International Growth Fund (IGF) Evaluation



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An Ipsos report prepared for the Ministry of Business, Innovation & Employment (MBIE)

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Glossary of Terms

Additionality	Additionality is the net change attributable to an intervention, beyond what would have occurred anyway.
ANZSIC	Australia and New Zealand Standard Industrial Classification (2006).
Beachhead advisor	A global network of private-sector business experts who work with NZTE to help provide New Zealand exporters with strategic advice, market insights, and local connections in export markets.
Emerging exporters	A business in the early stages of its export journey with limited experience operating in international markets and a greater need for market validation, capability building, and support to navigate challenges.
Established exporters	A business with an established export track record, existing international market presence, and greater capability to scale, diversify, or deepen its engagement in overseas markets.
FBCG	Food, beverage, and consumer goods sector.
Focus firm	A business in NZTE's Focus portfolio, receiving a broad range of tailored support services related to export expansion.
GVA	Gross value added. GVA is the dollar value of total sales minus the cost of inputs the business purchased as part of production (e.g. materials).
IGF	International Growth Fund.
MBIE	The Ministry of Business, Innovation & Employment is a government agency responsible for advising on policies related to the business environment and economic growth.
M & IR	Manufacturing and Infrastructure and Resources.
NZTE	New Zealand Trade and Enterprise is New Zealand's international business development agency, responsible for administering the International Growth Fund.
NZTE Focus portfolio	A select group of high-potential New Zealand export companies that receive dedicated, hands-on support from the government to accelerate their international growth.
T & S	Technology and Services sector.
Under $10M revenue	A business with annual revenue under $10 million.
$10M–$50M revenue	A business with annual revenue between $10 million and $50 million.
Over $50M revenue	A business with annual revenue over $50 million.

Executive Summary

Introduction

The International Growth Fund (IGF) was established in 2009 to support New Zealand businesses seeking to enter or accelerate growth in new international markets.

New Zealand Trade and Enterprise (NZTE) is the key government agency responsible for directly supporting exporters. The IGF is NZTE's major grant programme. IGF grants are only available to firms in NZTE's Focus portfolio – a group of businesses that receive a broad suite of tailored export services from NZTE. From inception to 30 June 2025, $443.3m in public funding has been provided to businesses through the IGF.

Expansion grants are the longest-running and highest-value form of IGF funding, accounting for about two-thirds of total IGF funding in recent years. The Validation and Springboard grants were introduced in 2015 and 2020 respectively, as smaller and shorter-term grant options for specific purposes.

Expansion grants support businesses to accelerate high-impact international growth projects. NZTE contributes up to $600,000 over three years, alongside investment from the business.

Evaluation Context

The Ministry of Business, Innovation & Employment (MBIE) commissioned an evaluation of the IGF in 2025/26, to strengthen the evidence available on the fund's impact and effectiveness in supporting New Zealand exporters. The evaluation is focused on the Expansion grant, and comprised complementary quantitative and qualitative components:

Quantitative component

A causal impact analysis was conducted by Dr. Tadhg Ryan-Charleton, Dr. David C. Maré, Dr. Lynda Sanderson, and Dr. John McDermott from Motu Economic and Public Policy Research (Motu), an independent not-for-profit economic research organisation.

Motu's 2026 analysis estimated the impact of Expansion grant support on international activity and business performance, relative to what would have happened in the absence of support.

Qualitative component

A qualitative analysis was undertaken by Ipsos New Zealand (Ipsos) interviewing 40 recipient businesses to deepen and expand on the impacts outlined by Motu's analysis.

The aim was to complement Motu's causal analysis by exploring how recipient businesses used the funding, what the funding enabled, and the mechanisms through which support influenced their international activities, capabilities and performance.

The two components, therefore, provide distinct but complementary evidence. Motu's causal analysis estimates the outcomes attributable to Expansion grant support across the recipient population, while the qualitative evaluation provides detailed evidence about how and why these outcomes occurred, and why the effects of similar support may differ between businesses.

This report summarises the key findings from the quantitative and qualitative components of the evaluation.

Expansion grants had strong positive effects on supported businesses

Motu's causal analysis estimated the effect of Expansion support by comparing the outcomes of businesses that received IGF Expansion grants *('recipient businesses')* with carefully constructed counterfactual estimates of what those same businesses would have achieved without the grant.

The analysis found that Expansion grants delivered substantial and sustained improvements across a range of business performance measures relative to what would have occurred without support, indicating strong returns on public investment.

The key findings were:

- **Export sales were estimated to be 19% higher in the first year of support** than they would have been without Expansion funding, increasing over time, and **peaking at 92% four years after Expansion support commenced**. Across the seven-year analysis window, export sales increased by an average of **$11.1 million per supported business per year,** relative to what would have occurred without support.
- **Supported businesses were estimated to record higher levels of gross value added (GVA)**, relative to what would have occurred without support. Estimated increases range from **14% to 40% across the seven-year analysis window**. Across this period, support generated an average of **$2.7 million in additional GVA per supported business each year.**
- **Supported businesses were estimated to have higher total sales, employment and wages** than would have occurred without Expansion support.
- **Stronger positive effects were identified among businesses supported more recently, goods-producing businesses and smaller businesses** (although larger firms account for a disproportionate share of aggregate impacts).
- In present value terms, **Expansion funding has a strong return on public investment, generating an estimated $12.3 billion in value added**, and $49.1 billion in export sales from $737.4 million in government expenditure. This equates to approximately **$16.60 in additional value added and $66.70 in export sales for every dollar of public expenditure.**

These estimates capture effects at supported-business level, and do not account for larger economy-wide interactions, such as spillovers or offsetting effects. There is also uncertainty around the precise magnitude of the estimates. Motu noted that factors that could not be fully observed or incorporated may lead to some overstatement of the true average effect, but that these uncertainties were unlikely to alter the overall conclusion of strong positive impacts.

The qualitative findings explain the pathways through which support contributed to outcomes

Process and experience

The IGF played a critical role in enabling businesses to convert identified export opportunities into action by building confidence, capability, and market understanding. While most recipients had already begun exploring international markets, the funding accelerated decision-making and investment in growth activities. Recognising that export journeys are rarely linear, the programme's

flexible approach allowed businesses to adapt to changing market conditions, including the significant disruption caused by COVID-19, while continuing to progress towards their international growth objectives.

IGF funding delivered benefits beyond its financial contribution

The benefits of the IGF extended well beyond its financial contribution. Funding provided external validation of participating businesses, strengthening credibility with boards, investors, and partners while increasing confidence to pursue ambitious growth opportunities. By reducing financial risk and enabling a longer-term perspective, IGF allowed businesses to accelerate international expansion, invest in strategic opportunities, and adopt a 'test and learn' approach that generated valuable market insights, strengthened capability, and informed future investment decisions.

IGF support strengthened capability for long-term growth

Beyond direct commercial outcomes, IGF support strengthened the underlying capabilities that drive long-term business performance. Participants reported improved export knowledge, strategic planning, decision-making, organisational maturity and confidence. These improvements enabled them to identify and pursue growth opportunities more effectively. Businesses viewed these capability gains as enduring outcomes of the programme, providing the foundation for sustained export growth and contributing to the stronger sales and performance results achieved over time.

The mechanisms through which the IGF creates impact

IGF funding generated strong additionality by enabling businesses to move faster, invest at a greater scale, and pursue opportunities with lower risk than would otherwise have been possible. The funding accelerated market entry, supported an on-the-ground presence in key export markets, and provided the flexibility to adapt to changing conditions and emerging opportunities. As a result, businesses reported stronger growth, greater resilience, and more substantial outcomes than would have been achieved without support.

Impact manifests itself in different ways across business types

The impact of the IGF was not uniform across recipients, with outcomes varying according to business size, export maturity, and market context. Smaller businesses, as well as those with lower pre-grant sales were most likely to describe the funding as transformational, providing both the financial support and confidence needed to pursue opportunities that may otherwise have been delayed, scaled back, or not undertaken. For these businesses, the IGF acted as a critical enabler of growth, rather than simply a supplementary source of funding.

Less experienced exporters also reported some of the strongest capability-building outcomes. Funding helped organisations strengthen export knowledge, improve market readiness, enhance strategic planning, and build confidence in international decision-making. These gains reduced the risks associated with entering new markets, enabling businesses to pursue growth opportunities that had previously been beyond their resources or capabilities. Findings also highlighted the importance of effective market selection and sequencing, particularly for emerging exporters, suggesting that guidance alongside financial support can help maximise export success.

The timing and nature of benefits also differed across business types. Based on qualitative interviews, digital and service-based businesses often realised impacts more quickly, while physical goods

exporters typically required longer timeframes to establish manufacturing, regulatory, and distribution arrangements before benefits were realised.

The IGF plays a supporting role in the funding landscape

While businesses often accessed multiple forms of funding throughout their growth journey, the IGF was seen as occupying a distinct position by supporting activities that can be difficult to fund through other traditional channels.

In particular, participants highlighted the role of the IGF in reducing the risk associated with market development, export expansion, and innovation-related activities. This helped businesses to pursue opportunities that may not have attracted external investment at an early stage.

Extended value to businesses through additional support

Participants consistently described the funding provided through the IGF and the broader support provided by NZTE as distinct, but complementary sources of value. This extended to NZTE's broader Focus firm support, with participants particularly valuing strategic advice, market expertise, relationship management and access to in-market networks. They felt this support helped them navigate international markets, identify opportunities and establish key connections.

While participant feedback on both the IGF programme and NZTE's support was overwhelmingly positive, participants also suggested several areas where they believed further support could assist businesses, including additional support in complex export markets, follow-on funding to sustain momentum and capitalise on emerging opportunities, and greater peer learning opportunities for exporters to share experiences and build capability. This is a reflection of participant perceptions on the IGF programme as opposed to an overall recommendation emerging from the evaluation.

Introduction

The International Growth Fund (IGF) was established in 2009 to support New Zealand businesses seeking to enter new markets with new or existing products, or to accelerate their growth in international markets. The IGF is intended to help businesses to acquire the capabilities required for international expansion, and reduce the costs and risks associated with entering and developing new markets.

New Zealand Trade and Enterprise (NZTE) is the key government agency responsible for directly supporting exporters. As NZTE's major grant programme for supporting export businesses, the IGF forms an important part of the services and tailored support provided by NZTE.

NZTE currently provides tailored supports to a group of approximately 1,000 New Zealand businesses through its *Focus* portfolio. Focus firms meet criteria to be eligible for this support, related to export readiness and capability. They receive a range of supports, such as dedicated customer managers, access to private sector (*beachhead*) advisors, and networking and capability-building opportunities. Only Focus firms are eligible to apply for NZTE's three IGF grants:

Expansion grant	Supports businesses to expand into new markets of strategic importance for the business. Up to $600K per grant over 3 years. Introduced in 2009.
Validation grant	Supports businesses to explore the feasibility of a potential export opportunity. Up to <$100K per grant. Introduced in 2015.
Springboard grant	Supports businesses to access specialist advice or support. Up to $10K per grant. Introduced in 2020.

Expansion grants are the longest-running and highest-value form of IGF funding, accounting for about two-thirds of the funding. The Validation and Springboard grants were more recently introduced (in 2015 and 2020, respectively), as smaller and shorter-term grant options. This report focuses on businesses that have received at least one Expansion grant.[1]

To be eligible for Expansion co-investment, businesses need meet a range of financial, business, and project criteria related to capacity, readiness, and economic benefits for New Zealand. They must also demonstrate additionality, i.e. an increase in their own investment, for international activity that would not occur without IGF co-investment. This is to ensure the fund is driving new growth, not subsidising business-as-usual activities.

Significant changes to the IGF since 2009

a.) Grant cap for Expansion grants reduced from $1M to 600K.
b.) Public co-funding contribution for all grants fluctuated within the 40%–50% range – it is currently at 40%.
c.) Funding cycle reduced from 5 years to 3 years.
d.) Businesses with over $500M overseas revenue made ineligible for IGF support, later changed to $100M in total revenue in 2024.
e.) Validation grant and Springboard grant options introduced.
f.) IGF funding temporarily doubled to $60M per year from 2020 to 2024 as part of the COVID-19 response.

[1] Some of the participant businesses may have *also* received Validation or Springboard funding, besides Expansion funding.

Further information on the IGF's policy rationale, history and programme settings is available in Motu's 2026 Causal Impact Analysis report.

Recipient businesses can draw down funding progressively as project activities are undertaken, meaning the timing of expenditure, the activities, and the resulting outcomes vary across recipients. This should be considered when interpreting the findings of this report, as some businesses may still have been implementing project activities or realising benefits at the time of the evaluation.

The Ministry of Business, Innovation & Employment (MBIE) commissioned an evaluation of the IGF in 2025/26, to strengthen the evidence available on the funds impact and effectiveness in supporting New Zealand exporters. This report sets out the findings of this evaluation.

Evaluation Context

The IGF has been formally evaluated once before, in 2014/15. This evaluation responds to a need for updated, robust evidence about whether, how, and under what circumstances the IGF contributes to improved international activity and business performance.

The 2025/26 IGF evaluation comprises complementary quantitative and qualitative components.

Quantitative component

A causal impact analysis was conducted by Dr. Tadhg Ryan-Charleton, Dr. David C. Maré, Dr. Lynda Sanderson, and Dr. John McDermott from Motu Economic and Public Policy Research (Motu), an independent not-for-profit economic research organisation.

Motu's 2026 causal analysis investigated whether receipt of an Expansion grant was associated with increased international activity and improved business performance. This analysis examined the business-specific impacts of the IGF Expansion grant relative to a counterfactual – illustrating what would have happened in the absence of support. It also considered the value generated by the grant and variation in outcomes across business types, and over time.

The two key questions that Motu's causal analysis addresses are:

a.) **Impact:** *Has the IGF Expansion grant been successful in increasing international activity and performance outcomes of recipient businesses?*

b.) **Value:** *What is the return on investment from the IGF Expansion grant?*

Qualitative component

A qualitative analysis was undertaken by Ipsos New Zealand (Ipsos), to deepen and expand on the impacts outlined by Motu's 2026 Causal Impact Analysis report.

The qualitative component was carried out to complement these findings by examining the processes and circumstances underlying the quantitative results. It did not seek to reproduce Motu's causal analysis or independently estimate the impact of the IGF. Instead, the qualitative component explored how recipient businesses used the funding, what the funding enabled, and the mechanisms through which support influenced their international activities, capabilities, and performance. It also examined the business, project, and programme factors that shaped the nature and extent of the outcomes achieved.

The two components, therefore, provide distinct but complementary evidence. Motu's causal analysis estimates the outcomes attributable to Expansion grant support across the recipient population, while the qualitative evaluation provides detailed evidence about how and why these outcomes occurred, and why the effects of similar support may differ between businesses. This report summarises the key findings from both the quantitative and qualitative components of the evaluation. Motu's causal analysis findings are integrated throughout the report, with qualitative findings providing context and supporting interpretation of the quantitative results. Further details on Motu's methodology, findings and limitations are available in Motu's 2026 Causal Impact Analysis report.

Qualitative Analysis Objectives

The overall objective of the evaluation was to assess the impact of the IGF's Expansion grant on the international activity and performance of recipient businesses, with a particular focus on *additionality* (the net change attributable to an intervention, beyond what would have occurred anyway). Additionality concerns the extent to which the IGF enabled activities or outcomes that would not otherwise have occurred, or would have occurred later, or at a smaller scale.

Additionality was primarily assessed through Motu's causal analysis, which sought to determine the extent to which observed impacts could be attributed to the intervention of Expansion funding support. Qualitative research complemented this analysis by providing insights into how and why impacts occurred, exploring participants' experiences, decision-making processes, and the role the intervention played in shaping outcomes. While qualitative evidence cannot conclusively establish the counterfactual or quantify additionality, it can provide valuable business-level perspectives on the intervention's contribution and the mechanisms through which impacts were realised.

Within this wider objective, the qualitative analysis addressed five key questions:

1) *How do participating businesses perceive the additional value created by the IGF support?*
2) *What activity did the IGF enable that would not otherwise have occurred, or would have occurred differently?*
3) *Through what mechanisms does the IGF influence businesses' ability to export or improve their export performance?*
4) *What business or programme characteristics influence the extent to which businesses benefit from the IGF?*
5) *What refinements could enhance the IGF's impact and overall value?*

These questions informed the design of the interview guide and the thematic analysis for the qualitative component of this evaluation. Findings from Motu's 2026 Causal Impact Analysis report were incorporated where relevant in this report, allowing the qualitative findings to explain, or contextualise patterns identified in the quantitative evidence without duplicating Motu's 2026 Causal Impact Analysis report.

Qualitative Research Methodology & Approach

Qualitative research design

The qualitative evaluation comprised of 40 in-depth interviews with Expansion grant recipients, reflecting Motu's focus on Expansion projects in its causal analysis. The qualitative evaluation included projects that commenced from 2014 onwards and closed by 30 June 2024. Although Motu's causal analysis included Expansion projects commencing in the year ending March 2010, the qualitative evaluation used 2014 as project start point to reduce the risk of participants' having difficulty accurately recalling experiences from earlier projects. The closing date of 30 June 2024 was selected to align with the population examined in Motu's causal analysis.

The qualitative component was designed to complement Motu's causal analysis by providing deeper contextual detail about businesses' decision-making processes, use of funding, and perceptions of additionality. It focused on the mechanisms and circumstances underlying observed outcomes, rather than attempting to reassess the causal estimates produced by Motu.

Each interview was anchored around a specific Expansion grant project. The interviews followed a common discussion guide informed by the evaluation objectives and Motu's 2026 Causal Impact Analysis report findings. The semi-structured format also allowed researchers to explore matters specific to each business and funded project, including the business's international objectives, the activities supported, the role of the grant in business decision-making, project implementation, and outcomes.

Recruitment and sample

As administrator of the fund, NZTE supported recruitment by identifying potentially eligible businesses from its database of Expansion grant recipients. Expansion project recipients were matched against the population included in Motu's causal analysis, and projects were randomly selected from this matched population. NZTE's customer managers then reviewed the shortlisted businesses against predefined criteria to confirm their eligibility, relevant knowledge availability, and contact appropriateness. NZTE also validated the available contact information before providing it to Ipsos.

The two primary sampling variables were:

- Business size, based on annual revenue and grouped into three categories*: under $10 million, $10 million–$50 million,* and *over $50 million.*
- Sector, based on NZTE's operational classifications: *Food, Beverage, and Consumer Goods (FBCG); Manufacturing and Infrastructure and Resources (M & IR);* and *Technology and Services (T & S).*

Sample achieved

The sample was designed to include 40 unique businesses and provide diversity across business size and sector. The sample achieved met the fieldwork quotas for n=8 across each business size group, and sector group. The table overleaf shows a breakdown of the final sample achieved.

Sample matrix – business size by sector

	Under $10M revenue	$10M–$50M revenue	Over $50M revenue	Sector Total
FBCG	6	5	1	**12** *(30%)*
M & IR	5	4	6	**15** *(38%)*
T & S	7	4	2	**13** *(33%)*
Business Size Total	**18** *(45%)*	**13** *(33%)*	**9** *(23%)*	**40**

The distribution reflects both the sampling framework and the practical availability of eligible participants. While all minimum quotas were met, the achieved sample was not proportionately representative of the eligible population. The sampling approach instead prioritised sufficient coverage of each category to support qualitative comparison across groups.

Fieldwork and analysis approach

Recruitment took place 25 June–28 August 2026, and the interviews were conducted online throughout 30 June–31 August 2026. Analysis drew on interview transcripts and standardised notes prepared by the research team. Thematic analysis was undertaken iteratively throughout fieldwork to identify recurring findings, differences in businesses experiences, and issues requiring further examination.

For a more extensive overview of the research methodology and approach, please see the *Appendix*.

Report Limitations

Findings from Motu's 2026 Causal Impact Analysis report have been incorporated throughout this report to provide evidence of programme additionality, alongside qualitative findings which help to explain the mechanisms through which impacts were realised and experienced by participating businesses.

The findings from the qualitative analysis presented here aim to provide depth of understanding and insight into business participants' experiences, perceptions, decision-making processes, and outcomes, rather than to be statistically representative of all businesses receiving IGF funding.

The findings described in this report reflect the views of the individuals interviewed from recipient businesses and should be interpreted as indicative rather than conclusive. Given the retrospective nature of many discussions, participants' recollections may also be influenced by time, changing business circumstances, and hindsight. While the research identifies common themes and patterns, the findings should be considered alongside other sources of evidence when informing strategic or policy decisions.

Qualitative insights help validate key themes, indicate the scale and prevalence of observed behaviours, impacts, and outcomes, and provide a broader evidence base for interpreting business experiences and perspectives. Given the nature of Motu's 2026 Causal Impact Analysis report, the majority of relevant findings are incorporated into sections of this report that examine IGF funding outcomes.

Participation was voluntary

Participation was voluntary, and the achieved sample comprised businesses that could be contacted, were available during the fieldwork period, and agreed to participate. Businesses that opted out, did not respond, were unavailable, or were excluded due to business circumstances may have had different experiences of IGF funding.

Evidence relied on retrospective participant accounts

The interviews relied on participants' retrospective accounts. Recollections may have been influenced by time, changing business circumstances, and hindsight. Participants' assessments of what would have happened without the grant cannot establish a counterfactual independently and should be interpreted alongside Motu's 2026 Causal Impact Analysis report.

Sector classifications were not directly comparable with the quantitative evaluation

Sampling and subgroup analysis used NZTE's operational sector classifications. These categories do not map directly onto Australian and New Zealand Standard Industrial Classification (ANZSIC) categories or the industry groupings used in Motu's quantitative analysis. It is, therefore, not possible to make exact sector-level comparisons between the qualitative and quantitative samples. The qualitative analysis can provide contextual evidence relevant to the industry patterns identified by Motu, but apparent similarities or differences should not be interpreted as comparisons between directly equivalent sector categories.

Attribution of funding and non-funding support

In many cases, the IGF funding was delivered alongside complementary NZTE non-funding support available to all Focus firms throughout their customer journey, making it difficult for participants to isolate the relative contribution of each element to observed outcomes. Consequently, the qualitative analysis is better able to assess the contribution of the overall intervention rather than the specific impact of funding in isolation.

For a more extensive overview of the report limitations, please see the *Appendix*. A summary of limitations for the causal analysis can be found in Motu's 2026 Causal Impact Analysis report.

IGF – Enabled Activities & Outputs

This section provides an overview of how interviewed businesses described the utilisation of their IGF funding and the objectives they sought to achieve through funded activities.

To provide context for the findings that follow this section, participants were initially asked to describe the specific initiatives supported by the IGF funding, how the funding was applied in practice, and the broader goals and outcomes their projects were designed to deliver.

This information helped to frame the discussion by illustrating the range of activities undertaken, and the role the funding played in supporting business growth, capability development, and international market expansion.

There was no single IGF funding journey. Businesses integrated the funding into their own growth strategies, which resulted in diverse pathways shaped by their individual objectives, opportunities, and challenges.

Funding supports a range of activities to build confidence and capability

Businesses reported using the funding to support a wide range of activities. However, the primary purpose was consistently described as building the confidence, capability, and market understanding needed to pursue export growth opportunities.

For many, the funding enabled them to test assumptions, explore new markets, and reduce the risks associated with international expansion. While most businesses had already identified overseas opportunities and undertaken preliminary market exploration before receiving support, the funding provided the resources and momentum needed to progress these opportunities with greater confidence, speed, and scale.

At the point of funding, most businesses had sufficient confidence in the opportunity to pursue it further, but viewed the IGF as the catalyst that enabled them to actively commit to and accelerate their market growth ambitions.

> *"We were really getting underway with sales ... and looking for how can we expand beyond New Zealand and [international market]; how can we expand into [new target market]? Where are the opportunities for us there? Be that selling existing equipment ... or moving into different equipment to suit their processing ways." – under $10M revenue, M & IR business*

> *"Project aim was to grow our business with this customer, to show that we were supporting them." – over $50M revenue, M & IR business*

Businesses were asked how they used the funding to support export growth. The main areas of activity funded through the IGF were:

- **Market research and due diligence** – obtaining data and insight to provide greater confidence around decision-making and next steps.

> *"Specifically, the market research, because ultimately without market research, you're going on gut instinct, whereas the market research is hard data, and hard fact that there is going to be a demand for what we're proposing to deliver." – $10M–$50M, T & S business*

- **Travel and accommodation to overseas markets** – supporting a range of activities in the market, i.e. face-to-face networking, attending trade shows, and meeting with new partners and suppliers.

  "Face-to-face networking and figuring out how we can work together to develop equipment." – over $50M, M & IR business

  "Without travel, it's highly unlikely that we would have been as successful as we had been growing that client base. You've got to be on the ground; you've got to be seen to be local to beat out the local players." – under $10M revenue, T & S business

- **Establish local partnerships** – helping businesses to establish local partnerships within overseas markets to build deeper relationships with distributors, agents, industry networks, and potential customers, providing valuable local knowledge and market access.

  "[the funding helped us with] Travelling New Zealand-based staff to [specific target market] to negotiate development partnerships." – over $50M revenue, M & IR business

- **Running local marketing campaigns and activations** – several businesses outlined how funding had enabled them to launch and promote local marketing campaigns, such as in-store promotions, demonstrations, and other local activations. Funding also supported post-launch marketing activity in local markets.

  "The fund essentially accelerated our expansion and allowed us to grow B to B partnerships and sell our patented technology … we wanted to partner with prominent premium jewellers to make our mark on the world … we were trying to partner with [X business] ... it's incredibly hard to get to the right person, so we had to launch with a bang to get noticed … because of Covid we couldn't launch at the trade show, so we did a large PR push ... we had a direct campaign … the IGF allowed the resource and the expertise to do the major campaign … we got a call from the key person at [x business] who said 'whatever you are doing with your marketing, it's fantastic' … that ability to get our name and story out there was really important. It gave us our one big opportunity." – under $10M revenue, FBCG business

- **Recruiting staff** – a key area of activity. Many businesses outlined how funding had enabled them to employ team members 'on the ground' in local markets for the first time. In some cases, funding was also used to recruit additional staff in New Zealand to provide the support needed to pursue growth. Funding was used to cover some or all of the salaries of these new recruits.

  "When you're moving into a new market, it's incredibly expensive. You know, there's a lot of money going out and not a lot coming in. So having the IGF allowed us to employ a local salesperson and technical person maybe a couple of years before we could have if we were funding it out of [our] cash flow. That was the absolute key for us … it's just allowed us to move faster in the market, which, you know, is very, very helpful." – $10M–$50M revenue, M & IR business

- **Explore local planning requirements** – in some cases, funding enabled businesses to explore local council planning requirements, survey proposed sites for development, and understand local laws and restrictions. Ability to employ local staff helped to overcome cultural and language barriers.

  "Where the need was in terms of the travel and the consultants, in terms of helping to provide market research in countries and markets. It was design, it was planning requirements and

understanding planning, it was legal, in terms of potentially company and corporations. So that's where the bulk of the funding went – into those two elements." – $10M–$50M revenue, T & S business

- **Product and service development** – some businesses explained that funding had allowed them to tweak and refine existing products and services to make them more suited to new export markets (often based on the outcomes from market research directly supported by the IGF).

"We do tailor products to market. Some markets have a sweeter profile; others prefer a lower sweetness level. It's been a good formula for us. …. You've got to dip your toe in these markets. Our first port of call was always NZTE, because they would assist us with introductions to fellow New Zealanders who are in the market. We got some very good market information from them, tailored our products to suit the market, and then went back to them, got their feedback, and started to go wider." – under $10M revenue, FBCG business

Experiences are fluid and tend not to follow a set pathway

Funding journeys were typically described as fluid and non-linear, with businesses adapting their approach as opportunities, challenges, and market conditions evolved. Rather than following a common pathway, funding was generally integrated into each business's own growth roadmap, meaning experiences varied according to the objectives, development stage, and commercial priorities of the project. This highlights the highly individual nature of how funding was used to support international growth ambitions.

The way businesses interact with the funding cycle is more likely to be driven by their own stages of development/activity as opposed to a predefined funding journey. The flexibility of IGF funding supported this, allowing businesses to adapt to market conditions accordingly.

"The first year was great, you know, like, amazing. The pipeline was growing, incredible. We made sales, it was fantastic. The second year just got really weird. The pipeline started drying up for external factors, like the Ukraine war. Lots of uncertainty was happening. When you have a product that takes a multi-year sales cycle, that's quite disruptive." – over $50M revenue, M & IR business

However, businesses also reported that there were benefits associated with the fact that IGF funding was time based. This meant that access to, use of, or eligibility for funding was linked to a specific timeframe rather than solely to the completion of milestones or outcomes.

While the time-based nature of the funding contributed to a less defined and more fluid funding journey for most businesses, this flexibility, was, at times, considered beneficial. It enabled businesses to access support at different points in their development, adapt plans in response to market feedback and emerging opportunities, and align funding with evolving commercial priorities. This was particularly valuable in situations where the pathway to market was uncertain and businesses needed to respond to changing circumstances rather than follow a predetermined sequence of activities.

Overall, the processes associated with the IGF funding contributed to a more fluid experience. Rather than following a consistent sequence of stages, businesses felt they were able to adapt their activities to align with funding windows, project timelines, and emerging opportunities. As projects evolved in response to market feedback, commercial realities, and changing business priorities, funding was frequently accessed and utilised in a non-linear way, making distinct stages difficult to identify.

External factors have a significant impact on project activity

Businesses did not identify any consistent points at which project activity accelerated or slowed. Instead, momentum was largely shaped by external factors such as market conditions and, most notably, Covid-19. While the pandemic disrupted international travel and slowed progress for many projects, participants reported that earlier IGF-supported activities often strengthened business resilience and adaptability. Some businesses were better positioned to respond to changing market conditions, while others experienced increased demand and growth during the period. Businesses also valued the flexibility of the IGF, noting that it enabled them to adapt project activities in response to evolving market needs and opportunities.

> *"We realised the key things that we needed to do was be on provider panels and get out and about ... not marketing campaigns or being a sponsor." – under $10M revenue, T & S business*

> *"Funding was extended because of Covid-19 ... we would have run out of time if we'd had to continue to spend in the same way. ... Once you couldn't spend on travel and events weren't happening, you weren't doing the same level of marketing and presence and that kind of thing. [Funding] was extended to 4 years. … There was real agility in terms of moving the money around in those buckets to make it work better." – under $10M revenue, T & S business*

Export market selection can impact on overall experience

Interviews highlighted the importance of market selection as a key determinant of overall experience, particularly for less mature exporters with limited international experience. Several businesses reported challenges after entering highly complex or competitive markets before establishing a strong presence in more accessible export destinations. In many cases, difficulties arose because the product or service offering were not sufficiently aligned to local market needs, regulatory requirements, cultural norms, or customer expectations. Some businesses reflected that they had underestimated the complexity of operating in these markets, or pursued expansion before developing the capabilities, networks, and resources required to support successful market entry.

These experiences suggest that achieving successful export outcomes is not dependent solely on funding, but also on selecting markets that are appropriately matched to a business's level of export maturity, capabilities, and value proposition. Businesses that adopted a more staged approach to international expansion often reported stronger outcomes, building confidence and capability in less complex markets before targeting larger or more challenging opportunities.

Some participants highlighted the importance of robust market assessment, validation, and export readiness activities in supporting successful market entry. These needs were viewed as aligning closely with NZTE's broader support and earlier-stage programmes, suggesting that businesses may derive greater value from IGF funding when it is complemented by appropriate validation and strategic guidance before significant market investment occurs.

One business commented that expansion into their specific target market had potentially diverted resources from the New Zealand business, creating operational challenges domestically.

> *"It took away a valuable resource that probably could have gone into building the market or building a stronger business here [New Zealand] that could have sustained it [the business] in the future. We went there too early. I clearly say that. ... We were 10 years too early." – under $10M revenue, M & IR business*

Intermediate Outcomes

A significant component of the qualitative interviews focused on understanding the perceived impact of IGF funding on participating businesses. These have been captured in the following section, and labelled accordingly as *intermediate outcomes*, defined as changes in businesses' capability, knowledge and behaviour resulting from Expansion funding. Discussions explored the different ways in which funding generated perceived value, including the mechanisms through which impacts were achieved and the factors that enabled or constrained success.

Performance outcomes was the major focus of Motu's 2026 Causal Impact Analysis report – the relevant findings from this analysis have been integrated into the subsequent *Business Performance Outcomes* section. This approach provides a more streamlined overview of the results by combining evidence of findings from both the causal and qualitative analysis within a single discussion.

Besides the more measurable performance outcomes, businesses reported perceived impact across a number of broader areas of the business that reflected the wider value of the funding received.

Building confidence and credibility

A number of interviewed businesses outlined that receiving IGF funding served as a powerful signal of credibility and legitimacy, both internally and externally. For many, receiving IGF support indicated that they had undergone a rigorous assessment process and had been identified as having strong growth potential, helping to build confidence among their boards, investors, and strategic partners.

IGF funding approval provided additional reassurance to prospective customers, distributors, and partners who may have limited knowledge of New Zealand businesses or their capabilities. In some instances, this helped to open doors, accelerate relationship building, and reduce perceived risk, making internal and external stakeholders more willing to engage, invest, or commit to long-term partnerships. For some businesses, the value of this external validation extended beyond the financial support itself, helping to strengthen confidence and momentum both internally and in the overseas markets related to the respective IGF project.

Funding also helped to create environments where businesses were able to pursue opportunities with greater ambition and at a faster pace – some talked about having greater confidence in their own ability to succeed due to funding, creating a shift in mindset towards a more growth-oriented mindset.

For others, it also gave their board more confidence to support projects and stick with them for a longer period of time. The funding often helped to create a sense of momentum and confidence in businesses beyond its direct dollar value.

Many funded businesses described that they would have been more cautious or risk averse in their general approach in the absence of IGF funding. It allowed them to be more channelled and focused on a specific growth territory, and commit to this plan over a longer term.

> *"It forces you to make some of those bets that maybe you wouldn't or you couldn't afford to make." – under $10M revenue, FBCG business*

Overall, in the absence of IGF funding, funded businesses would have had to be more cautious in their overall approach to growth and their general levels of commitment to new export markets.

"It probably gives people confidence to push the boat out a bit further. How much so, it would be difficult to say, but it gives confidence to take more risks." – $10–$50M revenue, T & S business

"Geographically, we had lots of opportunity, and we weren't quite clear where to go." – under $10M revenue, M & IR business

"I just don't think we would have stretched ourselves [without funding] … I don't know if we would have been able to. We wouldn't have done it without that grant funding. It kind of gave us the confidence." – under $10M revenue, M & IR business

"We were able to have [our costs] subsidised, which just made a huge confidence boost in our ability to tackle that market." – under $10M revenue, T & S business

A more patient approach to long term growth

Pursuing international growth opportunities in overseas markets can place significant demands on a business – particularly in markets where there is pressure from owners, boards, investors, or funders to achieve rapid sales growth and achieve a return on investment within the first 12–18 months. Businesses with limited working capital may find it especially difficult to sustain their investment where international growth follows a slower trajectory.

Participants noted that these expectations can discourage businesses from investing in opportunities that require longer development timeframes to realise their full potential. IGF funding enabled businesses to take a more patient and strategic approach to overseas growth, providing the support needed to establish relationships, build market understanding, refine their offering, and develop a sustainable presence in overseas markets.

This was particularly valuable in markets where commercial success depended on long-term investment and relationship-building rather than immediate sales outcomes. By reducing the pressure for short-term returns, the funding allowed businesses to play a 'longer game', pursue opportunities with greater confidence, and focus on creating enduring foundations for future growth.

"The sales cycle in our industry could take well over 12 months to land the sales. So, it's not a fast sales cycle. It takes time. That's probably our biggest challenge – actually funding the rate at which we want to grow." – under $10M revenue, T & S business

A greater sense of ambition and mitigating risk

In many cases, funding helped businesses to pursue international opportunities without overcommitting their own resources or risking the core business. Several participants noted that, without the IGF funding, they would have needed to seek finance from alternative sources – most commonly their bank, where there was often less appetite for risk. Overall, access to the IGF funding enabled businesses to pursue more ambitious project objectives and take on a greater level of managed risk.

"We have had less pressure and nervousness from the board about the investment that they were making, because there was some additional funding alongside the significant investment from the board and shareholders … I think it boosted shareholder confidence in the idea that we were investing in [specific target market]. Not just from the fact that, 'okay, here's your

dollars', but also from that kind of [our business] idea to do this. So, you know, it's a bit like having a QA process from someone else." – under $10M revenue, T & S business

IGF funding enabled businesses to move faster, which was described as particularly important when working in fluid and rapidly evolving overseas markets. In many cases, it would have been much more challenging to seek this funding privately, and it is likely that other funders would have placed greater limitations on the project and reduced the speed at which they could operate.

There was a general expectation amongst funded businesses that there could be periods of unprofitability in these types of projects, and that other funding environments may have created pressure to succeed quickly. Whilst IGF funding has enabled them to move quickly and respond to changing demands in local markets, they also felt it provided an environment where they could take more financial risks and give projects an opportunity to ride through short-term uncertainty.

Small businesses, in particular, viewed IGF funding as a valuable risk-sharing mechanism, helping to reduce the financial uncertainty associated with pursuing growth and expansion opportunities. Entering new markets, developing new products, and investing in international business development often require significant upfront expenditure with no guarantee of commercial success.

"It was one of those catalysts that absolutely made it; we had more confidence to tackle the market with NZTE support." – under $10M revenue, T & S business

"[We] recognised the importance of focusing and picking a market, and doubling down and really going for that, rather than spreading very limited resources thin." – under $10M revenue, M & IR business

Increased visibility and enhanced reputation

In many cases, the benefits of funding extended well beyond the immediate project outcomes. By supporting businesses to establish a presence in overseas markets, the funding helped them build their brand awareness and credibility, and establish valuable local relationships with customers, partners, and industry stakeholders.

Participants noted that these foundations often created downstream benefits over time, strengthening their market position and increasing visibility among key decision-makers. In several instances, this enhanced profile led to larger investment opportunities, strategic partnerships, new customer relationships, or additional commercial opportunities that may not have occurred without the initial market development activities supported by the funding. This highlights how the value of funding can continue to accrue benefits long after the funded project itself has concluded.

"Because we got funding for the [specific target market] expansion, we were able to build a very strong and enduring relationship with a customer, and encourage them to take bigger steps and maintain the relationship years after. It has made us millions, and has the potential to do so again over the next 10 years." – over $50M revenue, M & IR business

"Being approved for our second [IGF] grant gave New Zealand Export Credit Office the comfort they needed to provide a guarantee to our bank, which then gave our bank the confidence to extend a decent trade finance facility to us." – under $10M revenue, M & IR business

"The IGF has been an integral part of the development and growth of the business. It was a vote of confidence in us that we really appreciate, and we will always appreciate that

involvement. It's pretty cool when your country backs your company." – under $10M revenue, FBCG business

"The IGF funding helped us to engage a local accounting business to help us with the funding application that ultimately went to [overseas governing body] ... It supported the work to get the additional grant money that we needed to make the business stack up financially ... had we not got the grant through [overseas governing body] and local council, then I highly doubt that this project would have proceeded." – $10–$50M revenue, T & S business

Supporting product and service refinement

Businesses often reported the use of the funding to test assumptions, refine products and services, adjust go-to-market approaches, and learn what worked most effectively in different export markets.

Being able to carry out due diligence in markets and conduct market research helped businesses to better understand how markets operate and how to adapt products and services to be successful. This meant they felt much more confident in their decision-making, and the overall likelihood of their success. They described feeling better prepared for the challenges they would face and for maximising opportunities. In some cases, it has guided them not to pursue opportunities in some markets.

The 'test and learn' effect of the IGF funding emerged as a particularly important benefit for many businesses. Participants described how the funding provided an opportunity to explore new markets, test commercial assumptions, and trial different approaches with a reduced level of financial risk.

Rather than requiring businesses to commit significant resources upfront, the funding enabled them to gather market feedback, refine their strategies, and adapt their plans based on real-world experiences and outcomes. This more iterative approach helped businesses make more informed decisions, identify opportunities and challenges earlier, and build confidence in their future investment choices.

For many, the ability to experiment, learn, and adjust course was as valuable as the direct commercial outcomes achieved through the funding itself.

"I do know it [revenue and profit] has improved, and it probably wouldn't have improved that much if we hadn't had the funding." – $10–$50M revenue, T & S business

Business Performance Outcomes

Business performance outcomes refer to the measurable changes in business performance resulting from funded activities.

Motu's 2026 causal analysis compared outcomes over a 7-year period for similar businesses that had, or had not received an Expansion grant (see insert at the end of this section for more information). This analysis found that receiving an Expansion grant had significant positive effects on businesses – increasing their export and total sales, GVA, employment, and wages.

In qualitative interviews, outcomes and impacts can be difficult to distinguish because participants often reflect on their experiences holistically rather than separating immediate results from longer-term effects. For that reason, the key findings from Motu's 2026 Causal Impact Analysis report provide a more reliable reflection of the outcomes of IGF funding for funded businesses. Outcomes were discussed in qualitative interviews, with relevant additional commentary from the interviews included below to provide deeper insight into the causal analysis report findings.

Export sales

These are the sales made through exports, in dollars.

For businesses that received an Expansion grant, it is estimated that Expansion support increased their overall export sales by an average of 19% in the first year relative to what they would have achieved in that year without support. The size of this increase rose over time, peaking 4 years after support at 92% above the estimated counterfactual level without support.

Across the 7-year analysis window, Expansion support increased export sales by an average of $11.1 million per supported business per year relative to what would have occurred without that support.

Positive effects on export sales *of goods* ranged from 20% in the first year of support to 48% 4 years later relative to what would have been achieved without support. Over the 7-year analysis window, Expansion support increased export sales of goods by an average of $8.3m per supported business per year.

Across the majority of qualitative interviews, positive commercial results were also reported. The extent of commercial outcomes varied by business; however, as the quotes below highlight, these were often significant and had a large, reported impact on overall business performance.

> *"Our starting revenues were $259,000 recurring, and that went to $3 million recurring in 2024 [and over $4 million in 2026]. So, 1,000% growth in that time." – under $10M revenue, T & S business*

> *"The accelerated growth in [specific target market] with [grant project] was phenomenal relative to what we grew in [another target market] with [no grant] in that same time period … Because we were investing, you know, so you're there and you're focused." – under $10M revenue, T & S business*

> *[when asked whether made a lot of difference or not:] "Yeah, a lot. A lot. Huge, absolutely huge. Yeah, it's nice to reflect on it, really. I must tell [customer manager]." – under $10M revenue, T & S business*

"The fact that this is a taxpayer-funded initiative really weighed heavily on us. You know, we felt a responsibility. If someone is going to be confident enough in us to resource our plans and hopes and aspirations, then we're going to do everything that we can to deliver a return on that investment. ... The IGF has helped us into a position where we can now really contribute, feel like we're contributing to the economy of the country. It's a good feeling." – under $10M revenue, FBCG business

Gross value added (GVA)

GVA is the dollar value of total sales minus the cost of inputs the business purchased as part of production (e.g. materials). It measures the *additional economic value* generated by the business. GVA does not account for certain internal costs (e.g. staff wages), so it is not quite the same as *profit*.

Motu's 2026 Causal Impact Analysis report found that Expansion support significantly increased businesses' GVA relative to the estimated GVA without the grant. Estimated effects ranged 14%–40%. Across the 7-year analysis window, Expansion support increased GVA by an estimated $2.7 million per supported business per year.

Total sales

This considers businesses' total sales – including exports and non-exports.

In the year businesses first received support, total sales were estimated to be approximately 12% higher than they would have been without Expansion support. Estimated effects increased steeply over subsequent years, reaching around 28% 2 years after support, and 37% 3 years after support.

Over the 7-year analysis window, total sales increased by an estimated $9.7 million per supported business per year as a result of Expansion support.

Return on public investment

Calculating returns on public investment involves estimating and aggregating impacts across supported businesses, discounting those impacts to a common point in time and comparing them against programme costs. The causal analysis used GVA as the primary measure of the economic contribution that supported businesses make to New Zealand's GDP.

Motu's 2026 Causal Impact Analysis report found that Expansion grants have delivered substantial economic returns relative to public investment. In present value terms (2025 dollars, 8% discount rate), supported businesses generated an estimated $49.1 billion in export sales and $12.3 billion in value added compared with $737.4 million in programme costs. This equates to approximately $16.60 in additional value added and $66.70 in export sales for every dollar of public expenditure.

These estimates reflect impacts at the supported-business level and do not account for larger economy-wide effects, which may either enhance outcomes through spillover effects or reduce them through displacement and other offsetting effects.

Employment and wages

Employment is measured as the number of FTE employees plus working proprietors in New Zealand for the recipient business. *Wages* are gross earnings rates per FTE employee.

In the year businesses first received Expansion support, employment was estimated to be around 12% higher than it would have been without the support. The estimated effect increased over time, reaching around 28% 5 years after support.

Across the 7-year analysis period, employment increased by an estimated 22.2 additional FTE workers per supported business per year, while wages increased by an average of around $2,900 per FTE employee per year relative to the wage changes that would have occurred without the grant.

Employment growth was also evident outside of New Zealand. Qualitative analysis found that being able to recruit local, 'on the ground' team members offshore in overseas markets was core to many successful IGF-funded projects. Many businesses articulated the multiple benefits associated with being 'close' to the market, and having staff on the ground to represent the business and build relationships. In many cases, the IGF funding helped to make the hiring journey a lot easier.

However, whilst reiterating the value of being able to recruit an in-market presence, some businesses also reported that they struggled to find the right people in their export markets. Participants felt NZTE provided some market guidance around recruitment, but could potentially offer more support around international recruitment, connecting with local recruiters and finding suitable local talent.

In some cases, funding allowed existing team members to visit and/or relocate to the export market – this meant that they were better placed to network and negotiate development opportunities.

Local presence typically also created more focused marketing actions and plans, with specific programmes being designed and delivered by people who are on the ground with a significantly more sophisticated understanding of the local market and culture.

> *"We used that grant to apply what salary budget we had to stretch ourselves and hire a really professional executive level sales manager. That has proven to be really, in hindsight, a really good move because she's been a great hire, and has really represented us well in that market, grown sales and done a very good job and catalysed that growth that I mentioned. I don't know the exact numbers, but I'd say we've gone from around 2 and 1/2, 3 million back in 2020 in total revenue to 7 or 8 million. Most of that's come from the [specific target market], and it's down to the skills and the capability of the person we hired back in the day. ... I don't know if we would have been able to – we wouldn't have done it without that grant funding. It gave us the confidence." – under $10M revenue, M & IR business*
>
> *"There were those good things that came out of it – obviously we set up base in the [specific target market], which has been huge for us. We now have a different focus." – over $50M revenue, M & IR business*
>
> *"One of our senior staff moved from New Zealand and set up an operation in the [specific target market]. That has since grown. We've acquired a couple of companies over there. We were talking directly with a number of the large processing companies. One of those was [large business], who's now [our] major shareholder." – under $10M revenue, M & IR business*
>
> *"We would have done it in a more granular way with someone flying over, and that just doesn't have the [same] impact." – under $10M revenue, FBCG business*

Skills and capabilities

Growth in skills and capabilities may have been bolstered by the growth in businesses talent pools. In qualitative analysis, participant businesses repeatedly described the IGF funding as being directly linked to internal improvements in terms of building their own skills and capabilities, particularly regarding export knowledge, business maturity, strategic thinking, confidence, and decision-making as a direct outcome from the activities that the IGF funded.

Whilst qualitative analysis also observed significant impact around sales and revenue in export markets, this has occurred alongside a range of other internal/operational developments in businesses that appear to have had a structural and long–term impact on the business.

These 'softer' outcomes, whilst not always top of mind or immediately associated with IGF funding, can be considered as valuable as commercial outcomes to beneficiary businesses.

> *"It's forced us to be focused. It brought money and some discipline and perhaps more attention and support from the NZTE as well." – under $10M revenue, M & IR business*

Feedback also highlighted that the IGF process itself helped to improve how businesses function and operate. The process of creating a business case and applying a clear plan and structure to the project helped to engender a discipline that may not have been there in the absence of IGF funding.

> *"What I like about these things is when you create the business case for these and you put the plan in place, you actually have a plan and you have structure around this. It really razor sharps your focus on why you're doing something, and enables you to focus on the important bits. So, I think the project benefited from the focus and the structure that the IGF needed, if that makes sense." – $10M–$50M revenue, FBCG business*

Direct attribution

While businesses found it difficult to specifically attribute business and commercial outcomes to IGF funding in the qualitative interviews, in cases of positive impact, most were confident that the IGF played a significant role in their commercial success. Each of the quotes below provide an example of how funded businesses were able to attribute outcomes back to IGF funding.

> *"Ninety percent of the of new business growth, which is the key KPI, would be attributable to the support of the IGF. … It's like the IGF is a boost. The IGF's like a puff of wind at your back for 12 to 18 months, but the [great NZTE] service and support doesn't change." – over $50M revenue, T & S business*

> *"In March 2021 our global revenue was $25 million. This year it'll be $80 million … and we would have increased our employees across the globe by 220 … I think you can attribute 25 people [specifically to the IGF project], and the skills that they learned while doing the work for the [specific target market] entities they have subsequently applied to other clients, other jobs, other jurisdictions, so it's improved the skill base of our employees, and the company has grown 220%. I don't know what better you could ask for." – $10M–$50M revenue, T & S business*

> *"We were basically a Mum and Dad business, and we're not that anymore ... I think that definitely growing and expanding offshore meant that we needed to run the business more professionally than mum and dad sitting around the table at home kind of thing. So, IT systems*

and support from IT and all of that kind of thing. ... I think that because we had the IGF, we were able to grow the New Zealand operations and manufacturing facility. We went from basically a $5-million business to a $12-million business within 5 years." – under $10M revenue, M & IR business

"Without the IGF, we wouldn't have taken that bigger swing." – under $10M revenue, FBCG business

"We would have tried still doing it, but we would have just done it at a much, much slower pace. ... We would be way further behind now if we didn't invest that money back then." – under $10M revenue, FBCG business

Comparing similar businesses

Motu's causal analysis assessed whether IGF Expansion grants increased recipient businesses' international activity and business performance outcomes and estimated the return on public investment.

A simple approach of observing businesses' outcomes after funding would not have been appropriate, however. Businesses that receive IGF support (and are part of the NZTE's Focus portfolio) have already demonstrated capability, ambition, and growth-orientation. The causal analysis needed to account for the growth these businesses may have had with or without extra support.

To address this, Motu's causal analysis estimated the effect of Expansion support by comparing the outcomes of businesses that received IGF Expansion grants (*recipient businesses*) with carefully constructed counterfactual estimates of what those same businesses would have achieved without the grant. The analysis used observed business characteristics, such as recent sales or industry, to account for differences in who receives Expansion support. It then used those characteristics, together with information from comparable non-recipient businesses to estimate the outcomes recipients would have been expected to achieve in the absence of the grant.

This approach was designed to separate the effect of the IGF Expansion grant from other observable factors that may influence business performance. Expansion grant recipients are all part of the NZTE's Focus portfolio, which involves meeting criteria for selection based on factors such as international growth ambition and capability, and gaining access to a range of supports – e.g. dedicated customer managers and learning and networking opportunities.

- **Recipient** = part of NZTE's Focus portfolio, received an Expansion Grant.
- **Non-recipient** = part of NZTE's Focus portfolio, did not receive an Expansion Grant.

Comparing recipient and non-recipient Focus portfolio businesses helps to ensure that any differences in the analysis are related to the key thing that the two groups **do not** have in common: the Expansion grant. This means the estimated effects found in the causal analysis report can be interpreted as effects of Expansion support, over and above the broader support available to Focus firms.

As with any statistical impact evaluation, there is uncertainty around the precise magnitude of the estimated effects. Motu notes that factors that could not be fully observed or incorporated may lead to some overstatement of the true average effect. However, these uncertainties are unlikely to alter the overall conclusion that Expansion grants had strong positive impacts on supported businesses.

Motu's causal analysis was made possible by confidentialised datasets collated by NZTE, which were linked with other de-identified administrative and survey data in Stats NZ's Longitudinal Business Database.

Perceived Additionality of IGF Support

Establishing a counterfactual is inherently challenging because it requires understanding what would have happened in the absence of the support and investment, which cannot be directly observed – especially through a qualitative exercise. While the qualitative research provides insights into participants' perspectives on the role and contribution of the funding, the counterfactual itself is assessed through the accompanying causal analysis report findings, which estimates outcomes in the absence of support.

Outcomes were often influenced by a wide range of external factors, including market conditions, policy changes, business decisions, and unexpected events such as Covid-19, making it difficult to isolate the specific contribution of IGF funding. Participants' recollections of alternative scenarios can also be shaped by hindsight bias, while businesses that receive support may differ in important ways from those that do not.

As a result, assessing additionality in a qualitative exercise often relies on informed judgement and triangulation of multiple evidence sources rather than on definitive proof of what would have occurred otherwise.

The principal areas of perceived funding additionality reported by participating businesses in the qualitative interviews are summarised below. These are the areas that businesses felt IGF funding enabled activities that would not otherwise have happened.

Removed barriers to speed up progress

Overall, participants' perception was that IGF funding helped their business accelerate progress by reducing financial barriers, thus enabling them to invest sooner, act on opportunities more quickly, and bring projects to market faster than would have been possible using their own resources alone.

> *"I guess what it [IGF] allows you [to ask] is, 'Would we go ahead and take on a project of this size without knowing that we can get that funding?' And I don't think you would." – under $10M revenue, FBCG business*

> *"Potentially time to market and the investment in marketing and customer feedback would have taken longer." – $10M–$50M revenue, T & S business*

Amplified scale of impact

Importantly, funding not only supported successes but also amplified their scale and impact, allowing businesses to pursue opportunities that would otherwise have been beyond their reach.

Participating businesses noted that funding increased their capacity to invest in market development, accelerate growth initiatives, build stronger networks, and expand into new markets with greater confidence. Beyond supporting individual activities, the funding helped businesses take a broader and more ambitious approach than would have been possible otherwise, strengthening their long-term resilience and positioning them for sustained commercial success.

> *" [without funding] There's a good chance we might be 20% or 30% lower in revenue and headcount." – under $10M revenue, M & IR business*

"[without funding] You might have gone beyond the commission-based person, but still not shooting to that nice executive level. You probably would have bargain hunted your way up slowly, perhaps."
– under $10M revenue, M & IR business

Larger workforce with greater capacity to deliver

As described earlier, one of the significant benefits of funding was the ability to employ a workforce on the ground in export markets. Without IGF funding, this workforce may not have existed at all or would likely have been significantly smaller, limiting the business's capacity to progress the project at the same pace and scale and delaying the achievement of key outcomes.

"We wouldn't have been able to hire someone so effective, and we may have had a patchier hiring journey and team, and perhaps not had the same results." – under $10M revenue, M & IR business

"We went from 1 team member to 14 during that period ... that was massive onboarding ... we would have maybe got to 3 [team members] without that funding investment. It was one of those catalysts that absolutely made it; we had more confidence to tackle the market with NZTE support." – under $10M revenue, T & S business

Longer-term commitment to projects

Funding played an important role in enabling businesses to commit to projects with a longer-term horizon that they may otherwise have deferred, scaled back, or not pursued at all. By providing a degree of financial security, the funding reduced the immediate risk associated with investment and gave businesses greater confidence to move forward with strategic initiatives.

"None of those [plans] came off at the time. … However, we are now into quite a large development path … it's taken a lot of years, but we are full on into that now. I think the biggest surprise was just how long that has taken." – under $10M revenue, M & IR business

Ability to adapt to change

The financial cushion provided by the IGF funding also increased businesses' ability to adapt and respond to changing circumstances, allowing them to adjust plans if needed, explore new opportunities, and navigate unexpected challenges without jeopardising the overall project objectives. As a result, with funding in place, businesses were often better positioned to remain focused on long-term outcomes while maintaining the flexibility needed to respond to evolving market conditions.

"If we didn't get it … we wouldn't have found this [compliance issue] out and we would have been still working on it." – under $10M revenue, FBCG business

Creating an environment to experiment

As funding reduced the perceived risk of trying new approaches, this helped foster an environment where businesses felt able to experiment, learn, and adapt, knowing that not every initiative needed to succeed for valuable progress to be made.

The funding increased the scale of success while also giving businesses the confidence and flexibility to respond to market trends, adapt their approach, and pursue opportunities that may not have been feasible without that support.

> *"[NZTE and IGF funding helped with] Assisting us to learn about different markets and different idiosyncrasies of those markets, and how to press the right buttons." – over $50M revenue, M & IR business*

Navigating successfully through Covid-19

As described earlier, for most businesses interviewed, Covid-19 brought significant disruption to operations and plans. There were several examples of where the presence of IGF funding allowed businesses to ride through the disruptions that the pandemic presented and maintain operations in overseas markets. In the absence of the IGF funding, it is likely that overseas employees would not have been retained and that operations would have been more severely impacted.

> *"Once Covid happened and the Russia–Ukraine war kicked in, we would have had to pull out. We wouldn't have been able to keep operating over there, we wouldn't have been able to have an employee on the ground and continue to grow that market if we didn't have the IGF." – under $10M revenue, M & IR business*

> *"Without it [IGF funding] we wouldn't have been able to relocate the Exec … and the fact that we had people on the ground in the [specific target market] was key [especially when Covid came]. I contrast that with [another international market], where we didn't have people on the ground, and we actually lost revenue during that period [compared to the specific target market for this Expansion project, where they tripled revenue]." – under $10M revenue, T & S business*

Variation in Outcomes Across Business Type

Analysis of the qualitative interviews sought to examine how the effects of funding varied across businesses, considering characteristics such as business size, sector, export experience, stage of growth, and the nature of the opportunity being pursued. This helped to build a deeper understanding of not only the outcomes associated with funding, but also the conditions under which those outcomes were most likely to occur.

Motu's 2026 Causal Impact Analysis report found some key differences in outcome patterns between business types, which the qualitative interviews sought to explore:[2]

- Positive average changes were particularly evident for *small businesses* (defined as less than $4.5 million in pre-grant sales) – though larger businesses account for a disproportionate share of total dollar impact – and *businesses in goods-producing industries*.
- Increases in export sales due to Expansion support appear somewhat larger among *businesses in goods-producing industries* than services industries.
- Businesses with *higher pre-grant export growth* experienced more positive effects on these sales from Expansion support.
- Businesses that were *first supported in more recent years* (2017–2022) of the Motu causal analysis window had better outcomes than earlier-supported businesses.

Interestingly, Motu found that the estimated effects of the IGF support were not materially influenced by whether businesses had previously received a Validation fund. Whilst it is hard to attribute direct influence, the qualitative analysis did find some examples where businesses reported that they felt Validation funding had had a positive impact on their subsequent Expansion-funded project. This is discussed further in the following section.

Qualitative interviews explored these differences and findings are set out below.

Smaller business experienced a more transformational impact

Qualitative analysis aligned with the findings of Motu's causal analysis, identifying that smaller businesses generally experienced more positive outcomes from IGF funding. Qualitative interviews revealed strong themes of smaller businesses' experiencing the most transformational outcomes.

For companies with an annual turnover below $10 million,[3] the IGF funding was often viewed as a critical enabler of growth rather than a supplementary source of support. Many businesses described the funding as integral to their operations and strategic development, allowing them to undertake

[2] When comparing patterns for different business types, it should be kept in mind that the subgroup samples are smaller than those used for the main estimates, and most subgroup analyses use a simplified version of the analysis model with fewer controls.

[3] Note that the causal analysis and the qualitative analysis had different thresholds for *smaller* businesses, with Motu defining this group as businesses with pre-grant sales of less than $4.5M and Ipsos including businesses with current sales up to $10M.

activities, invest in capability, and pursue opportunities that would otherwise have been delayed, scaled back, or not progressed at all. In these cases, the funding often acted as a catalyst for growth, helping businesses build momentum, increase competitiveness, and achieve outcomes beyond what their existing resources would have allowed.

> *"We couldn't even take on this project. We literally did not have enough cash to justify doing it." – under $10M revenue, FBCG business*

For larger and more established companies with turnover exceeding $50 million, the IGF funding was typically seen as an accelerator rather than a prerequisite for action. These businesses often have broader resources and multiple investment streams, meaning projects may have proceeded regardless of funding support. However, participants consistently noted that the funding enhanced the scope, speed, and confidence associated with project delivery. Funding enabled businesses to pursue more ambitious objectives, invest more heavily in innovation and market development, and reduce the risks associated with exploring new opportunities. As a result, while the relative contribution of the funding may be less visible within the wider context of a large business, it nonetheless played an important role in maximising project outcomes.

> *"Having the funding just gives you that level of confidence that actually some of that is going to be covered. We're not competing to the same level of competing with resource for our commercial projects. It just gives a little bit of leeway there, to be able to explore things in greater depth than we would otherwise do." – over $50M revenue, M & IR business*

Across businesses of all sizes, there was a strong consensus that the IGF funding had made a meaningful contribution to project success. Most participants reported that funding had positively influenced both the quality and scale of outcomes achieved, while also providing confidence to make investment decisions that may otherwise have been considered too risky or uncertain. Some stated that there was a high likelihood their projects would not have proceeded without IGF support, highlighting the funding's role in unlocking innovation and enabling growth-focused initiatives. Even among businesses that would have undertaken the projects regardless, funding was viewed as critical in accelerating progress, expanding project scope, and improving the overall return on investment.

Importantly, the perceived value of the funding extended beyond immediate project outputs. Many businesses described longer-term benefits, such as strengthened organisational capability, increased confidence to invest in future innovation, the establishment of valuable partnerships and networks, and enhanced understanding of growth opportunities. This suggests that the impact of the funding is not limited to the direct outcomes of individual projects but also contributes to broader organisational development and capacity-building. While the degree and nature of impact differ depending on business size and context, the evidence consistently points to the IGF funding's playing a significant role in enabling businesses to achieve outcomes more quickly, at greater scale, and with a higher likelihood of success than would otherwise have been possible.

Emerging exporters report more pronounced capability gains

Emerging exporters (i.e. businesses in the early stages of their export journey with limited experience operating in international markets) reported some of the most significant capability gains from IGF funding, particularly in relation to export skills, confidence, and market readiness.

By reducing the financial risk associated with entering or expanding into international markets, the funding created opportunities for businesses to pursue initiatives that may otherwise have been considered beyond their reach. Participant businesses frequently described the funding as helping them build their 'export muscle', enabling them to gain practical experience, develop new skills, and better understand the requirements of successful exporting. These benefits often extended beyond the immediate project, equipping businesses with the confidence, knowledge, and capability to pursue future export opportunities independently.

In contrast, established exporters tended to report benefits that were focused less on foundational capability development and more on market-specific learning and acceleration. For these businesses, the funding provided access to valuable insights, relationships, and opportunities that helped strengthen their position within new or existing markets. Rather than building core export capability, funding enabled these organisations to deepen their understanding of market dynamics, customer needs, distribution channels, and routes to market. Participants from established exporters highlighted benefits such as increased visibility, expanded networks, and access to strategic partners that supported more effective market entry and growth.

Overall, businesses with more established export channels and experience were less likely to directly attribute some of the softer impact measures to the IGF, mainly a result of being more likely to already having significant skills and experience in this space.

> *"We'd been working in that market for 2 or 3 years prior. So, you know, that was a huge learning experience. So, the learning had probably been done before we had funding, really – before the IGF had come along." – $10M–$50M revenue, M & IR business*

While the nature of the impact differed according to export maturity, businesses across both groups consistently reported that the IGF funding improved their ability to pursue international growth opportunities. For emerging exporters, this often meant developing the skills and confidence needed to participate effectively in export markets. For established exporters, the value lay in accelerating progress, reducing uncertainty, and enhancing the quality of decision-making through access to stronger market intelligence and connections. Together, these findings suggest that the funding has been effective in supporting exporters at different stages of their international growth journey, delivering both capability-building and market expansion benefits depending on the needs and experience of the business.

A challenge identified by some emerging export businesses was that a 3-year funding cycle was often insufficient to establish a sustainable presence in a new international market. Entering overseas markets typically requires significant time to build relationships, understand local customer needs, navigate regulatory requirements, and establish effective distribution or sales channels. This challenge was particularly pronounced for businesses with the most limited export experience, as they often faced a steeper learning curve and required longer timeframes to develop the capabilities, networks, and market knowledge needed for success. As a result, meaningful commercial outcomes were not always achievable within the funding period alone.

> *"By the time the funding had come to an end, I think it was 3 odd years. I think in an overseas market, to be perfectly honest, that's just foundation setting. You know, you haven't gone anywhere at that point in time. If you're looking for that hockey stick moment, that is going to come after 5 years. … I believe we exited too early." – under $10M revenue, M & IR business*

> *"These funds are measured in short lifecycles, but it takes many years [for results] to come to fruition. It takes 3 years from an idea to a collection. People expect the results too quickly … most bear fruit in 10–15 years … ours is a good example … it has taken 5 years to get to launch ... it's not a linear path." – under $10M revenue, FBCG business*

Some smaller emerging export businesses with lower levels of financial stability did report greater challenges when exporting into more diverse markets. One business specifically commented that the funding may have come too early for them, and that they would have benefited from investment in the current New Zealand-based business before looking to expand overseas.

> *"For a small business like ours, and I would honestly say in the future, if you were looking at this from a funding perspective – we were too small a business for that funding. At the time. I don't think we had the balance sheet that was actually capable of doing it. I don't believe that we had a good enough use case to actually to be funded. … [we were] not mature enough at that point in time. … It would have been better for the business at that time to have actually invested the money that they'd done back into the business in New Zealand, and then to have looked at scaling that in 10 years' time based on its trajectory then." – under $10M revenue, M & IR business*

Goods-based businesses experience impact differently to service or digital based businesses

Qualitative analysis found that the timing, form, and location of the impact associated with IGF funding varied between physical-goods businesses and service and digital businesses. While Motu's causal analysis found stronger impacts for goods businesses, the qualitative findings revealed the various pathways through which impact can show up for different types of businesses. The differences in pathways to international markets shaped how quickly funding translated into observable outcomes, and where those outcomes occurred. Service and digital businesses often reported more immediate impacts (in areas such as new customers, new contracts, revenue generation, export sales), while impacts for goods businesses generally emerged over a longer period as manufacturing, regulatory, distribution, and in-market arrangements were established.

Service and digitally based businesses typically experienced a more direct route to international customers. These types of business did not typically require the manufacturing, freight, warehousing, and distribution arrangements associated with exporting physical goods to international markets, and there were often fewer steps between developing an offering and delivering it in market. This also gave some businesses greater scope to move between markets, respond to opportunities and challenges (especially common during Covid-19), and adjust their project activity as it progressed.

These characteristics were particularly evident among digital businesses. For example, one company used the funding to help growth their business-to-consumer mobile app. The app was sold through the global app stores across multiple countries while the management of the app remained primarily based in New Zealand. Although market-specific marketing, relationship building, and partnerships were still required to help grow the app, the business could expand internationally using the same core delivery model across different markets. This relatively direct pathway to market meant that the initial outcomes associated with the funded activity became visible comparatively quickly.

In contrast, goods businesses generally described longer and more complex pathways to impact. Market entry could require relationships with manufacturers, distributors, and customers, alongside

freight, inventory, regulatory, and in-market requirements. These arrangements often needed to be established before sales could begin at scale, meaning commercial outcomes were not always visible within the same timeframe as the initial funded activity. The experience of one business that shifted its offering from providing a mixed physical and service-based product to a service / software-as-a-service-oriented model illustrates this distinction. The participant described the shift to this new model as allowing the business to grow and scale more quickly, meaning impact has the potential to show up faster.

> *"Covid came along and brought us back to zero – it brought us to our knees, effectively. We had to refinance to keep the business alive, which we were able to do. And since then, we've really been focusing on growing the business as a platform rather than as a full-service model. So now we use technology and automation and we sell our services … it's a much lighter model, much lower revenues, but much higher margins and much easier to scale. So that's sort of where we are. That's how we grew fast." – over $50M revenue, T & S business*

One goods business also reflected on the importance of being in the market and building its own physical presence in-market to reassure its distributors and customers of its commitment.

> *"We had someone relocated in the market. He was living there. He was committed through Covid, remained in market, and just kept working and building our customers' confidence that we're not leaving, we're here for the long term. And now we're at a point where we actually have our own office there. So, you know, everyone knows we're there to stay…*
>
> *… we've fitted out an office and we've got an experience centre there, too, so our distributors are coming in, bringing their customers in, and we're doing product training, demonstrations; that sort of thing. It's been a very powerful tool for us." – under $10M revenue, FBCG business*

The earlier emergence of outcomes among service-based businesses may partly reflect the lower barriers and risks associated with exporting services. In contrast, goods-producing businesses often face higher costs, longer lead times and greater uncertainty when entering international markets. This does not necessarily mean funding had less impact for goods businesses; rather, it suggests different business models may shape when and how fund-associated impacts become visible.

Business type also shaped where impact occurred and how readily this impact could be measured. Service and digital businesses appeared to be able to more easily retain their operations in New Zealand while expanding into new export markets. For example, one software business talked about how it can onboard international customers from New Zealand, meaning it does not need to establish a physical operational presence in each new export market as it grows.

> *"We're quite proud of the fact that we're a global company headquartered within Auckland. With any growth, what we do know is we can onboard customers remotely. So, we onboarded our [international country] customer completely from Auckland." – under $10M revenue, T & S business*

One participant reflected on how this ability to maintain operations in New Zealand could have implications for understanding the impacts of the Expansion project.

> *"In order to grow a business, unless it's a pure software, as you know, SaaS business, you've got to put arms and legs in the market so people can press the flesh and have face time. I still*

think that's very important. And IGF still supports it, but their key KPI is New Zealand roles, which is difficult." – over $50M revenue, T & S business

Goods businesses' international growth was more likely to involve a combination of domestic and offshore manufacturing, distribution, and market-facing activity, meaning employment is spread across different activities, geographies, and timeframes. This did not necessarily mean that these businesses generated less domestic impact, but that their impacts could be more difficult to capture through measures such as the number of roles based in New Zealand.

This finding reflects participants' perceptions of how the success of their Expansion projects was assessed. While these perceptions relate to NZTE's approach to measuring success, they may not accurately reflect NZTE's formal assessment framework for Expansion projects – NZTE assesses outcomes holistically across economic impact, international growth milestones, and commercial results. However, participants' reflections still highlight the importance of recognising that impact may be generated differently across business types and growth models. Their accounts should also be considered in light of the time elapsed since the project experiences recounted and the reliance on retrospective participant recall.

Service and digital businesses also reported greater scope and agility to refine their offerings and delivery models as they gained experience in international markets. Because these adjustments did not typically depend on changes to manufacturing or physical distribution, some businesses could respond quickly to customer feedback by testing and repositioning their offerings.

"In software, you can be a little bit agile and a little bit fluid, so there may have been features, for instance, post-launch that people were calling out for that we then ended up putting in the product … and, therefore, there would have been a pivot in some of the marketing activity towards certain things." – $10M–$50M, T & S business

A large technology business also noted that its product technology continued to evolve and improve as it expanded its customer base.

"Well, from a product point of view, I think there was advancement because each of these different customers have demanded and asked for different things, which has pushed us to provide improvements in the way in which we operate. … It's driven demand for improvement in our technology. So that has been the result of that." – over $50M revenue, T & S business

These characteristics may give service and digital businesses greater scope to adapt their approach more quickly as they develop a clearer understanding of international customers and market contexts. Findings showed goods businesses could also adapt but often needed to do so within more complex manufacturing, regulatory, and distribution arrangements compared to service and digital businesses.

The Covid-19 pandemic provided an example of how these structural differences could shape businesses' responses to disruption. Service and digital businesses were affected by restrictions on travel, sales, and face-to-face relationship building, but many retained the ability to deliver their core offer remotely. This did not remove the barriers they faced, particularly in acquiring new customers, but it provided some businesses with greater scope to maintain delivery or adjust their approach.

"We couldn't travel, which is a big barrier, but we adapted pretty quickly. We were pretty lucky in the fact that our business within the industry, we were able to sort of get through it

> *without too much impact. Everybody started working remotely, so we pivoted pretty quickly to work remote, particularly in lockdown. We were able to retain pretty much all our permanent staff, which was really important. So, when you think about what the hospitality industry and other industries went through, we were pretty unaffected. We didn't really need any sort of external help to support us get through that period. We were quite lucky in that regard."*
> *– under $10M revenue, T & S business*

Some businesses with purely digital consumer-focused offerings also reported minimal impact and unexpected growth over this time.

> *"During the Covid period, we actually saw, because a lot of people were stuck at home, we saw quite an uptick in usage because I guess, you know, you're stuck at home, you've got your computer." – $10M–$50M revenue, T & S business*

> *"Covid basically fast-tracked things, and due to the at-home service demand, we basically then just went live in all of the countries. Otherwise, we possibly would have taken a more gradual approach to that. But it was good that we were actually from a platform perspective ready to do that. That was our lifesaver at that point in time." – over $50M revenue, T & S business*

This was not consistent across all service and digital businesses, reinforcing that business type did not determine impact uniformly. The nature of the product or service, target customer, specific timing, and market context also influenced how businesses experienced disruption and whether fund-associated outcomes could be maintained or accelerated.

Goods businesses faced similar Covid-19 related constraints to service and digital businesses, but with added disruptions and complications regarding manufacturing, supply, and distribution networks. Their ability to progress funded activity depended not only on maintaining customer relationships but also on the continued production and movement of goods. These additional dependencies may have increased their exposure to wider global uncertainty and delayed the emergence of commercial outcomes associated with the funded activity.

> *"Covid was huge. Covid basically decimated our food service business. … Covid forced a pivot big for us from food service into retail and into online." – $10M–$50M revenue, FBCG business*

> *"It takes 4 months to get from an order to get a product, and to then get a container load of product shipped. It's not a quick process. So, to be able to fulfil that demand during Covid times and a Russian oil crisis made it really challenging just to even just to get product into market." – under $10M revenue, M & IR business*

> *"Covid was a massive problem for us. We had to shut down our factory for 5 or 6 weeks. That was a big deal. You know, everyone sitting at home. We had redundancies – it was a really, really tough time." – $10M–$50M revenue, M & IR business*

The findings reveal the flexibility of the IGF-supported businesses to navigate different pathways to impact. This enabled some service and digital businesses to adapt their expansion approach through iterative testing and offer refinement, while helping goods businesses respond to regulatory, distribution, and supply-chain challenges.

> *"What saved us was the agility to move the funding around and not be told, 'you said you were going to spend this much on this thing'. And I think that's what's critical." – under $10M revenue, T & S business*

> *"It's been fantastic, you know, to be able to redirect the fund in that way. I don't know whether that's unique to us, but we made the request, and it went before the IGF committee, and it was accepted. We were absolutely delighted. It's played a big part in our success." – under $10M revenue, FBCG business*

Participants considered flexibility compatible with accountability, valuing the ability to adjust specific activities while remaining focused on the funding's intended purpose and outcomes. This highlights the importance of accommodating justified changes to project plans as businesses respond to market feedback, new information, and changing external conditions.

Overall, business type influenced how, when, and where the impacts associated with IGF funding became visible. Service and digital businesses often had more direct routes to international customers, greater scope to adapt their offer as expansion progressed, and more capacity to retain delivery in New Zealand. Goods businesses typically needed to establish supply chains, distribution arrangements, regulatory approvals, and an in-market presence before commercial outcomes could emerge, resulting in longer and more complex pathways to impact.

The qualitative findings do not establish that either business type experienced greater impact overall. However, they indicate that a common measurement timeframe may capture impact more readily for some business models than others. Assessments of the IGF impact should, therefore, account for the longer lead times and wider mix of domestic and offshore activities associated with goods businesses. They should also recognise the value of allowing businesses to adapt funded activities while maintaining accountability for the intended outcomes.

Validation funding can provide a foundation for success

The qualitative evidence broadly aligned with Motu's 2026 Causal Impact Analysis report findings that the estimated effects of Expansion funding were not materially influenced by whether businesses had previously received Validation funding. However, some businesses that had received previous Validation funding felt this supported their preparation for the subsequent Expansion projects undertaken.

For one business, Validation funding enabled a more thorough assessment of the market opportunity, including through market research, relationship-building, and attendance at relevant events. The business considered this work important in determining whether the opportunity was worth pursuing and in informing its decision to proceed with a larger Expansion project.

> *"Securing the Validation funding was key [to the Expansion project], because I think, it would have been difficult to kind of do that, do a real proper assessment of that opportunity without it, you know, and it's a long way to go. [Specific target market] is a long, expensive way to go, and you're competing with other resources in that respect." – under $10M revenue, T & S business*

Another business felt that the insights gained through IGF-related activity helped to ensure that the subsequent Expansion project was appropriately framed and had a stronger prospect of success. It

also considered that the earlier project gave NZTE greater confidence in the proposed approach, meaning the Expansion project did not begin from a 'cold start'.

> *"This was our second IGF. We'd done an original market insight study and then we'd applied those learnings into a second initiative [which was a Validation grant] … we were very much on that pathway, and that was something that obviously gave NZTE a lot of security as well in terms of their support for us that we'd done things in the right order. They had, you know, they experienced some of that alongside of us – they had achieved the same insights and perspective that we had, which meant that the [Expansion] project was well framed and funded and executed, so it wasn't a cold start. It was built on a number of previous experiences." – $10M–$50M revenue, FBCG business*

For a third business, two rounds of market validation contributed to a longer-term process of refining its offering and preparing for expansion into a new market. This included identifying the need for a more distinctive product, undertaking extensive market interviews, developing intellectual property, and establishing relevant partnerships before proceeding with the Expansion project.

> *"We did two market validations. The first one, we actually worked out after that that we really needed to go away and do a bit more work in the background to get ourselves ready for what we were doing to make it successful. So, we didn't apply for IGF funding post that. We went away for a number of years and got all our ducks in a row. And then, we did another market validation a number of years later, I think about 5 years later, when we were much more close to being ready to launch our new product…*
>
> *[when asked what made them hold off after doing the earlier Validation projects] … we realised what we needed to do was go away and make sure that we had all our protections in place, patents, and trademarks. We also built our presence, connections, and relationships in the industry in the [specific target market], in particular. It takes quite a long time to build those relationships where you can get to a point of trust where they are willing to commit to the value and volume. So [from the Validation project], we realised we had to actually just spend the time investing in those relationships and getting the branding and all those aspects right, and then thinking about how our supply chain was going to work to make it viable financially both for us, but also for the companies that we were working with." – under $10M revenue, FBCG business*

Together, these cases suggest that the Validation funding may have helped some businesses establish a stronger foundation for their subsequent Expansion projects and increased their potential to generate impact. However, this experience was not evident across all businesses that had previously received Validation funding. It was also difficult to determine the extent to which the impacts achieved could be attributed specifically to the earlier Validation funding, rather than to the Expansion funding, the businesses wider development over time, or other contributing factors.

IGF in the Funding Landscape

To understand the value of IGF funding, businesses were asked to reflect on its role within the wider funding and investment ecosystem.

For most businesses, the IGF funding formed part of a broader funding ecosystem that included internal investment, commercial finance, and, in some cases, support from other public programmes. Rather than acting in isolation, businesses often described the IGF as complementing these funding sources by helping to reduce risk, accelerate planned activities, and unlock growth opportunities that may otherwise have been delayed or pursued at a smaller scale.

Qualitative discussions explored how the IGF complemented these other sources of support, such as private investment, debt financing, government funding programmes, and internally generated business revenue.

While businesses often accessed multiple forms of funding throughout their growth journey, the IGF was seen as occupying a distinct position by supporting activities that can be difficult to fund through traditional channels. In particular, participants highlighted the IGF's role in reducing the risk associated with market development, export expansion, and innovation-related activities, helping businesses to pursue opportunities that may not have attracted external investment at an early stage.

Funding challenges for goods businesses

Some goods businesses described funding as particularly valuable to companies like their own, noting that the higher upfront costs, longer development timelines, and greater market uncertainty associated with bringing a product to market could make external investment more difficult to secure.

In contrast, these businesses perceived that service companies are often able to generate revenue earlier and scale more gradually, with relatively lower costs of sale and fewer capital requirements. While service businesses also face unique complexities when entering new markets, the qualitative findings suggest that they may have a more direct path to market involving fewer steps. In this context, funding was seen as filling a particularly important gap for goods businesses by providing support at stages when private investment may be difficult to access and helping to reduce barriers to growth and international expansion.

> *"I think it's easier if you're a software startup to raise money versus a hardware manufacturing-oriented startup. They can generate recurring revenue. So, if they're successful, the cost of the next sale is quite low because they don't have to manufacture every product they sell. There's an upfront cost in coding and building their product platform, but then if they nail the product market fit and can sell it effectively, then there's much higher margin. And so those economics are more attractive to investors and there's just a bigger, it has been a more recognisable business scale-up model for progressive funding rounds and exits." – under $10M revenue, M & IR business*
>
> *"I definitely don't think other funding was readily available for this." – $10M–$50M revenue, FBCG business*

Experiences & Refinements

During qualitative interviews, funded businesses were asked to reflect on their overall experience with the IGF and identify any changes or improvements that could enhance the programme's effectiveness.

Participants identified several opportunities to further enhance the overall experience and increase the value delivered to businesses. Suggestions focused on strengthening support throughout the funding journey; improving access to expertise, networks, and peer learning opportunities; and ensuring that the programme remains responsive to the diverse needs of different businesses.

The findings in this section highlight areas where participants felt additional support, refinements to existing processes, or new initiatives could help maximise the impact of funding and improve outcomes for future recipients.

Follow-up support/funding

Participants suggested a potential role for follow-up or 'booster' funding after the initial funding period. In their view, this could help businesses demonstrating strong progress to sustain momentum, continue market development and capitalise on emerging opportunities. This was seen as particularly valuable in international markets, where achieving commercial outcomes often requires sustained investment over an extended period, and meaningful progress may only become evident towards the end of the initial funding cycle.

> *"I would actually have liked the IGF grant to have a booster on the end of it, because we went really well, we tripled in 3 years and ... in the [specific target market] and the IGF was a tremendous help. And it would have been actually good to have a like a little sugarcoat on the end of it, like a 1-year boost just to keep you going." – under $10M revenue, M & IR business*

Some participants also perceived successful completion of an Expansion project as a potential pathway to further IGF support from NZTE. Businesses may reapply for Expansion funding after three years, subject to meeting the relevant eligibility criteria, including the $100 million total annual revenue threshold (reduced from $500 million in 2024). As such, these perspectives may reflect participants' interest in more immediate or ongoing support.

> *"We would like to remain eligible for funding. Having gained the experience, confidence, and a proven model for international expansion, we believe we are now a strong candidate for additional support and represent a low-risk opportunity for future investment." – over $50M revenue, T & S business*

> *"We're very disappointed that we can't get any further IGF support – the $100 million threshold seems arbitrary." – over $50M revenue, T & S business*

Educating stakeholders on international growth challenges

Maintaining a rigorous IGF application, assessment, and due diligence process helped businesses build confidence in both their projects and their strategic plans. Participants felt that the level of scrutiny required encouraged them to critically evaluate their assumptions, refine their objectives, and strengthen their business cases before committing resources. The process also provided an element of

independent validation, giving businesses greater confidence that their proposed approach was robust, commercially viable, and aligned with their growth ambitions.

Beyond meeting funding requirements, the discipline imposed by the process helped businesses clarify priorities, identify potential risks and opportunities, and develop more considered plans for execution and long-term success.

Participants highlighted the possibility of extending this approach by helping to educate boards on the realities, opportunities, and timeframes associated with exporting and international growth. Strong board understanding and support were seen as critical to successful market expansion, particularly given the investment required, the inherent uncertainty of entering new markets, and the often-lengthy period before commercial returns are realised.

Businesses noted that boards with limited export experience can sometimes underestimate the time, resources, and risk involved, leading to unrealistic expectations around outcomes. Increased education and exposure to export best practice could help boards to make more informed decisions, provide stronger strategic oversight, and maintain confidence in export initiatives through the inevitable challenges and setbacks that accompany international growth.

Knowledge sharing

Businesses expressed interest in opportunities to learn from the experiences of previous IGF recipients, particularly those who had successfully navigated similar export, growth, or market development challenges. They felt that peer-to-peer learning, mentoring relationships, and practical case studies could provide valuable real-world insights to complement the guidance offered by NZTE.

While NZTE was widely valued for its expertise, networks, and strategic support, some participants noted that fellow entrepreneurs and business leaders can offer a different perspective, grounded in direct experience of overcoming the challenges associated with international expansion. Greater access to these experiences was seen as a way to accelerate learning, avoid common pitfalls, build confidence, and provide practical guidance on what has worked in comparable situations. Such support could include mentoring programmes, alumni networks, case studies, and opportunities for recipients to connect and share lessons learned.

IGF recipients were keen to learn from the experience of each other. Connecting with past IGF recipients was suggested in the form of:

- **Mentoring** – helping businesses to navigate through the IGF project, allowing them to learn from the experiences of others (ideally mentor and mentee would be in a similar industry).
- **Case studies** – hearing from past recipients was seen as both interesting and helpful. It also provides a mechanism for the promotion of the business and/or product involved in the IGF grant. Many recipients were proud of their business and IGF results, and wished for wider recognition and awareness.
- **Opportunities to meet and connect** – with like-minded business leaders who were navigating similar export and growth challenges. These peer connections provide opportunities to share experiences, learn from others, and build relationships with fellow entrepreneurs.

Participants emphasised that any additional support should recognise the diverse needs, operating models, and cultures of different businesses. While mentoring, networking, and peer-learning opportunities were seen as valuable, there was a strong view that a one-size-fits-all approach is

unlikely to be effective. Businesses noted that the type of support required often depends on factors such as stage of growth, export experience, leadership style, capabilities, and strategic objectives.

As a result, participants felt it was important to first understand the mindset, culture, and specific challenges facing each business before determining where support could add the greatest value. A more tailored approach was viewed as likely to deliver better outcomes by ensuring assistance is targeted to areas of genuine need rather than applying a standardised model across all recipients.

> *"We probably didn't need the wraparound services a lot of companies might, we were more looking for the financial aspect." – under $10M revenue, T & S business*

NZTE's broader Focus portfolio services play an important role

Many businesses highlighted the important role NZTE played throughout their funding journey, noting that its contribution extended well beyond financial support. Participants placed significant value on access to NZTE's expertise, strategic guidance, and established networks within export markets through its broader Focus portfolio services. In particular, NZTE's in-market presence and local contacts provided businesses with insights that would have been difficult to obtain independently, helping them better understand market dynamics, identify opportunities, and connect with key stakeholders.

This additional layer of specialist support helped businesses test and refine their ideas, challenge assumptions, and build confidence in their export strategies. For many, NZTE acted as a trusted advisor, helping to shape thinking and accelerate decision-making at critical stages of the market development process.

> *"Not just from a monetary point of view, but also from the expertise that we can tap into from NZTE, and they have contacts, or they might suggest somewhere where something's worked. That communication with NZTE can be more valuable even that an IGF fund." – $10M–$50M revenue, FBCG business*

> *"You've got people who are experts in that particular market, in that particular field, and they really drill into your business case in a lot more detail than maybe an internal director or colleague would do. So, it's probably having that set of specialist eyes on top, which then helps you when you actually formulate your own business cases or your own business planning for your internal purposes ... it just makes you more prepared to answer those questions in lots of different forums, which is a good thing." – under $10M revenue, FBCG business*

Businesses highly valued the reassurance of having ongoing access to NZTE support throughout their funding and export journey. Participants spoke positively about knowing they could seek advice, ask questions, and test ideas at any stage of the process – regardless of how significant or minor the issue may have seemed. This accessibility provided confidence and reduced the sense of uncertainty often associated with entering new markets, particularly for businesses with limited export experience.

Beyond formal guidance, NZTE was seen as a partner that could provide timely advice, practical solutions, and an informed perspective when challenges arose. For many businesses, the ability to draw on NZTE's expertise and support on an ongoing basis was a key source of value, helping them make decisions more confidently and maintain momentum as their projects progressed.

> *"The Beachhead advisors and additional support of NZTE was support that we appreciated. The funding was nice to have, but the actual knowledge and support of the beachhead advisors and NZTE customer managers was invaluable, really. You can't put a price on that, at all." – under $10M revenue, M & IR business*

Businesses consistently reported that there was real value in the wraparound Focus portfolio services provided by NZTE alongside IGF funding. The role of the customer manager was central to an overall positive experience.

While feedback on the IGF process and the role of NZTE was largely positive, businesses identified several additional areas of support that could be offered by NZTE (or other funding partners) through the IGF process, beyond the provision of funding itself.

Market-specific support

There was a feeling amongst some business recipients that certain markets were more challenging to enter for the first time, particularly where cultural norms, business practices, regulatory settings, or customer expectations differed considerably from those in New Zealand. While the findings suggest that exporting is complex across all markets, some businesses felt that unfamiliarity with the local context in more challenging markets had hindered their ability to establish relationships, communicate their value proposition, or position their offering effectively.

> *"If NZTE wanted to take this stuff seriously, it would actually put in established business-people that have actually had a track record of having, you know, opened a market, launched a market, sold a business globally, who've actually been at the coal face of doing, get them to mentor a company for 6 months … if they could connect previous IGF people up with current IGF people for mentoring." – under $10M revenue, T & S business*

Participants highlighted the value of the market-specific guidance, mentoring, and access to in-market expertise currently offered by NZTE. Depending on the business and market, this should be extended wherever possible to include specific advice on local business etiquette and negotiation practices, introductions to trusted partners or distributors, guidance on regulatory processes, and insights into customer expectations and purchasing behaviours. Participants also valued support to adapt their messaging and communications for local audiences – market-specific language, terminology, tone, imagery, and value propositions; e.g. businesses noted that the terminology used to describe lifestyle and rural properties can vary across European markets. Participants felt that building on existing additional support available to provide more tailored market-specific support could strengthen market engagement, and reduce the risk of miscommunication when entering new regions.

> *"[One thing] that we really struggle with and what we continue to struggle with in our offshore markets is just translation, and voice of the markets over there and how [European country] speak, and what their kind of tone is, and how to represent that on a website and in a global marketing campaign and tailor it ... Not doing the work for us, but just having the network of people in companies that have that skill. You know, it's almost like you want someone that goes, 'Okay, you're setting up in [European country]. These are the three companies we recommend you explore for establishing how you're going to operate' ... a kind of cheat sheet for getting underway over there." – under $10M revenue, M & IR business*

"We should have worked with NZTE or even gone and spent a lot more time in the market with them up in [specific target market] and understood it. If we're going to bring people into markets like, you know, [list of markets in Asia] – those sorts of places, you actually need some really talented people up in those areas of the world that are very business minded. They might not be in the diplomatic circle that we tend to do, I guess, in government, you know, trading sort of relationships ... but I do feel that business relationships are a little bit different. And that real core understanding would actually be great. Leverage people that have been there and done it before. That's why we were there too early." – under $10M revenue, M & IR business

Supporting overseas business networks

Businesses highlighted a desire for greater support in building networks and establishing connections within target export markets. While this feedback extended beyond the funding itself, it arose relatively often in discussions about businesses' market development activities. While funding helped create opportunities to explore and enter new markets, participants noted that access to trusted local contacts, industry networks, potential customers, distributors, and strategic partners could further accelerate market development efforts.

Businesses indicated that more of this type of support would be valuable, generally framing this as a desire to build on the support already provided to Focus firms rather than as criticism of NZTE's current provision. Participants felt that stronger facilitation of these connections would help reduce the time and uncertainty associated with entering unfamiliar markets, while providing valuable local insights and enhancing credibility with prospective partners. For many, the ability to leverage NZTE's in-market relationships and networks was seen as one of the most valuable forms of support, helping to open doors, identify opportunities, and navigate local market dynamics more effectively. Some participants also indicated that this support could help reduce the sense of isolation associated with establishing a presence in a new market.

"I am very grateful for the support we've been given, but the wraparound services NZTE provide, you know, without being unfair to NZTE, you know, your customer manager isn't an entrepreneur. They don't have deep networks all over the world. … What's of most value to most companies is, 'Hey, can you connect to me with a potential client? Can you connect to me with a supplier? Do you have networked people that you can help with? '" – under $10M revenue, T & S business

Tailored training and development

While these suggestions sit outside the IGF funding itself, participants identified opportunities to strengthen the wider NZTE support available to Expansion grant recipients beyond the current NZTE support and services available to Focus firms. This could include tailored training and professional development, as well as connections with experienced exporters to facilitate knowledge sharing. Such support may help build confidence, capability, and organisational readiness for growth, potentially enabling recipients to make more effective use of the Expansion fund.

Perspectives on Measurement

During the qualitative interviews, participant businesses were asked to consider any additional metrics or simple end-of project questions that could be added to help track outcomes and the overall performance of IGF-funded businesses.

Capturing 'softer' impacts

Commercial metrics (sales, jobs, exports) are being captured through NZTE and perceived as the most appropriate measures to evaluate the IGF's performance. Including these performance metrics has helped some businesses to be more focused and disciplined in their approach to monitoring success – creating new systems and processes that they many have now adopted.

To ensure the full impact of funding is being recorded, some participants felt NZTE should also consider measuring some 'softer' impacts, such as increased confidence, improved business capability, impact on business maturity, internal cultural change, business resilience, and learning.

Maintaining rigorous due diligence

The rigorous due diligence process associated with IGF funding was viewed positively by some businesses. Participants noted that the process helped validate their plans and increased their confidence in their export activities and decision-making.

> *"[For the Expansion funding application] We had to put a lot of effort into what the business case is for that. We then give that to the government agency to review and assess. And their approval of that is effectively validation that we are heading in a sensible direction." – under $10M revenue, M & IR business*

However, some participants were reflecting on grants received 10 or more years ago and were unsure whether the same level of scrutiny and rigour continues to be applied in current funding applications and assessment processes.

Feedback on submitted reports

Some recipients indicated that they would have appreciated feedback on the reports they submitted, particularly to better understand NZTE's expectations and perspectives on their progress and performance. While participants viewed this as a valuable opportunity for learning and improvement, it was generally seen as a 'nice to have' rather than a factor that would have significantly affected the overall impact or value of the funding.

> *"We weren't really that monitored. We would give our stuff in at the end of the year." – under $10M revenue, FBCG business*

In 2025, NZTE independently identified the need to provide business recipients with more feedback on reports submitted. As such, it has since introduced new monitoring processes and monthly touchpoints with Expansion grant recipients. As the evaluation focuses on Expansion projects that closed by mid-2024, the businesses interviewed would not have experienced these changes.

Post-project reviews

Although all Expansion projects are required to complete a close-out report which includes a review with NZTE of project delivery, outcomes, and lessons learned, some participants did not recall receiving a comprehensive post-project review. This finding should be interpreted in the context of the retrospective nature of the interviews. The Expansion projects included in the evaluation began and ended at various points during 2014–2024, and participants were asked to recall decisions, activities, and outcomes associated with a specific project. As such, the accuracy and level of detail they could offer depended on their involvement in the project, and their ability to recall past events.

Some participants felt that a more comprehensive review would have provided an opportunity to reflect on their achievements and recognise the project's impact. Others saw value in a more structured assessment of outcomes, including whether the project had achieved its original objectives, and delivered the expected return on investment.

> *"Due to staff changes at NZTE, we never had a post-IGF review. The discussion we're having now [the Ipsos qualitative interview] is far deeper than anything we would have done previously. It's important to assess the return on investment of commercial projects and understand how outcomes align with the original objectives. This would improve accountability and help NZTE allocate funding more effectively and provide evidence of the impact of previous projects." – $10M–$50M revenue, FBCG business*

Participants also suggested that a structured annual or biennial review between NZTE and funded organisations could provide an additional mechanism for assessing progress, reflecting on lessons learned, and identifying changes in expectations or market conditions. They considered that these reviews could explore how organisations might adapt their strategies and capabilities to respond to evolving export opportunities, including by identifying internal skills and capability gaps.

Broadening outcome measures

As noted earlier, some participants perceived the IGF funding outcome measures as placing a strong emphasis on revenue and sales growth. They felt this may not fully reflect the different ways businesses define and achieve success, particularly where Expansion projects are intended to improve profitability, increase margins, strengthen competitive positioning, or support long-term sustainability rather than generate immediate growth in sales or export revenue. Participants also noted the time required to realise tangible financial returns can vary considerably across projects and business types. As such, some considered that the definition of *significant growth* could recognise a broader range of business outcomes and pathways to success.

> *"The IGF/NZTE focus on New Zealand jobs when you're supporting international exporting companies, is challenging. The focus on pure revenue, without a balance on profitability." – over $50M revenue, T & S business*

There was also a strong view that consideration should be given to the wider benefits generated for New Zealand, including the creation of high-quality jobs, development of local capabilities, and contribution to the domestic economy.

However, these perceptions may not fully reflect the range of measures NZTE uses to assess project outcomes – *direct economic impact* (DEI), *international growth outcomes* (IGOs), and *deals*:

- **DEI:** a proxy for the broader economic value expected to flow back to New Zealand. It considers:

  - *incremental employment, including additional FTE roles created in New Zealand over the project period.*
  - *supplier benefits, measured through the additional value generated for the business's New Zealand supplier network as a result of project-related growth.*
  - *shareholder returns and value, reflected in increased positive cash flow resulting from the project.*
- **IGOs:** capture significant non-revenue milestones that indicate progress towards international growth, such as appointing strategic partners, establishing an in-market presence, or securing new routes to market.
- **Deals:** capture the commercial value realised during the project.

Together, these measures aim to capture businesses' progress towards greater growth capability, improved commercial outcomes, and broader economic value generated for New Zealand. As such, the qualitative findings may point less to a gap in the measures themselves, and more to differences in participants' understanding or experience of how the success of their Expansion project was assessed.

Regardless, participant feedback highlights the importance of clearly communicating how project success is measured, and considering how the assessment process recognises outcomes that may emerge over longer timeframes, vary according to a project's objectives, or be less tangible and difficult to quantify through standard performance measures. These soft outcomes may include changes in confidence, knowledge, skills, and organisational capability. Close-out reports and customer manager input may provide important context for understanding these softer outcomes and contribute to a more holistic interpretation of project performance.

Key Overall Observations

Motu's causal analysis found strong positive impacts on export sales, business performance outcomes, and returns on public investment. The qualitative findings provide insight into how these outcomes were achieved, and the factors that shaped businesses experiences.

This final section outlines some of the key overall observation to emerge from the qualitative component of the evaluation.

Impact beyond commercial outcomes

The strongest overarching insight is that the IGF funding's value extends well beyond direct commercial outcomes alone. There are many examples of where it also appears to build exporter confidence, capability, credibility, and maturity, with particularly profound effects on smaller and developing businesses, while helping larger businesses accelerate growth, export into new markets with confidence, and increase market presence.

Intervention logic summary

The intervention logic diagram overleaf summarises some of the pathways through which IGF support contributed to business and economic outcomes, drawing on findings from the evaluation. It links IGF funding and the funded activities and outputs to the intermediate outcomes they generate through to the resulting business performance outcomes.

The intervention logic provides a framework for understanding how funding contributes to growth and value creation, while recognising that businesses may experience these pathways differently depending on their circumstances and specific project objectives.

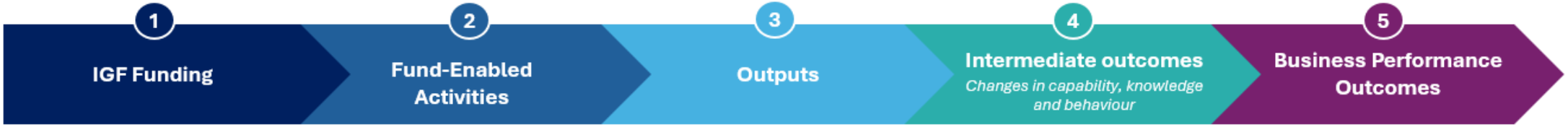
IGF Intervention Logic Diagram

This diagram draws on evaluation findings to map pathways from funded activities to stronger performance and sustained international growth.

Causal quantitative evidence (Motu Research) – *estimated impacts of Expansion funding relative to no Expansion funding.*

Qualitative evidence (Ipsos NZ) - *how and why change occurs: business experiences, contribution of IGF funding and intermediate outcomes.*

Provides deeper insight into measurable outcomes.



- Expansion grant funding & firm co-funding
- Application and assessment process
- Agreed project / export plan

*businesses must be a **focus firm** to apply for Expansion funding.*

- Market research / due diligence
- In-market travel and accommodation
- Build in-market partnerships
- Local marketing campaigns and activations
- Recruit in-market teams
- Product /service testing and validation
- Navigate international market regulatory contexts

- Market research / due diligence completed
- Trade visits attended
- Product / service refinement and adaption to target market
- Established physical presence in target market
- In-market connections established

- Enhanced export skills and capability
- Increased business confidence
- Greater willingness and capability to manage risk
- Long-term growth planning
- Enhanced business reputation
- Sustained long-term presence in target market
- Improved product / service fit for market
- Greater level of export-related knowledge retained in the business

- Increased total sales
- Increased export sales
- Higher levels of gross value added (GVA)
- Increased employment and wages in business

Wider context and ongoing NZTE support – *e.g. customer manager, advisory support and market development expertise. Available to all Focus firms throughout the customer journey.*

Impact was realised through multiple pathways

Businesses experienced value from the IGF in different ways. While some realised benefits through increased sales and export growth, others derived value through capability development, market validation, risk reduction, or stronger international networks that positioned them for future growth.

The IGF acted as a catalyst rather than a sole source of growth

For most businesses, the IGF funding accelerated activities that were already being considered or partially underway. It often enabled businesses to pursue opportunities sooner, at a greater scale, or with greater confidence than would otherwise have been possible.

The combination of funding and wider NZTE support was important

Businesses frequently described the value of the broader NZTE support package, including strategic advice, relationship management, and in-market connections. Businesses often viewed funding and wider NZTE support as complementary, making it difficult to separate the contribution of individual elements of support in their own account of success. Outcomes were often attributed to the combined effect of funding and non-funding support rather than funding alone.

Timing of impact varied considerably

The pathway from funding to outcomes was rarely linear. While some businesses experienced relatively rapid commercial gains, others required several years to translate capability building and market development activities into measurable business outcomes.

Impact was shaped by business context

Business size, export maturity, sector, and target market all influenced how value was realised. Smaller and less experienced exporters often reported the greatest capability gains, while the timing and nature of commercial outcomes varied across business models.

Funding helped reduce risk and uncertainty

Beyond supporting specific activities, the IGF played an important role in reducing the perceived risks associated with pursuing international growth opportunities, giving businesses greater confidence to invest in export development.

Flexibility as a key enabler of success

Businesses valued the flexible nature of the funding, which allowed them to adapt activities in response to changing market conditions, emerging opportunities, and external shocks, e.g. Covid-19.

Outcomes often reflected cumulative effects

For many businesses, observed outcomes were the result of a combination of factors, such as prior investment, internal capability, market conditions, and complementary sources of support. The IGF was typically viewed as an important contributor within a broader growth journey rather than the sole driver of success.

Appendix

Qualitative Research Methodology & Approach *(extended version)*

Qualitative research design

The qualitative evaluation comprised of 40 in-depth interviews with Expansion grant recipients, reflecting Motu's focus on Expansion projects in its causal analysis. The qualitative evaluation included projects that commenced from 2014 onwards, and closed by 30 June 2024. Although Motu's causal analysis included Expansion projects commencing in the year ending March 2010, the qualitative evaluation used 2014 as a project start point to reduce the risk of participants' having difficulty accurately recalling experiences from earlier projects. The closing date of 30 June 2024 was selected to align with the population examined in Motu's causal analysis.

The qualitative component was chosen to complement the quantitative analysis because the evaluation questions required deeper contextual detail and evidence of businesses' decision-making processes, use of funding, and perceptions of additionality that are difficult to capture in quantitative data alone. The interviews enabled businesses to reflect on their experience, providing descriptions on the circumstances surrounding a funded project, the role played by the grant, the sequence through which outcomes developed, and the factors they felt supported or constrained progress.

Each interview was anchored around a specific Expansion grant project identified through the sampling process. Where a business had received other support from the IGF, including another Expansion grant or a Validation or Springboard grant, this could be discussed as contextual information. However, the principal focus remained the Expansion project selected for the evaluation.

The interview guide was informed by the objectives and Motu's causal analysis findings. The quantitative evidence helped identify areas requiring further explanation, including the pathways through which funding could affect international activity and business performance, and the reasons outcomes might vary across different types of businesses. As such, the qualitative design focused on the mechanisms and circumstances underlying observed outcomes rather than attempting to reassess the causal estimates produced by Motu in its causal analysis.

Recruitment and sample

As administrator of the IGF, NZTE supported recruitment by identifying potentially eligible businesses from its database of Expansion grant recipients. Before providing the sample to Ipsos, NZTE undertook an eligibility assessment process to determine the initial sample for this research, drawn from its IGF data system. Expansion project recipients were matched against the population included in Motu's causal analysis to ensure consistency between the two components of the evaluation. Projects were then randomly selected from this matched population to form the required sample.

Following selection, NZTE's customer managers reviewed the shortlisted businesses to confirm their eligibility and suitability for participation. Businesses could be excluded only based on predefined criteria, such as:

- The business was no longer classified as a Focus firm, making participation less appropriate for the Evaluation.
- The business had undergone a material change in ownership, merger, or legal entity since receiving Expansion funding, limiting continuity between the funded project and the current business.
- Employees with direct knowledge of the funded project were no longer with the business, or the project had taken place too long ago to support informed reflection.
- The business had recently participated in other surveys, interviews, or evaluations, and further contact could place an unreasonable burden on it.
- The business was experiencing significant competing pressures, such as a capital raise, acquisition, restructuring, or financial stress.
- There were known sensitivities, including disputes, legal matters, or media attention, that could affect independent participation, place strain on the customer relationship, or make the timing of the research inappropriate.

Restricting exclusions to these predefined criteria ensured that input from NZTE's customer managers was limited to confirming eligibility, the availability of relevant knowledge, and the appropriateness of contact. This helped preserve the integrity of the selection process while reducing the risk of approaching businesses that were unable to provide informed feedback or for which participation would create an unreasonable burden.

Before fieldwork began, NZTE also validated the available contact information for the selected businesses, including email addresses and telephone numbers. The verified contact details were then provided to Ipsos to support participant recruitment and the administration of the research.

This process identified 106 potentially eligible grant records in the initial sample. Some 11 Expansion grants relating to projects that began in 2013 or earlier were subsequently excluded, leaving 95 eligible records. The 11 grants were excluded because the time elapsed since the project was considered likely to limit participants' ability to recall specific details about their experience.

Although businesses can receive more than one Expansion grant, the study was designed to include 40 unique organisations. This approach sought to maximise the range of businesses and experiences represented, while avoiding approaching the same business for separate interviews. Where a selected business had received multiple grants, the interview focused on one specific Expansion project. Other support received by the business was discussed only where it was relevant to understanding its broader experience.

The two primary sampling variables were:

- Business size, based on annual revenue and grouped into three categories: *under $10 million, $10 million–$50 million,* and *over $50 million.*
- Sector, based on NZTE's operational classifications: *Food, Beverage, and Consumer Goods (FBCG); Manufacturing and Infrastructure and Resources (M & IR);* and *Technology and Services (T & S)*

NZTE's sector classifications were developed for operational and customer-management purposes and did not map directly onto ANZSIC, or the industry categories used in Motu's causal analysis. Retrospective mapping was not undertaken because NZTE did not hold ANZSIC codes in the relevant

operational dataset. Developing a new judgement-based classification could also have introduced inconsistency. NZTE's existing sector classifications were, therefore, used for sampling and qualitative subgroup analysis.

The sampling framework set a minimum quota of n=8 participants from each business-size category and each sector category. These were overlapping quotas rather than separate sample requirements. This approach ensured representation across all three business-size and sector groups, while retaining flexibility to respond to recruitment feasibility.

An initial sample of 55 unique businesses was selected through a sampling matrix based on business size and sector. Size was the primary selection variable, with businesses distributed as evenly as practicable across the three size categories. Within each size category, selection also sought to achieve a broadly even spread across NZTE's three sector groups. Businesses within each business size and sector stratum were selected as randomly as practicable using randomly generated numbers.

Recruitment was undertaken in three waves. Wave 1 included 55 contacts, followed by a further 18 contacts in wave 2. These were drawn from the initial pool of eligible contacts identified by NZTE. As the pool was exhausted before 40 interviews had been secured, NZTE identified and provided 21 additional eligible contacts for a third wave of recruitment, besides the original pool of contacts.

Before active recruitment began in each wave, NZTE sent a pre-notification email to the selected businesses. The email introduced the evaluation, explained its purpose, and advised recipients that they might be contacted by Ipsos. Businesses were also given an opportunity to opt out before their contact information was used for recruitment.

Ipsos then contacted potential participants by telephone using the contact information provided by NZTE. Where an individual did not respond to the initial call, Ipsos followed up by text message and/or email. This multi-channel approach provided flexibility when contacting participants, who were generally senior business representatives, could be difficult to reach during standard working hours, and had different communication preferences.

Once an interview had been arranged, each participant received an information and consent form to sign and return to Ipsos. The form confirmed their agreement to participate and their consent for the interview to be recorded and transcribed.

One participant cancelled a scheduled interview due to illness. They were replaced by another eligible contact, and the cancellation did not affect the final number of completed interviews.

Sample achieved

The project achieved the intended sample of 40 in-depth interviews. Each interview represented a unique participating business, although one interview included two representatives from the same business.

The sample achieved met the fieldwork quotas for n=8 across each business size group, and sector group. The table overleaf shows a breakdown of the final sample achieved.

Sample matrix – business size by sector

	Under $10M revenue	$10M–$50M revenue	Over $50M revenue	Sector Total
FBCG	6	5	1	**12** *(30%)*
M & IR	5	4	6	**15** *(38%)*
T & S	7	4	2	**13** *(33%)*
Business Size Total	**18** *(45%)*	**13** *(33%)*	**9** *(23%)*	**40**

The distribution reflects both the sampling framework and the practical availability of eligible participants. While all minimum quotas were met, the achieved sample was not proportionately representative of the eligible population. The sampling approach instead prioritised sufficient coverage of each category to support qualitative comparison across groups.

Fieldwork

Recruitment took place 25 June–28 August 2026, with interviews conducted during 30 June–31 August 2026. The recruitment and fieldwork periods overlapped, allowing interviews to proceed while later recruitment waves were being prepared and contacted.

The original methodology anticipated that an additional recruitment wave might be required if the initial group did not produce 40 completed interviews. In practice, two additional waves of recruitment were necessary. The recruitment and fieldwork timetable was, therefore, extended to allow NZTE to identify and pre-notify additional contacts and Ipsos to complete recruitment.

All 40 interviews were conducted online via Microsoft Teams by Ipsos researchers and were designed to last approximately 60 minutes. One interview included two representatives from the participating business – all other interviews were conducted with one representative from each business.

With participants' consent, interviews were audio-recorded and transcribed through the transcription function in Microsoft Teams. Consent for recording and transcription was addressed through the information and consent form completed before the interview.

The interviews followed a common discussion guide structured around the evaluation questions. At the same time, the semi-structured format allowed researchers to examine matters specific to each business and funded project, including the business's international objectives, the activities supported, the role of the grant in business decision-making, project implementation, outcomes, and perceptions of additionality. Interviews could also consider other IGF fund or NZTE support where this was relevant to understanding the selected Expansion project.

Analysis approach

Analysis drew on the Microsoft Teams transcripts and standardised notes prepared by the interviewing researcher team. After each interview, the researcher completed a standardised Excel notes template aligned with the discussion guide. The template provided a common structure for

recording information against the evaluation topics and supported consistency across interviews and researchers.

Thematic analysis was undertaken iteratively throughout fieldwork. Researchers reviewed their interview transcripts and notes, and organised the evidence under the principal themes and headings required by the research questions. This enabled the research team to identify recurring findings, differences in businesses' experiences, and issues requiring further examination in subsequent interviews.

The researchers conducting the interviews contributed directly to the analysis. The interviewing team met during fieldwork to discuss emerging findings, undertake thematic interpretation collectively, and align the analytical approach across researchers. These sessions were used to test whether interpretations were supported across multiple interviews, and to identify areas where evidence was mixed or varied between businesses.

Analysis considered patterns across the achieved sample and examined whether experiences differed by business size, sector, or other relevant characteristics. Subgroup differences were reported where they were identifiable in the interview evidence. Given the qualitative sample sizes within individual subgroups, the analysis focused on the character and consistency of observed differences rather than numerical estimates of prevalence.

Descriptions such as *a number of*, *many*, and *in many cases* are used in the report where the analysis identified a prominent or consistently expressed theme across the qualitative findings. Their use reflects the overall weight of the qualitative evidence, rather than a defined number or proportion of participants. Numerical values have not been assigned to these descriptions, as doing so could imply a degree of statistical precision, representativeness, or generalisability that the qualitative methodology was not designed to support.

In contrast, findings raised by fewer participants or expressed less consistently across interviews are described more cautiously, using terms such as *one* or *some* businesses. Taken together, these descriptions indicate the relative prominence and strength of themes within the qualitative analysis, rather than providing numerical measures of prevalence. This approach enables the report to communicate differences in the prominence of themes while retaining the depth, complexity, and contextual richness of participants' experiences.

Motu's 2026 Causal Impact Analysis report findings were incorporated into the reporting structure around the evaluation questions. Causal analysis findings were used to provide context for the qualitative evidence, and support the interpretation of how and why outcomes occurred. This was an integrated reporting approach rather than a formal triangulation exercise. The qualitative evidence was not used to reproduce or independently verify Motu's causal analysis estimates.

No specialist qualitative analysis software was used. Coding and thematic organisation were completed manually by the research team using interview transcripts, standardised notes, and analysis sessions.

Report Limitations *(extended version)*

Findings from Motu's 2026 Causal Impact Analysis report have been incorporated throughout this report to provide evidence of programme additionality, alongside qualitative findings which help to

explain the mechanisms through which impacts were realised and experienced by participating businesses.

The findings from the qualitative analysis presented here aim to provide depth of understanding and insight into business participants' experiences, perceptions, decision-making processes, and outcomes, rather than to be statistically representative of all businesses receiving IGF funding.

The findings described in this report reflect the views of the individuals interviewed from recipient businesses, and should be interpreted as indicative rather than conclusive. Given the retrospective nature of many discussions, participants' recollections may also be influenced by time, changing business circumstances, and hindsight. While the research identifies common themes and patterns, the findings should be considered alongside other sources of evidence when informing strategic or policy decisions.

Qualitative insights help validate key themes, indicate the scale and prevalence of observed behaviours, impacts, and outcomes, and provide a broader evidence base for interpreting business experiences and perspectives. Given the nature of Motu's 2026 Causal Impact Analysis report, the majority of relevant findings are incorporated into sections of this report that examine IGF funding outcomes.

Recruitment required the use of most of the available contact pool

The intended sample of 40 interviews could not be secured from the initial 55 businesses identified. Two additional recruitment waves were required, involving a further 18 contacts in wave 2 and 21 contacts in wave 3. The need to draw progressively from the wider eligible sample reduced the scope for targeted selection later in fieldwork. In particular, once the available contacts in a category had been exhausted, recruitment could no longer be targeted within that group.

The number of eligible larger businesses was constrained

The eligible sample contained fewer businesses with annual revenue over $50 million than in the two smaller business-size categories. Duplicate grant records further reduced the number of unique businesses available in this group. The available contacts for businesses over $50 million were exhausted during recruitment.

Although the minimum quota for this category was met, larger businesses accounted for 9 of the 40 completed interviews. This limits the depth with which differences among larger businesses can be assessed, particularly when the group is further divided by sector or other characteristics. As such, the achieved distribution should not be interpreted as representing the relative prevalence of experiences among businesses of different sizes.

Sector classifications were not directly comparable with the quantitative evaluation

Sampling and subgroup analysis used NZTE's operational sector classifications. These categories do not map directly onto ANZSIC categories or the industry groupings used in Motu's causal analysis. It is, therefore, not possible to make exact sector-level comparisons between the qualitative and quantitative samples. The qualitative analysis can provide contextual evidence relevant to the industry patterns identified by Motu in their causal analysis, but apparent similarities or differences should not be interpreted as comparisons between directly equivalent sector categories.

Participation was voluntary

The achieved sample comprises businesses that could be contacted, were available during the fieldwork period, and agreed to participate. Businesses that opted out, did not respond, or were unavailable may have had different experiences of the IGF. The use of repeated recruitment waves widened the pool approached, but it does not remove the possibility of self-selection. As such, the findings should be understood as detailed evidence from the participating businesses rather than a statistically representative account of all Expansion grant recipients.

Sample selection and representation limitations

The qualitative sample excluded some funded businesses due to changes in circumstances, ownership structures, staff turnover, participation burden, competing commercial priorities, or other sensitivities. As a result, the participating businesses may not be fully representative of the broader funded population. There is also a risk that some exclusion factors are correlated with business performance outcomes, meaning the findings may underrepresent the experiences of businesses that achieved weaker outcomes or faced greater challenges following the intervention.

Evidence relied on retrospective participant accounts

The interviews required participants to recall decisions, activities, and outcomes associated with a specific Expansion project. The accuracy and level of detail available depended on the participant's involvement in the project, continued employment at the business, and ability to recall events. NZTE's initial suitability assessment reduced the likelihood of recruiting individuals without relevant project knowledge, but it could not eliminate differences in recall.

Participants' assessments of what would have happened without the grant are necessarily retrospective, and cannot establish a counterfactual independently. These accounts provide evidence about perceived additionality and the reasoning underpinning businesses' decisions. They should be interpreted alongside Motu's 2026 Causal Impact Analysis report, which used quantitative methods to estimate outcomes relative to a counterfactual comparison.

Attribution of funding and non-funding support

In many cases, IGF funding was delivered alongside complementary NZTE non-funding support, making it difficult for participants to isolate the relative contribution of each element to observed outcomes. Consequently, the evaluation is better able to assess the contribution of the overall intervention than the specific impact of funding in isolation.

Qualitative subgroup findings are indicative rather than representative

The sample was designed to provide diversity across business size and sector, and met the minimum quotas for both variables. However, the number of interviews within individual combinations of size and sector was relatively small, as seen in the achieved-sample table. Subgroup findings can identify differences in the types of experience reported, but they cannot establish how widespread those experiences are within the wider population.

Similarly, export intensity, previous Validation grant receipt, and project outcome were monitored rather than controlled through fixed quotas. Comparisons involving these characteristics depend on the coverage achieved through recruitment and the information disclosed during interviews. As such, any subgroup patterns should be treated as explanatory and indicative rather than statistically generalisable.

A summary of limitations for the causal analysis can be found in Motu's 2026 Causal Impact Analysis Report.