that there was a value in meeting up, in getting to know each other as a group and in meeting the mentees collectively too. Most of the mentors also agreed that it was useful to have some practical tips for mentoring, which they could choose to use but none of them would have been looking for a prescriptive training programme or mentoring structure that they felt obliged to stick to. Most were happier knowing that the support was available, but having the freedom and control to devise their own ways of working with their mentees.

5.2 The group of mentors met up four times over the course of the 12 month programme. At these sessions, mentors shared experiences of mentoring and reflected on their various strategies for supporting the businesses. Beyond this, the group had an opportunity to discuss aspects of the games industry and bringing them together has resulted in the decision to share their knowledge and insight into the games industry in "Playing the Game[12]"All the mentors have indicated the value of meeting as a group on a regular basis and recommend this feature as part of any future mentoring programme.

Matching

5.3 Mentoring is fundamentally about establishing human relationships – and for those relationships to work, they need to be based on three important factors – respect, honesty and trust. The most productive partnerships are those that manage to establish all of these factors, preferably at an early stage.

5.4 It is difficult to specify how it is possible to achieve these within the mentoring relationship. The *Raise the Game* pilot helped to prepare the mentors for this through training given at the beginning of the programme that reminded them to listen carefully to their mentors before offering advice. Whether the pairs actually achieve respect, honesty and trust, however, is likely to be down to how well matched the pairs are and the quality of the personal relationships they form.

5.5 Some of the mentors felt that it was important for the mentees to have some degree of choice in their mentors – albeit in this case a choice of just two. This choice means that they are to some extent responsible for selecting their mentor and also responsible for making the relationship work.

5.6 Most of the mentors attributed the success of the matches to the NESTA programme director, who provided the match-making and introductions between mentors and mentees and had thought carefully through and aligned both the professional and personal needs of each.

[12] Playing the Game – Insider Views on Video Game Development, NESTA, 2010

Getting to know each other

5.7 Once the matches have been made, it is important for the mentor to build up a really good knowledge of their mentee and the business. The mentors all spent time speaking to their mentees about their personal, as well as professional motivations and aspirations. They studied business plans and financials, met their staff and played their games. A good mentor can bring a wealth of outside experience and knowledge but must also be prepared to develop a detailed understanding of their mentee – and provide advice tailored to fit their particular circumstances. The focus of the relationships will be different in each case. There are some generic challenges that most businesses face, but the benefit of mentoring is that each business has access to totally bespoke support.

Setting objectives and goals

5.8 Most of the mentoring pairs set some form of objectives and goals for their relationships. Many of the mentors found this to be essential in understanding where they should focus their support and how to frame their discussions. In many cases, objectives and goals were set early on and then either refined or super-ceded by new ones over time. The important factor seemed to be the process of setting objectives and goals that drove both partners to focus.

Structuring the meetings

5.9 The different mentoring pairs found their own structures for their meetings. Most involved the mentee preparing some form of agenda, often an informal list of topic areas for discussion. Successful meetings generally resulted in action points and progress against these would form the first of the new set of agenda items.

5.10 Mentoring meetings took place in different locations – most of the mentors found it useful to see their mentees within the setting of their place of work. But equally, they also found it useful to step outside of this setting for some of their discussions into less formal settings. Some meetings took place over meals or drinks; some during bracing Scottish walks.

5.11 Many of the mentors highlighted the importance of face to face meetings at the early stages of the relationship – they are crucial to building trust and rapport. As they went on, some were then able to move to some telephone and email support.

Frequency of meetings

5.12 One of the findings from the pilot has been that different mentoring pairs find that different timings work for them – there has been no finite timing that worked for every pair. The programme provided sufficient funding for the mentors to meet with their mentees up to twice per month. In practice, there was quite a lot of variation around this. For some, there was a more intensive period initially during which the mentor met regularly with their mentee to either address very pressing, urgent issues or to understand a complex environment or business structure. Then following this initial period, less support was required and the meetings became less frequent. For others, the frequency of contact has varied across the duration of the programme depending on milestones or events within the business – some

mentors have assisted their mentees when they have been developing business plans or meeting investors.

5.13 Many of the mentors agreed that the 12 month total duration for the mentoring programme was about right, although several would have liked to continue for another three to six months on top of that. Several suggested that a future mentoring programme could allocate a "pot" of funding to cover a number of hours of mentoring, which could be used over a longer or shorter period of time according to the particular needs and preferences of the particular mentor and mentee.

Focus for mentoring

5.14 While the focus for most of the relationships was at a strategic level, the mentoring, particularly taking place at the height of the recent recession, sometimes involved discussions about day to day aspects of the businesses. The mentors often realised that unless they supported their mentees through their immediate challenges, the longer term issues would become largely theoretical. It seemed that the mentees particularly appreciated having someone to help them think through tactics for survival and adaption within difficult market conditions, as well as someone who could help them plan for the future.

5.15 Some of the strategic areas that the mentors focussed on included:

- structuring the company for future growth, raising finance or for exit
- dealing with different motivations within management teams and between owners of the business
- transition to a new business model – e.g. self-publishing rather than work-for-hire; out-sourcing
- refining the product offer and managing specialisation or diversification
- opportunities from new platforms across different media
- structuring deals and dealing with new customers.

An exit strategy

5.16 This mentoring programme was scheduled to last for 12 months. There were a number of options open to the mentoring partnerships after the official programme has finished. These include:

- the mentor taking on a more formal role as a non-executive director
- the mentor undertaking a specific consultancy role to the business
- the mentoring relationship being extended along similar lines (assuming continued or alternative funding is available)
- the mentor continuing to work with their mentee but less frequently and on a less formal (and unpaid) basis.

5.17 Any or all of these options can be viable and have legitimacy. Moreover, different mentoring pairs are in the process of pursuing different variants on these. It has become clear that it is useful within the mentoring programme, to give an acknowledgement of the end of the formal programme, some support to both mentors and mentees for planning the next phase and a "re-negotiation" of the relationship (no matter how informal of the relationship going forward).

Benefits

5.18 In qualitative terms, the mentored businesses are enjoying improved decision making, business structures, confidence, staffing, new markets, products and platforms, business planning. Some have achieved valuable new deals, pitched to financiers and entered new markets that they would not have attempted without the support of their mentors. Often, the overwhelming benefit to the mentees is that through working with their mentors, they have gained the confidence and drive to put in place strategies and ideas that they had previously toyed with. The mentors have provided an invaluable input to these younger businesses – giving support, guidance, insight and a sounding board to help them "raise their game". The mentors have benefited too as through the process of mentoring they have reflected on their own and their mentees businesses and had a chance to consider the wider issues affecting the games industry.

5.19 And importantly, the *Raise the Game* mentoring pilot has led to the compilation of NESTA's publication "Playing the Game[13]" that combines reflections on mentoring with insights from the mentors into possible futures for the games industry along with their tips for success.

Creative Business Mentoring Network

Preparation and support

5.20 At the start of CBMN the training provided focussed on the mentees, who were taken through a number of exercises and tasks, led by Sally Gritten, as well as gaining a general introduction to the programme.

5.21 The overall feedback from this first session was that it was extremely useful and interesting overall. Several mentees felt that some of the more theoretically based content either lacked relevance or was not sufficiently targeted towards the programme itself to have a strong benefit. These comments primarily related to, for example, the exploration of "Personal Learning Styles". However, the exploration of management styles in "Diagnosing Organisational Culture" and "Critical Factors for Business Success" were both well received so it is difficult to generalise here.

5.22 The session was effective in ensuring that the mentees gave some thought to their objectives from the mentoring programme before their first meetings and went along to these meetings suitably prepared.

5.23 Having said that, feedback from some of the mentors implied that their mentees were not as well prepared as they could have been. We suspect that part of the problem here was that the

[13]Playing the game – insider views on video game development, NESTA, 2010

mentors were of such a high standing in their industries, that some of the mentees were "star-struck" on meeting them and, therefore, failed to take the full initiative and drive the agenda for their initial meetings.

5.24 We raised previously, in the literature review and interim reports, the fact that the mentors did not receive training. In the end, most of the mentors found their own rhythm and approaches for the mentoring, supported to some extent by the feedback discussions that they had during joint workshops. We also previously reported the fact that most early sessions were directed by the mentors and that some mentees had felt uncomfortable about the format of the relationship (being too formal, too informal and more or less directed than they expected). By the end of the programme, we found that there had been more negotiation in the format and that most of the pairs had reached a format that suited both partners.

5.25 Sally Gritten observed two main types of mentors:

- those that rush in, drive the agenda and energise their mentored companies
- those that offer blue sky discussions, but are less directive.

5.26 Perhaps in future mentees should be made aware of the possibility of having either of these styles of mentors. Our discussions with mentors have led us to understand that some of them feel that they are quite naturally well-equipped to perform the mentoring role without training. Others, despite also being very high achievers in their own fields, would have appreciated some direction and training so that they knew they were working along the right lines. We would suggest a half day familiarisation or light-touch training session would work well.

5.27 Coaching sessions ran alongside the main mentoring programme and were designed to support the mentees and to help ensure that their mentoring was free flowing. Many of the businesses remarked how useful these had been for them. They saw these coaching sessions as part of the holistic programme, rather than leading to specific benefits or actions. The overall impression was that the sessions certainly seemed to perform their role in bringing the different elements of support together.

Matching

5.28 Most of the matches worked well. Almost all of the pairs remarked upon how important it was for the mentor and mentee to gel on a personal level. This is also a theme that is frequently remarked upon in the mentoring literature. While a lot of effort was put into the matching process, the project managers undertaking the role did not know the individual participants (either mentors or mentees) sufficiently well to be able to confidently along personality lines. So, we suspect that mutual respect is the major factor, rather than personality compatibility. There was a commitment on each side to make the relationship work for themselves and for NESTA, which influenced a high level of successful matching.

Getting to know one another

5.29 However, while the matches were mainly successful overall, several took a long time to become productive. While some of the pairs got straight down to work on the business; others

found that they took a significant number of meetings before they really relaxed with each other and built sufficient trust and openness to be able to tackle the real issues in the businesses.

5.30 In some cases, those pairs that formed immediate bonds were the ones who were known to each other prior to the programme. However, there were other cases where new partnerships nevertheless bonded quickly and immediately started making an impact.

5.31 Expressions such as "dancing" and "skating" around each other were used in several cases to describe the initial stages of the relationship. We suggest that for a future programme, there might be some built-in "ice-breaking" function that would help to speed up the process of bonding between the mentors and mentees.

Structuring the meetings

5.32 There were variations in the structure of meetings. As discussed above, some were fairly formal and/or directed; others were more informal, freeform and chatty. As the programme progressed, those pairings that started off very informal often started to formalise slightly, as they became aware of wanting to make the most out of the programme. In some cases, those that started more formally became less rigid – for example, sometimes the partners stopped taking formal minutes once they understood that each of them would follow up and carry out actions. While we did not attempt to introduce a measure of formality, we suspect that the most productive relationships were those that managed to achieve a balance of in/formality and focus. The "trick" appears is in achieving a balance:

- the mentor should not be overly directive, however, they can help drive to get things done
- both partners should talk and listen – the mentee can learn from the mentor's experience; but the mentor should listen too to ensure he or she understands the specifics of the mentee's needs
- the meeting should have purpose and direction, but it can also benefit from sufficient free-form discussion that both parties understand the wider context in which they are working, and to uncover other pressing issues that may not have been articulated
- most agreed that some form of agenda is important (particularly for personalities with a tendency to digress). This can be informal but will help keep the discussion on track
- likewise, it is helpful to take a record of agreed actions for each (usually the mentee).

5.33 A popular structure is:

- general update on the business, what's changed since the last meeting
- progress against actions
- discussion on a particular theme or aspect of the business
- agree actions.

5.34 There were different variants on this including:

- agreeing a list of themes at the start of the process and worked through these
- developing a list through the mentoring discussions, using these as the basis for actions, and then coming back to the points on this list at subsequent meetings
- getting in touch a couple of days before the meeting with suggested themes
- leaving it until the meeting and then dealing with issues as they arose.

5.35 In most cases, the more planned approaches seemed to lead to more productive actions for the mentee. Some of the most informal relationships were useful in terms of providing a "sounding-board" for day to day issues (particularly during the recession) but were not so action-oriented.

Frequency of meetings

5.36 Most of the pairs in the CBMN aimed to meet, as suggested, once per month. In practice this often slipped to slightly less frequently, particularly over holiday periods but also whenever either party was busy. In most cases there was a commitment on both sides to stick to the routine. Most of the pairs too, got into a good habit of scheduling a few meetings in advance. Although these were frequently re-arranged, it meant that they would generally happen.

5.37 Several mentors fed back that they had enjoyed the mentoring programme and in many cases, would be willing to participate again. However, they also indicated found that it was time-consuming. Most would recommend the programme to their peers, but stressed the importance of preparing would-be mentors for the level of responsibility, both in time and giving the thought required to address the business and its needs.

Focus of meetings

5.38 With a shorter length of time than the Games Mentoring, the focus for CBMN was usually on strategic aspects of the business. Within this general scope, some of the popular themes to be explored included:

- **Marketing and business development** – many of the mentor helped their mentees to work on focussing their business development drive. In some cases this was about investigating what they do well, what they can do profitably and how they can further their success in these areas. In other cases, the discussion focussed on using the right resources in the company (or recruiting where necessary), for example one mentor helped a business realise that by letting those with the best sales skills have most access to clients and freeing them up from other responsibilities, they could be more productive and profitable; another helped with the negotiations for a new revenue line from a distribution partner.
- **Business structure** – in several cases, the mentors gave the support that the businesses needed to make some difficult decisions about staffing, that they had been putting off. This applied both to making staff redundant where their roles were no

longer working in the business and for taking on staff where additional resource was required. In some cases, it took a boost of confidence from the mentor to see either that a particular role was not working in the business; or that it would be worth investing in a senior level salary in order to boost sales or productivity accordingly.

- **Financial management** - while many of the mentored businesses were already running successfully, few seemed to be run with a primary motivation of making money. The mentors, by contrast, having that much more experience of running successful businesses on a larger scale, were generally much more focussed on the business and financial angle. As has been shown in the survey responses, many of the mentors focussed on helping the businesses to get their finances in order. This was a particularly useful function for survival in the recession, for preparing for any potential sale or finance round and for better business management generally. This is probably the one area for which the mentors took the most "hands-on" approach. If the businesses get their financial management in order, then they are able to use data from their finance systems to help decision-making in all other parts of the business. When the businesses start to grow beyond the stage of being a small lifestyle business, this approach becomes vital.

5.39 As the meetings were shorter than for Games Mentoring, many of the mentors tended not to get drawn into day to day issues. Some did get quite involved in some of the detail though, but more likely to do with, for example, business development opportunities, particular contacts to follow up. In a few cases, mentors and mentees embarked on joint opportunities outside the main mentoring programme.

An exit strategy

5.40 As with the Games Mentoring, it became clear towards the end of the programme that it would be useful to prepare for exit. Different pairs were differently equipped for this. In a few cases, the relationship is becoming formalised – e.g. the mentor taking on a Board/NED role in the business. In other cases, the partners hope to keep in touch in some form. It would be useful to provide an exploratory session investigating options. It would also be useful for NESTA to host some form of forum so that the mentors and mentees can meet up again.

Time commitment

5.41 CBMN mentors were generally enthusiastic about the value that they had received from taking part in the programme. The overwhelming feedback we have had back from mentors they were very willing to take part this time round, and found the process both valuable and rewarding. However, several mentioned that they had not fully considered the degree of time and commitment that being a mentor involves prior to agreeing. While most were happy to continue, some felt that they would not be able to repeat the process immediately due to other calls on their time and one or two had decided that they would not be able to be involved again.

5.42 We feel that to some extent, the time commitment required was often increased due to the mentors being so committed to their mentees and in many cases giving more than the allotted time. There were also a very few exceptions to this, where mentors had agreed to take on a

mentee, but in retrospect had found themselves to be so busy with their other responsibilities (particularly where frequent foreign travel was involved) that they had missed meetings and had not been able to perform the role fully. For many, though, the time commitment was successfully negotiated and provided a suitable level of input to the businesses.

5.43 The new set of mentors may benefit from interacting with this year's mentor group before signing up so that they can judge for themselves whether they can fit the commitment of being a mentor into their schedules.

Findings in relation to the literature review

5.44 Out of the literature review, we identified a number of research questions to be investigated through the evaluation process. These questions are listed in Table 5-1 along with a summary of the findings from CBMN and Games Mentoring pilots.

Table 5-1: Summary of findings in relation to research questions raised in the literature review

Research Question	CBMN	Games Mentoring
How have the matches worked and what have been the critical success factors for the relationships between mentors and mentees?	Most matches worked well. Pairings that involved potential conflicts of interest were identified at an early stage and weeded out. The sector specialisms worked well. In many cases, a match involving slightly different specialisms but within the Creative Industries proved challenging and refreshing for both parties Some of the mentors and mentees knew each other slightly before being matched. In these cases, the pairs appeared to bond more quickly and they were able to move on to the productive aspects of mentoring more quickly. Other partnerships found that it took up to 3 or 4 meetings before the full bond of trust and openness was established. Some of the mentors were very busy and there were some difficulties in arranging meetings. This led to frustration for mentees in some cases. Moreover, a very small number of mentors appeared to get involved as a result of a sense of obligation and admitted that they had not thought through the level of commitment required.	All the matches worked really well. The mentors have played a proactive role in motivating their mentee businesses. The partnerships formed were typified by honesty, openness and a commitment on both sides to make the changes to the mentee business. Having a games industry specialism worked very well. In many cases the mentors and mentees were facing or had faced similar issues. Moreover, the bigger challenges facing the games industry more generally were common discussion points. Having said this, some of the mentors and mentees found it useful and interesting to be paired across different types of games businesses – for example, mobile, console and online and informal gaming. The one pairing that crossed sector, involving Steve Taylor, also worked well. Steve did not have a games industry background but was able to bring a fresh new perspective to his mentee based largely on ideas relating to convergence, and on more general personal aspects of mentoring.
What have been the major pit-falls in relation to any of the less successful mentoring partnerships and how could these have been mitigated, or better managed?	There have been no major pit-falls. Mentors are very busy though and there have been some difficulties for mentees in setting up appointments. The other pit-fall is that some mentoring pairs have lacked a focus. While informality can be an important factor in mentoring, the mentee does need to be firm in ensuring that they are achieving real benefits from their interactions. In	There were no major pit-falls in relation to the mentoring relationships. They all worked out really well. In one case, the mentor and mentee felt that there was no need to meet after the first few sessions as they had covered the required ground. In most cases, the meetings for the Games Mentoring were all that much longer and more intensive. They did

Research Question	CBMN	Games Mentoring
	some cases, discussions have been too lax and have not led to well defined actions or change. In most cases where this started to happen, either the mentor or mentee stepped in and imposed some additional formality over subsequent meetings.	have such a risk of lacking focus as in the shorter format of CMBN where it was crucial to make the limited time available with the mentor count. So, while some parts of the meeting would be free-form and also relating to more general discussions about the industry, personal matters and so on, there was generally time built in too to ensure that they made progress and had actions to take away.
How well have the timings for the mentoring meetings worked? Where the meetings too frequent, or not sufficiently frequent? Was the 12 month period sufficient/too long/too short?	Timings appear to work for most of the pairings. There has been some adaptation of the scheduling of meetings to allow for busy period and holidays and only few pairs have met religiously once per month. Many of the mentees have noted that the 12 month period is not long enough to cover the implementation as well as planning phase of any change. This is particularly true for those pairings who did not know each other at all prior to the programme. Where it took, say, 3 – 4 meeting to build trust, there were then only 8 to 9 months left. Some have suggested 18 months as a more suitable time-frame for the programme. Mentors have been more split in their views about whether the duration has been long enough. Several have indicated that involvement in the programme has had a significant impact on their own timetables.	Timings appeared to work well initially. However, some mentors have suggested that two days per month is a substantial amount of time that becomes less necessary as the relationship progresses. Some have commented that a month can seem like an insufficient gap between meetings and that sometimes there is not much scope for action or change between meetings.
How important was the level of sector speciality? Were the mentors willing to share experience of their sectors? Where there areas where competitive issues (or conflicts of interest) arose? What were the limits of the mentors' ability (if any) to help newer (and possibly more forward-looking) businesses?	Sector specialism appears to have been highly valued by the mentees. Some conflicts of interest arose from mentors holding NED positions in businesses that compete directly with their suggested mentees, which, as mentioned above, were sifted out at an early stage. In many cases, mentors have been extremely generous in sharing their experiences of working in the sector and in making introductions to relevant contacts. Interestingly, though, as we have found with other mentoring schemes, people are generally optimistic about matches. Where there is a close sectoral match then this is rated as being very important. Where the connection is less close, then the pair tend to see the benefit of having a different perspective.	Sector specialism was again highly valued. The mentees appreciate being mentored by people who are intimately involved in the games industry and who are aware of its peculiarities and challenges. Having said that, the involvement of one mentor from an advertising background is also very positive.
Were the mentors and mentees sufficiently well trained, briefed and prepared in order to get the most out of the relationships? Were there any areas where they would have liked to have been better prepared?	Feedback on the training sessions with mentees was positive with participants particularly appreciating those aspects that were directly applicable to their businesses and to getting the most out of the	Feedback on the training received by mentors and mentees was fairly positive. The training was light touch and helped to introduce the partners as well as to highlight some best practice in dealing with mentors/mentoring. As with CBMN,

Research Question	CBMN	Games Mentoring
	mentoring. There were concerns aired that the mentees were not fully prepared to take the lead in their mentoring sessions but we feel that this would not have been addressed by more training. A more appropriate and effective approach would have been to hold an earlier "ice-breaking" session where mentors and mentee pairs were introduced. Some of the mentors felt that they did not need any training. Others felt that they were ill-prepared for the programme. The overall feeling is that they would have liked to have more of an introduction or induction, rather than a formal training session.	the participants preferred the more practically focussed aspects to the theoretical parts of the training. The main benefit was regarded as the introduction to the group and an overview of expectations. The other really useful part of the training was the session on "active listening".
What were the benefits to the mentors of taking part in the programme? Would they be willing to continue as mentors, or to continue relationships with their mentees in a different form (e.g. as non-executive directors).	Many of the mentors remarked on how much they had enjoyed taking part in the programme. For some it was an opportunity to get in touch with newer areas of their sector. Others indicated that the experience had made them think more deeply about their own businesses and to make changes to their practice.	The discussion meetings with mentors have highlighted benefits to their own working practices, outlook and to the wider development of the games industry. As a legacy of the Games Mentoring, the mentoring group have produced a publication of experience and learning about the games industry.
Would the mentees be willing to pay for future or continued mentoring? What would be a suitable pricing structure for mentoring, or is this not an appropriate/necessary approach?	Most of the mentees felt that they would not have signed up to a paid mentoring programme. In most cases, they would not have anticipated the benefit and, given the economic environment they were working within, would not have wanted to affect cash-flow further by taking on what would have seemed like an unnecessary expense.	Mentors and mentees felt that if there had been a direct charge to the mentee then the nature of the support would be affected. Several of the mentors worked on a consultancy or advisory basis for games businesses and regarded both their relationships and services provided as being very different when there is a direct client-supplier relationship involved. Some felt that there could be a case for a sliding scale of charging. This would involve a free period, followed by an introduction of fees if the support was to be extended. This approach has the benefit of encouraging access and only charging at a point where the mentees have seen the nature and value of benefit to their businesses.
Would mentors prefer to be paid for their involvement? How would this change the mentoring programme's dynamics, operation and sustainability?	This group were quite willing to act as mentors without payment. Their motivations for being involved generally revolved around wanting to help younger businesses, to "give something back" and for themselves, to keep a finger on the pulse of new businesses in their sector. Very few mentors from this group even claimed the expenses that they were entitled to. However, on the down-side to this, the fact that involvement was voluntary on the part of the mentors did make it difficult to apply pressure to those few mentors that kept re-arranging meetings. Many of the mentors are willing to	The mentors were paid by NESTA for their involvement in Games Mentoring. It is unrealistic to expect mentors to provide a commitment of 2 days per month unpaid. However, there are signs that the mentors would continue to have informal contact with their mentees after the main programme has been completed. This will not be at the same level or intensity as the previous arrangements.

Research Question	CBMN	Games Mentoring
	take part again, and will no doubt encourage others to get involved. With mentors of this level, we do not expect that payment would be a primary motivation for taking part.	

Source: SQW

Other learning and observation from the evaluation process

5.45 In addition to the main findings set out above, we would also make a more general points of feedback that have emerged through the evaluation process itself.

Monthly surveys

5.46 We found that while it was useful to have on-going regular contact with the mentees, the monthly surveys were too cumbersome as a method of checking on progress. The format of these was not ideal mainly for two reasons:

- there were too many questions and the focus was too much on benefits and achievement at a stage where this was not yet occurring.
- they were not formatted in a way that had any benefit to the mentees (so were seen as a burden).

5.47 The result was that, even for those surveys that were completed, the information provided tended to be quite vague. The mentees found it difficult to articulate their answers in this way, although they were more than happy to talk about their experiences.

5.48 We would recommend that, in future, beneficiaries are invited to fill out mentoring forms as part of the process of mentoring. These would have a space for the agenda, key points and actions. The project manager could request that these be used for meetings and ask for copies.

6: Conclusions

6.1 The main conclusion is that both the NESTA mentoring programmes were extremely popular, successful and beneficial to all involved. Evidence from surveys, observation and consultations all lead us to see that the businesses involved have benefitted tremendously.

6.2 While many of the quantitative benefits are expected to follow some time after the intervention, immediate qualitative benefits include:

- reported increases in confidence
- better skills for business
- improved management capability
- increased professionalism in individual managers and across business structures
- increased ambition and drive to grow creative businesses.

6.3 These qualitative benefits are extremely important and particularly during the period of recession in which the programme has taken place.

6.4 Many of the businesses taking part have made substantial changes to their businesses in terms of planning, business structures, staffing, finance, accounting, marketing and exit plans, all influenced by their regular contact with their mentors.

Quantitative impact

6.5 As we have indicated above, and in the main body of the evaluation report, we expect from our discussions with businesses and from the survey responses given, that the main benefits from the mentoring will follow within a medium-term period – with a sizeable return within a three year period. The types of changes that the mentors have helped the businesses to implement, by nature, will in most cases take time to come to fruition.

Turnover improvements

6.6 Moreover, as noted, the programme has run during a period of major recession. Looking at gross figures, we find that businesses on the CBMN programme experienced an average decrease in sales turnover in 2009/10 compared to 2008/9 (around half the businesses experienced a fall; and half either steady or some growth).

6.7 However, even those companies that experienced a fall in turnover indicated that without mentoring they would have suffered far worse. It is perhaps significant that all 24 companies taking part in CBMN, were still trading at the end of the period, despite experiencing some of the worst trading conditions in their histories.

6.8 In terms of future expectations, 80% of the businesses expected an increase that could be attributed at least in part to the mentoring programme.

6.9 Overall, we estimated that *net* turnover effects of the programme to date are £0.7 million to date (equivalent to GVA of £0.3 million), expected to rise to £8.6 million (equivalent to £3.9 million) by the end of 2011/12.

Employment increases

6.10 Similarly, with respect to employment, the mentored businesses had reduced their average employment (FTE) by 0.6 in 2009/10 compared to 2008/9. Several businesses had made redundancies or had left vacancies unfilled. However, many too had made strategic appointments of key staff who were beginning to impact their businesses' performance. Moreover, most expected to be recruiting again in the near future – including making appointments that were influenced by the support of their mentors.

6.11 Our estimates are that businesses would have decreased their staffing levels slightly more without the mentoring. More importantly, they are expecting to grow their staffing levels over the next years by more than they would have without the benefit of the mentoring.

6.12 So, again, the *net* employment effect of mentoring is expected to reach 0.9 average additional FTE per company by 2011/12. This translates to overall benefits of 43 FTE years[14] over the next three years.

Wider benefit

6.13 As well as the measurable benefits to mentees, the mentoring programmes also appear to have benefitted the mentors. In many cases, mentors have reported having taken a fresh look at their own business practice and management performance as a result of being involved with these younger companies.

6.14 In some cases, mentors and mentees have entered commercial relationships resulting from introductions through the programme, either as collaborations, NEDs or supply contracts.

6.15 Moreover, the games mentoring programme resulted in valuable evidence and guidance being assembled within a NESTA-published book, authored and edited by the mentors and mentees: "Playing the Game[15]". Not only does this publication provide invaluable insight for games developers, but also helps to promote the wider cause of the games industry in the UK.

6.16 The involvement of many high level mentors in both programmes, too, has played an important role in raising the profile of the creative industries in the UK and furthered the wider perception of the need to support the growth of these sectors in future.

[14] FTE years are not the same as jobs created. The measure is of one FTE being employed for the equivalent period of one year. In some cases, the same person may occupy the job for several years, in others it will be different
[15] *Playing the Game,* Insider views on video game development, NESTA, 2009