

Solutions for Business
Cross-product Monitoring Survey

Report prepared for BIS by

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Executive Summary

Background

This study provides substantive early stage assessments of six Solutions for Business products:

- i. Starting a Business (SAB)
- ii. Intensive Start-up Support (ISUS)
- iii. Starting a High Growth Business (SaHGB)
- iv. Innovation Advice & Guidance (IAG)
- v. Understanding Finance for Business (UFB)
- vi. Coaching for High Growth (CfHG)

The research was conducted during January and February 2010. It involved a telephone survey of 950 SfB clients and a subsequent survey of a group of comparable businesses that had not used these products.

Key findings

All three of the 'start up products' had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up. Additional employment and turnover gains were achieved by users of all six products. The greatest impacts were associated with the two 'high growth' products. The gains already realised at the time of the survey were typically quite modest. However, the research was conducted at a very early stage following the implementation of these products and there is good evidence that further gains will be realised. The findings also indicate that the products were well targeted and that satisfaction rates were high. As a direct result of using the SfB product, 17 per cent of respondent businesses have already increased employment. These employment increases are equivalent to four per cent of the total workforce across all respondents.

Aggregated impacts for all six products surveyed

Impacts on employment

- As a direct result of using the Solutions for Business (SfB) product, 17 per cent of respondent businesses have already increased employment. These employment increases are equivalent to four per cent of the total workforce across all respondents.
- Approximately 37 per cent of respondents anticipate increased employment in the future as a result of their use of the SfB product. This anticipated rise is equivalent to 17 per cent of current employment across all businesses in the sample. 14 per cent of businesses reported both already achieved and anticipated further gains.
- Approximately 2,000 jobs out of a total workforce of 9,250 (22 per cent) have been safeguarded in respondent businesses as a direct result of their use of the product.

Impacts on turnover

- 16 per cent of respondent businesses indicated that their turnover had already increased as a result of using the product, and 46 per cent anticipate future rises. The mean turnover increase per firm (achieved and anticipated) directly attributable to the product is 22 per cent.
- Reported impacts on employment and turnover were highest among the growth-oriented products – CfHG and SaHGB.
- There are indications that the use of more than one product is associated with greater positive impacts on employment and turnover.

Other impacts

- The impacts expected in terms of skill development and enhanced management capacities were realised by the majority of clients. Just under 70 per cent of respondents reported an improvement in planning skills and the same proportion reported being better able to take advantage of an upturn.
- 80 per cent of all respondents reported that the support had led to the business being more likely to grow in the future.
- A high proportion of clients reported that, as a result of using the product, they had undertaken activities or improved specific skills which would facilitate growth in the future.

Targeting of products

- The survey findings show that the products have generally managed to attract the type of clients at whom they are targeted. For example:
- ISUS effectively targeted unemployed clients and those from under-represented groups (women, BME groups and people with disabilities).
- UFB attracted businesses which required finance, but were finding it more difficult to obtain than the SME population as a whole.

Satisfaction

- Overall, 74 per cent of respondents were very or fairly satisfied with the service they had received, and 91 per cent were likely to recommend the product to another business owner.

Additionality

- The evidence from the main survey and the comparison survey data suggest that the products are achieving relatively high levels of additionality. Within this, the findings suggest that not just the level of impacts but also the proportion of this that is clearly additional is highest for the two high growth products and for SaHGB in particular.

Concentration of impacts

- Although increases in employment and turnover in the treatment group are high overall, these changes are concentrated in a minority of businesses. For example, while total employment in the treatment group rose by ten per cent in the past twelve months, only one-third of all businesses actually added extra jobs. Similarly, the 20 per cent mean rise in turnover was concentrated among the 40 per cent of businesses which reported an increase. However, it should be noted that these are early stage results, from businesses which have only recently completed or are still accessing the support. While only a minority may have grown to date, virtually all treatment group businesses reported improvements in skills or the implementation of changes within their businesses which are likely to lead to growth in the future.

Product-specific impacts

Starting a Business

- The product had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up in the case of 44 per cent of business starts.
- Relatively few businesses had been established long enough to report changes in turnover or employment.
- SaB clients reported substantial development of skills and management competencies. The greatest impacts were in planning (an improvement reported by 75 per cent of clients) and marketing capability (67 per cent).
- Almost three quarters of SaB clients (72 per cent) reported an increased likelihood of growth in the future.

Intensive Start-up Support

- This product had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up in 54 per cent of business starts.
- Businesses formed with the support of ISUS were generally too new and small to report employment and turnover impacts.
- The results show that ISUS is fulfilling its targeting criteria effectively, with the proportions of clients falling into groups under-represented in business ownership (e.g. women, BME groups) being approximately the same as in the population as a whole, and a high proportion of unemployed clients (45 per cent). Clients of ISUS were more likely to face multiple barriers to start-up than the comparison group.
- The greatest reported impacts on skills and competencies were: improving the likelihood of future growth (reported by 77 per cent), marketing capability (73 per cent) and planning (also 73 per cent).

Starting a High Growth Business

- The product also had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up in the case of 60 per cent of business starts.
- Clients of SaHGB reported large increases in both turnover (a mean rise of 42 per cent, including anticipated increases) and employment (5 per cent to date, with a further 64 per cent anticipated), while 130 jobs (21 per cent of the workforce) have been safeguarded.
- Increases in employment and turnover over the past twelve months were substantially higher than among the comparison group: employment across all SaHGB businesses, for example, increased by 63 per cent against 11 per cent in the comparison group.
- More than three quarters of product users (76 per cent) reported an improved likelihood of future growth.
- The greatest impact on skills and competencies were related to capacity to take advantage of an upturn (66 per cent) and marketing capability (65 per cent).

Understanding Finance for Business

- The proportion of respondents reporting an improvement in their ability to seek external finance (65 per cent) is the highest among the six products by a substantial amount.
- Almost half (49 per cent) of UFB clients applying for finance prior to accessing the product had been unable to obtain any funds; after using the support, this proportion declined to eight per cent.
- Employment in UFB client businesses increased by 17 per cent in the past year and turnover rose by an average of 23 per cent per business.
- Just over 500 jobs (22 per cent of the workforce) have been safeguarded with the help of the support.
- The greatest impact on skills and competencies came in the areas of improving the likelihood of future growth (reported by 68 per cent), through enabling them to take advantage of an upturn (68 per cent), and undertake more effective planning (67 per cent).

Innovation Advice & Guidance

- Almost three-quarters (70 per cent) of businesses that have used this product have subsequently introduced or anticipate introducing new products or services (of which, 58 per cent are completely new, rather than simply new to the business). Furthermore, 64 per cent have invested in new technology and 63 per cent have increased R&D spending.
- While increases in employment and turnover in IAG clients over the past twelve months have been relatively modest (two per cent and six per cent, respectively), the support has helped to safeguard 530 jobs (just over a fifth of the workforce), and a nine per cent increase in employment is anticipated in the future.
- IAG clients report a mean turnover rise of 21 per cent associated with using the product (including anticipated increases).

Coaching for High Growth

- Over the past twelve months, employment in CfHG client businesses has risen by eight per cent and turnover by a mean of 16 per cent – in both cases, a rate substantially higher than among businesses in the comparison group.
- Support provided through CfHG has helped safeguard over 750 jobs (23 per cent of the workforce).
- Clients reported that the mean turnover rise directly attributable to the product (including anticipated rises) was 29 per cent
- The support has been particularly effective in encouraging export growth, with 92 per cent of clients either realising or anticipating increases.
- 54 per cent of businesses have grown or anticipate growing at a rate faster than they had expected prior to accessing the support.
- This product impacted positively on the widest range of skills and competencies among the six products under investigation. Over 80 per cent of clients reported improvements in at least one of the following areas: strategic decision-making, planning or their positioning to take advantage of an upturn.

1 Background

The Solutions for Business (SfB) portfolio of business support products was introduced in November 2008, as part of the Business Support Simplification Programme (BSSP), originally announced in Budget 2006. This reduced the thousands of publicly-funded support schemes, many of which delivered very similar support, to thirty SfB products, reducing confusion among applicants and resulting in efficiency savings by removing duplication and complexity from the system.

The definitions for these products were fully developed by March 2009, but there followed a transition period of twelve months to allow existing products to migrate to the new definitions or to be discontinued, as appropriate. From March 2010, Solutions for Business is the only banner under which government-funded business support products will be marketed, with Business Link as the main gateway for clients. Regional Development Agencies and local authorities are partners in the delivery of SfB and can decide whether all products should be offered in their region and the budget to be allocated to each.

This report analyses the impact to date of six of these SfB products:

- *Starting a Business (SaB)*.
Product: Provides access to information and advice about business start-up.
Aim: To increase enterprise activity, leading to higher business start-up and survival rates.
Eligibility: Open to anyone
- *Intensive Start-up Support (ISUS)*
Product: Additional advice and mentoring on start-up for those identified by RDAs as under-represented in self-employment and business ownership.
Aim: To increase enterprise activity among targeted groups, leading to higher business start-up and survival rates.
Eligibility: Targeted at under-represented groups (e.g. women, BME groups, those with disabilities)
- *Starting a High-Growth Business (SaHGB)*
Product: Additional support for pre-start and nascent businesses identified as having the potential for high-growth.
Aim: Increase the stock of strongly growing SMEs.
Eligibility: Businesses should have the potential to achieve a turnover of £500,000-£1m within three years of start.
- *Innovation Advice and Guidance (IAG)*
Product: Provision of innovation advice and guidance.
Aim: To provide expert support to facilitate innovation and subsequent improved performance.

- Eligibility: Businesses seeking innovative approaches to overcoming barriers to growth. Chargable for non-SMEs.
- *Understanding Finance for Business (UFB)*

Product: Advice and support on finance, including facilitated introductions to sources of finance.

Aim: Increased awareness of finance options, leading to increased start-up and business growth rates.

Eligibility: SMEs lacking understanding or skills relating to finance options, or access to potential investors.
- *Coaching for High Growth (CfHG)*

Product: Structured coaching programme.

Aim: Increase the stock of strongly growing SMEs.

Eligibility: Businesses with the potential to achieve high growth, but requiring intervention to achieve it. Chargable to non-SMEs.

Because these products have only been in use for a relatively short time - since March 2009 at the earliest - this report provides only a *preliminary indication* of their effectiveness, and recommendations on areas in which the delivery or targeting of the products could be improved (although clients of some closely-matching legacy products have been included). The detailed methodology for the survey is given in the Technical Annex.

It is also important to recognise that the survey took place following a period of very difficult economic conditions, which – to some extent – may have affected both the use and the impacts arising from the use of the products. There may be greater demand for some products where businesses are finding challenges particularly acute, for example, in the area of finance, while the lower level of spending in the economy will likely lead to realised impacts over the past year being lower than they would be in more normal economic times.

2 Aims of the study

The aims of the study are to provide substantive early stage assessments of:

- i. The characteristics of businesses using each product.
- ii. Businesses' experiences of engaging with and using the products.
- iii. Businesses' satisfaction with the processes and the products.
- iv. The impacts from using the products on businesses behaviours and performance - both those already realised and those anticipated in the future.

In addition, the study acts as a pilot for an approach to cross-product monitoring surveys which could be used as a possible model for future research in this area.

3 Outline methodology

The study is based on a telephone survey of businesses which had used one of the six SfB products under investigation (the 'treatment group'), yielding self-reported data on outputs and impacts. Contact details were supplied by RDAs for clients who had accessed these products, or a legacy product with a definition closely resembling the SfB product, over the previous 12-18 months.

The telephone survey took place in January and early February 2010. The survey aimed to achieve 200 responses per product. For the three start-up products, those clients who had not (yet) started a business were included in the survey, with a quota of no more than 25 per cent of the achieved responses (i.e. no more than 50 per product) to come from this group. Questions were designed to investigate:

- a) Outputs: 'the results of activities that can be clearly stated or measured and which relate in some way to the outcomes desired'.¹ In these SfB products, the direct output is usually the improvement in the skills, knowledge and management capacity of the clients.
- b) Outcomes: the eventual benefits to society that policies are intended to achieve. In practice, this means assessing impacts against the core objectives for the product (e.g. impacts upon employment and turnover).

In order to provide a measure of additionality – the net impact of SfB, making allowances for what would have happened in the absence of the intervention - a comparison group survey was carried out, with respondents in the treatment group matched against businesses which had not used one of the SfB products. The comparison group survey took place in March 2010. Due to low numbers of respondents using Innovation Advice & Guidance, these businesses were omitted from the matched sample. The remaining businesses (around 700) were matched to a sample of businesses taken from the Dunn & Bradstreet directory. Businesses were matched in three areas: sector, number of employees and age of business.

It should be noted that the differences between the comparison group and the treatment group are generally not statistically significant at a 95% level of confidence, and should be interpreted as indicative only.

A detailed version of the methodology can be found in the Technical Annex. Copies of the questionnaires used can be found in Appendices 1 and 2.

¹ HM Treasury (2003) *The Green Book: Appraisal and Evaluation in Central Government*, TSO, London

4 Profile of respondents

The samples of clients supplied by RDAs had a mixture of both established businesses and (among clients accessing the three start-up products) individuals yet to start. The client records supplied were not evenly distributed between the regions and there were substantially higher numbers of records supplied for the more heavily-used of the six products (in particular, SaB, where the sample was reduced by random sampling prior to the selection of clients to contact).

Several points where the achieved sample deviated from the initial specification should be noted. First, while the quota of no more than 50 non-business owners per start-up product was adhered to in the aggregate, this quota was not evenly distributed between the three products. This was because of a greater than anticipated number of SaHGB clients having already started their business at the time of receiving the support (since nascent businesses, up to three years old, are eligible for this product as well as pre-starts), and a lower than anticipated rate of start-up among ISUS clients. In order to achieve the full sample of 200 for these products within the time allowed, the quotas were relaxed for these two products, allowing some redistribution of the quota from SaHGB to ISUS.

Second, in the cases of IAG, CfHG and, to a lesser extent, UFB a low number of supplied client records led to a shortfall in the anticipated achieved sample. The achieved sample for UFB (153) is high enough to permit statistical analysis with reasonably robust results. For IAG, the low number of responses (97) imply that the results presented here should be treated as indicative only.² (Table 4.1).

Table 4.1 Sample of clients

Product	SaB	ISUS	SaHGB	IAG	UFB	CfHG	TOTAL
Total sample provided [†]	24,000	956	592	285	379	236	26,448
Usable [†]	10,000	486	503	285	374	236	11,884
Selected [†]	647	486	503	285	374	236	2,531
Interviewed [†]	206	201	200	97	153	93	950
Final achieved sample*	206	201	153	97	153	140	950
<i>Businesses</i>	157	139	135	97	153	140	821
<i>Pre-start</i>	49	62	18	-	-	-	129

[†] Figures as per original classification of business from RDA records;

* Figures following transfer of some businesses from SaHGB to CfHG

² It should be noted that some responses were reallocated from SaHGB to CfHG. Full details are given in the Technical Annex.

4.1 Business characteristics

4.1.1 Size of business

Among those businesses reporting employees, the survey collected information based on firms with a total of 7,793 employees, with an average of 18.5 employees per firm (Table 4.2). Note that these employment figures exclude owners and partners; some statistics quoted elsewhere in this report include owners and partners and consequently do not match the figures in this table.

Table 4.2 Composition of sample by employment sizeband

	Not started	No employees	1-9 employees	10+ employees	Av. size (2010)
SaB	23.8%	61.7%	13.6	1.0%	0.6
ISUS	30.9%	63.7%	5.0%	0.5%	0.3
SaHGB	11.8%	43.4%	37.5%	7.2%	2.7
IAG	-	14.6%	38.5%	46.9%	23.6
UFB	-	31.8%	42.4%	25.8%	13.1
CHG	-	8.6%	41.7%	49.65	28.5
Total	129	395	254	167	18.5
	13.7%	41.8%	26.9%	17.7%	
<i>Number of employees</i>			959	6,384	

Note: Employee figures do not include owners, partners etc.

Of those who responded to the question on turnover, 28 per cent had not been trading long enough to supply this information, and a further 29 per cent were at levels below the VAT threshold. The remaining 43 per cent were split fairly evenly between the remaining turnover bands (Table 4.3)

Table 4.3 Composition of sample by turnover band

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
Less than £67,000	78 51.3%	49 36.8%	39 30.7%	15 16.3%	42 29.0%	3 2.2%	226 28.9%
£67,000-99,999	5 3.3%	1 0.8%	9 7.1%	8 8.7%	11 7.6%	1 0.7%	35 4.5%
£100,000-249,999	4 2.6%	2 1.5%	14 11.0%	9 9.8%	20 13.8%	13 9.7%	62 7.9%
£250,000-499,999	3 2.0%	1 0.8%	8 6.3%	10 10.9%	11 7.6%	22 16.4%	55 7.0%
£500,000-999,999	- -	1 0.8%	3 2.4%	15 16.3%	15 10.3%	28 20.9%	62 7.9%
£1m-1.49m	- -	- -	1 0.8%	10 10.9%	6 4.1%	19 14.2%	36 4.6%
£1.5m-2.8m	- -	- -	1 0.8%	3 3.3%	12 8.3%	17 12.7%	33 4.2%
More than £2.8m	- -	- -	3 2.4%	15 16.3%	11 7.6%	26 19.4%	55 7.0%
N/a - not trading that long	62 40.8%	79 59.4%	49 38.6%	7 7.6%	17 11.7%	5 3.7%	219 28.0%

N=783

4.1.2 Business characteristics

Some 91 per cent of the achieved sample of businesses provided information on their business sector (Table 4.4). It is clear that the sample is not fully representative of the business population as a whole. In particular, other business services are substantially over-represented in the sample, accounting for 39 per cent of all respondents.

In terms of individual products, manufacturing is less well-represented among users of the three start-up products than among the other three products, while other services sectors (mostly personal services) are over-represented by comparison.

Table 4.4 Sector of respondents, by product

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
Primary/utilities	4.8%	0.8%	0.0%	2.2%	0.0%	0.8%	1.5%
Manufacturing	8.8%	8.5%	13.2%	28.1%	19.4%	22.1%	15.9%
Construction	9.5%	10.0%	4.1%	4.5%	4.3%	7.4%	6.8%
Wholesale/retail	8.8%	15.4%	12.4%	6.7%	7.9%	14.8%	11.1%
Hotels & restaurants	2.7%	1.5%	5.0%	1.1%	4.3%	2.5%	2.9%
Transport & comm.s	1.4%	3.8%	1.7%	0.0%	3.6%	3.3%	2.4%
Financial services	1.4%	0.0%	0.8%	0.0%	2.2%	1.6%	1.1%
Other business services	31.3%	25.4%	48.8%	46.1%	43.2%	41.8%	38.8%
Other services	31.3%	34.6%	14.0%	11.2%	15.1%	5.7%	19.4%

N=742

The mean age of businesses included in the survey was just over seven years, skewed downward by the inclusion of clients of the three start-up products; 38 per cent of businesses had been trading for under 12 months (Table 4.5). The median age of businesses was two years. It is worth noting that a number of clients using the start-up products appeared not to be start-ups: approximately five per cent of both SaB and ISUS client businesses were over five years old (no SaHGB business is over five years old as these were transferred to CfHG). The reasons for this are not known: it may be that the owners wished to start a new business (either a spin-off or entirely separate from their existing business); the support they required fell under a start-up programme; or that they may be formalising an informal business which has existed for some time.

Table 4.5 Age of businesses

	Under a year	1-5 years	Over 5 years	Mean age (yrs)
SaB	72.6%	22.3%	5.1%	1.8
ISUS	77.0%	17.3%	5.8%	2.0
SaHGB	48.9%	51.1%	-	1.9
IAG	5.2%	27.1%	67.7%	14.8
UFB	15.2%	37.1%	47.7%	8.7
CfHG	0.7%	16.5%	82.7%	16.5
Total	38.4%	28.3%	33.4%	7.2

The majority of businesses in the survey (62 per cent) were limited companies, a much greater share than the SME population as a whole (Table 4.6), with only 30 per cent being sole traders. As would be expected, a far higher proportion of SaB and ISUS businesses are sole traders

(over 60 per cent), and a far lower proportion among IAG and CfHG, in particular (under five per cent).

Table 4.6 Legal status of respondent businesses

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
Sole trader	63.7%	76.3%	11.9%	4.1%	13.1%	1.4%	30.2%
Partnership	7.0%	2.9%	3.0%	5.2%	5.9%	0.7%	4.1%
Private Limited Company (Ltd)	26.1%	18.7%	85.2%	85.6%	75.8%	92.9%	62.2%
Public Limited Company (plc)	-	-	-	4.1%	.7%	2.1%	1.0%
Limited Liability Partnership	1.9%	-	-	-	3.3%	2.9%	1.5%
Other	1.3%	2.2%	-	1.0%	.7%	.0%	0.9%

N=821

4.1.3 Characteristics of intervention

The start-up products are much more likely to have been recently engaged, particularly ISUS clients, who were helped on average eight months before the survey was undertaken. One-third of the businesses using the non-start-up products first used the service more than 12 months ago; i.e. a fairly high proportion of IAG, UFB and CfHG clients first accessed a legacy product which is close enough to the SfB definition to be included here. Equally, the longer average time lapse since initial use may mean that the benefits accruing to users of these products may be greater, even if they are still using the product on an ongoing basis, since they may have had greater opportunity to put the lessons from the support into practice. This has implications for the indications of impacts achieved by client businesses. In particular, the impacts achieved to date are likely to be only a proportion of the full impact that will ultimately be realised. As the results below show, this is indeed the case.

Table 4.7 Initial use of product (months before date of survey, %)

	0-6 months	7-12 months	>12 months	Average time lapse (months)
SaB	34.2	43.1	22.8	9.7
ISUS	58.6	29.3	12.1	7.9
SaHGB	38.8	41.4	19.7	10.9
IAG	21.3	42.6	36.2	16.3
UFB	27.6	34.9	37.5	15.8
CfHG	16.8	48.9	34.3	15.7

The method by which respondents first heard about the SfB product varied between products. Users of SaB and ISUS were substantially more likely to have found out through a non-Business Link source, while users of CfHG were the most likely to have found out through Business Link (Table 4.8)

Table 4.8 Source from which client first found out about the support (%)

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
Business Link Website	26.2	20.4	30.1	14.4	27.5	17.1	23.3
Direct mail	4.9	7.5	2.6	5.2	15.0	15.7	8.3
Any other BL	10.2	10.0	13.1	25.8	16.3	25.7	15.5
BL source	34.0	29.4	41.8	41.2	51.6	55.0	40.9
Business contacts	27.7	25.9	40.5	37.1	26.1	20.0	28.9
External advisers	18.9	22.9	15.7	7.2	15.7	17.1	17.3
Media	16.5	12.9	6.5	5.2	10.5	7.1	10.6
Friend/family	5.3	10.0	4.6	4.1	3.3	0.7	5.1
Job Centre	7.3	10.4	0.7	0.0	0.7	0.0	4.0
Previously used	3.4	3.5	5.2	12.4	3.9	6.4	5.2
Any other source	12.6	10.9	10.5	5.2	8.5	10.0	10.1
Non BL sources	77.7	79.1	71.2	64.9	58.8	50.0	68.5

N=950; multiple answers allowed

4.2 Profile of comparison group

4.2.1 Use of support

Some 700 businesses were surveyed for the comparison group, matched against respondents using all products except IAG, on the basis of broad sector, age of business and number of employees. The key differentiating factor was that the comparison group had not used one of the SfB products or other similar government-funded support. However, respondents were eligible for the comparison group if they had applied for but not gone on to access such support. Only eight per cent of the comparison group fell into this category, with half having decided against progressing with their application, and a further third being turned down for being ineligible.

Comparison group respondents were also questioned about their use of non-government-funded support. A higher proportion of respondents – 22 per cent – indicated that they had used a non-government source of advice, support or guidance within the past twelve months (Table 4.9). Accountants were the most frequently accessed outside source of support, used

by just over a quarter of those using any outside source, or six per cent of the comparison group overall.

Table 4.9 Use of outside sources of advice other than government-funded business support by comparison group in past twelve months

<i>Source</i>	<i>% using</i>
Accountant	6.4%
Bank	3.7%
Trade/business association	5.4%
Consultant	2.1%
Solicitor	1.1%
Local authority	2.0%
Enterprise agency	1.1%
Chamber of Commerce	1.0%
RDA	0.9%
Personal contacts	0.6%
Other government organisation	1.0%
Other source	2.1%
No outside source of advice	77.9%

The intensiveness of this external support was generally low – only six per cent of those accessing outside assistance characterised it as long-term or intensive, while the most common forms of assistance were the provision of factual information or business planning assistance (both reported by 23 per cent of those receiving external assistance) or the provision of basic advice (reported by 21 per cent). For the most part, as would be expected from the type of assistance received, the assistance was free or, in some cases, would have been provided as part of or alongside standard services (for example, a business owner receiving planning advice from their own bank, or asking their accountant for simple financial advice). Only one-third of those receiving external assistance paid for it. The median amount paid was £920. For the most part, therefore, respondents in the comparison group received little outside assistance or support and very little intensive support.

4.2.2 Characteristics of respondents

The most notable difference between the personal characteristics of respondents in the comparison group and the treatment group is in the average level of qualifications held. Note that this is not related to differences in the age profile of the two groups, which are very similar. Overall, respondents in the treatment group were more likely to hold a degree than those in the comparison group. However, this masks substantial differences between products. For the comparison group, a similar proportion of respondents across all products held a

degree equivalent or higher qualification. However, among the treatment group, clients of UFB and, in particular, SAHGB and CfHG, were substantially more likely to have reached this level of education than clients of SAB and ISUS or respondents from the comparator group. On the other hand, only 45 per cent of clients of ISUS held a degree equivalent or higher qualification, a substantially lower proportion than among the comparator group.

The latter case reflects the fact that ISUS is targeted at clients who are under-represented in business ownership. In the case of the SaHGB, UFB and CFHG, the findings imply that owners who are more highly educated may be more likely than those running similar businesses to access support related to finance or high growth.

Table 4.10 Highest qualification of respondents

		SAB	ISUS	SAHGB	UFB	CFHG	All
Degree equiv. or higher	Treatment	51.9%	44.8%	68.6%	61.4%	72.1%	58.3%
	Comparison	53.5%	53.0%	53.2%	50.5%	50.4%	50.7%
A-Level or equivalent	Treatment	18.4%	23.9%	18.3%	15.7%	10.7%	17.9%
	Comparison	15.3%	14.4%	16.0%	17.9%	16.7%	16.4%
GCSE or equivalent	Treatment	18.0%	21.9%	7.2%	12.4%	8.6%	14.4%
	Comparison	19.3%	20.2%	17.7%	17.4%	15.5%	17.9%
Below GCSE	Treatment	1.5%	2.5%	0.7%	0.0%	0.7%	1.2%
	Comparison	3.0%	3.5%	3.2%	3.5%	5.0%	3.7%
Other	Treatment	4.0%	2.0%	0.7%	2.6%	2.8%	2.5%
	Comparison	2.6%	3.0%	2.4%	2.3%	1.3%	2.0%
No formal qualifications	Treatment	5.8%	4.5%	2.6%	5.9%	4.3%	4.7%
	Comparison	5.3%	4.8%	6.0%	6.7%	8.1%	7.3%

5 Cross-product impacts

This chapter examines SfB product impacts, and how they differ between products, focusing on the type of impacts which are common to all products, such as changes in employment and turnover. Chapters 6-12 examine *product-specific* impacts, the achievement of specific BIS objectives and including analysis of how business behaviour or skills have changed in specific areas which would not necessarily be influenced by all products under investigation. Note that this chapter only includes responses from business owners – those individuals who had not yet started a business or had chosen not to start at all are dealt with in Chapter 9.

The chapters examine three aspects of the products in turn. First, the outcomes and outputs deriving from the products are delineated. Second, the targeting of the products – i.e. whether the products attract the type(s) of clients outlined in their respective rationales – is examined. Third, the additionality of the products – i.e. the impacts achieved over and above what would have happened otherwise – are analysed. It should be noted that for some products, some of these sections may not be applicable, depending on the questions which were asked of the respondents.

5.1 Outcomes

5.1.1 Employment impacts

As the evidence in Section 5.3 below will show, the bulk of the impact attributable to use of the SfB products will be realised in the future. This section examines the actual performance of the respondent businesses in the treatment group over the past twelve months, whether attributed to the use of the product or not.

Employment in businesses using the SfB products rose from 6,852 to 7,502, an increase of 650 employees, or nine per cent. Overall, 34 per cent of this group reported that their employment had increased in the past twelve months (Table 5.1). There are differences between products, with much of the employment change stemming from the more established businesses using UFB and CfHG. However, for every product, the margin between the proportions reporting increases and those reporting decreases in employment was positive.

Table 5.1 Trends in employment in treatment group, previous 12 months

	SAB	ISUS	SAHGB	IAG	UFB	CFHG	All
Change in total employment	25.6% (n=52)	9.6% (n=38)	63.0% (n=66)	2.3% (n=88)	16.9% (n=125)	7.5% (n=132)	9.5% (n=501)
% reporting increase in employment	11.5%	13.5%	40.9%	33.0%	32.0%	49.2%	34.4%

Note: Percentages exclude those not trading 12 months ago; excludes owners etc.

5.1.2 Turnover impacts

In terms of turnover change, the treatment group also reported positive changes over the past twelve months (Table 5.2). Again, this applies across the full range of products, with 40 per cent of respondents, overall, reporting an increase in turnover.

Table 5.2 Trends in turnover in treatment group, previous 12 months

	SAB	ISUS	SAHGB	IAG	UFB	CFHG	All
Mean % change in turnover	17.9 (n=35)	-1.7 (n=24)	57.9 (n=56)	6.5 (n=80)	22.6 (n=122)	15.8 (n=127)	20.5 (n=444)
% reporting increase in turnover	30.8%	10.5%	44.8%	38.2%	44.9%	47.0%	40.2%

Note: percentages exclude those not trading 12 months ago and (for mean change) only include businesses providing actual figures for proportionate turnover change

Turnover across all treatment group businesses alive for a sufficient period increased by an average of 21 per cent. Users of all products except ISUS reported a mean increase in the turnover or their business, with the largest being among users of SaHGB (58 per cent, compared to a rise of 13 per cent in SaHGB comparators). Even in the case of ISUS, the mean decline in turnover is modest (two per cent).

These results may be distorted by the small numbers of businesses which had been in existence long enough to report changes. The ISUS figures are based on only 24 businesses, for example, and 15 of those reported no change in their turnover in the past twelve months.

There are also a number of outliers, reporting extremely large turnover increases (up to 1000 per cent in the course of the year), which similarly may skew the results, although there is no reason to presume these figures are not valid. Box 1 presents a case study of one business with extremely high growth rates in the recent past.

Box 1: Case Study of UFB client with high growth rates

Business A was established in 2006. It provides educational services using bespoke ICT products. In the past twelve months, it reported a turnover increase of 400 per cent, accompanied by a doubling in the number of employees from five to ten.

This business first accessed UFB support in September 2008. The owner was interested in expansion, but became frustrated by the requirements demanded by banks in order to borrow funds. The business did not have the level of security required, and could not obtain any finance as a result.

Use of UFB led directly to the business gaining awareness of the possibility of pursuing equity investment as an option, specifically investors specialising in the expansion of high technology

companies. The owner said the he 'simply wouldn't have gone down that road without the help [of UFB]'. The product both opened up the possibility of accessing a previously unexplored area of finance, and provided key contacts locally.

The business subsequently succeeded in obtaining a major new equity investment, which facilitated the development of its marketing operations. This led to a substantial growth in its customer base, and the large rise in turnover reported above. Business A is currently seeking to build on this success, and to double its turnover over the next twelve months.

5.1.3 Concentration of impacts

Although increases in employment and turnover in the treatment group are high overall, these changes are clearly concentrated in a minority of businesses. Thus, while total employment in the treatment group rose by ten per cent in the past twelve months, only one-third of all businesses actually added extra jobs. Similarly, the 20 per cent mean rise in turnover was concentrated among the 40 per cent of businesses which reported an increase. This is to be expected: these are early stage results, from businesses which have only recently completed or are still accessing the support, and impacts will only be realised after a lag. Indeed, while only a minority may have grown to date, virtually all treatment group businesses reported improvements in skills or the implementation of changes within their businesses which are likely to lead to growth in the future.

5.1.4 Outputs

Businesses were asked about the impact that the product had on various business skills or the capacity of the business to achieve its objectives, reporting whether these skills and capacities had improved to a large extent, some extent or not at all. These represent the direct *outputs* of the product, which will influence the overall performance of the business (i.e. the product's *outcome*). On the whole, as shown in Table 5.3, the skills/capacities which were developed among clients were those which would be expected from those products.

The most commonly reported improvement (among 80 per cent of respondents) was that the business was more likely to grow in the future. An improvement of this sort can clearly be applicable to all products, and it is unsurprising that this attracted the highest proportion of positive responses in five out of the six products under investigation.

The exception here was SaB, where a slightly higher proportion considered that their planning skills had been improved. As can be seen from the pattern of highlighting, the two products which appear to yield particularly high proportions reporting improvements across the broadest range of skills and capacities are CfHG and IAG. However, it is also clear that some products have impacts on a wide range of skills. For example, ISUS respondents reported high levels of impact in the development of their marketing skills, while a relatively large proportion of UFB clients (67 per cent) indicated that the product impacted positively on their planning skills.

Table 5.3 Impact on business skills as a direct result of using the product (% indicating improvement to a large extent or to some extent)

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
The business is more likely to grow in the future	71.5%*	76.7%	76.3%	87.6%*	78.9%	88.6%*	79.7%
The business is better at planning	74.5%	73.3%	63.7%	54.6%*	66.9%	80.0%*	69.6%
The business is better positioned to take advantage of an upturn	55.5%*	67.5%	65.9%	76.3%	68.4%	80.0%*	68.6%
The business has improved its marketing capability	67.2%	72.5%*	65.2%	59.8%	55.6%*	67.9%	64.8%
The business has improved its strategic decision-making capabilities	53.3%*	56.7%	60.7%	55.7%	61.7%	83.6%*	62.5%
The business is better at spotting opportunities†	-	-	54.1%	-	-	60.6%	58.3%
The business has improved its investment readiness†	-	-	55.0%	-	-	57.7%	57.2%
The business is better positioned to cope with the economic downturn	43.8%*	43.3%*	45.2%*	66.0%*	62.4%	68.6%*	54.6%
The business improved its financial management skills	64.2%*	65.0%*	48.9%	37.1%*	61.7%	45.7%*	54.3%
The business is better at managing its costs	65.0%*	63.3%*	48.1%	37.1%*	56.4%	51.4%	54.2%
The business has more capability to develop new products or services	41.6%*	47.5%	49.6%	72.2%*	55.6%	56.4%	53.0%
The business is better equipped to seek external finance	48.9%	47.5%	54.1%	51.5%	64.7%*	46.4%	52.2%
The business is better at understanding risk†	-	-	48.6%	-	-	50.4%	51.5%
The business has improved the quality of its products or services	45.3%	45.8%	48.9%	58.8%	48.1%	59.3%*	50.8%
The business is better at creating teams†	-	-	31.2%	-	-	55.5%	44.7%
The business is better at exporting†	-	-	17.4%	-	-	27.7%	23.1%

Cells highlighted in green are particularly high; those with white text on black are particularly low. Highlighting does not necessarily indicate statistically significant differences from the mean; significant differences at the 95% level (against the five other products combined) are indicated by an asterisk

† Skills related to growth, only asked to clients of SaHGB and CfHG

5.2 Targeting

For areas of improvement which apply to all products, it is possible to make inferences about the accuracy of targeting by looking at skill shortages among the comparison group, in contrast to those skills and capacities in which the treatment group reported improvements. Some 24 per cent of comparison group respondents felt that they had some shortage of skills or expertise which had proven to be an obstacle to the success of their business. Among these respondents, the majority of problems were in four areas. Shortages of financial management skills, marketing capability, IT skills and job-specific skills had all proved obstacles to between a fifth and a quarter of those with any shortage (equivalent to 4-6% of all comparison group respondents) (Table 5.4). Other areas of skill shortage affected only a minority of businesses. It is worth noting that neither IT skills nor job-specific skills were included in the list of potential areas of difficulty presented to respondents, but emerged as important areas when respondents were asked to specify 'other' areas in which they had found difficulties.

Table 5.4 Skills shortage areas proving to be obstacles among comparison group respondents

<i>Skill shortage area</i>	<i>% of comparison group respondents</i>
Financial management skills	6.1%
Marketing capability	5.1%
IT skills	5.1%
Job specific skills	4.6%
Capability to develop new products/services	1.1%
Strategic decision making capabilities	1.1%
Sales skills	1.0%
Cost management	0.7%
Accountancy/Tax regulations knowledge	0.7%
Planning	0.6%
Tendering for contracts/Negotiating contracts	0.6%
Staff management	0.6%
Capacity to seek external finance	0.4%
Spotting opportunities	0.3%
Understanding risk	0.1%
Investment readiness	0.0%
Creating teams	0.0%
Other	3.7%

Comparing this list against the areas in which SfB clients reported improvements (Table 5.3) shows that the majority of comparison group respondents would not have regarded the products as useful or relevant to their circumstances, in terms of improving skills. This suggests that either the comparison group do not recognise skill shortages as an obstacle, or that the SfB products are finding their target clientele, namely those businesses which are most in need of improvements in their business skills. Given the generally poorer performance reported by comparison group respondents, and the improvements reported by the treatment group, it seems likely that some businesses which may benefit from using SfB (or, indeed, other sources of support) are not using it because they do not recognise that their business requires that sort of support.

5.3 Additionality

This section examines the additional impact on the performance of businesses which can be attributed to the use of the product. The surveys allow two methods to measure this: (a) the impact that treatment group businesses themselves attribute to their use of the product i.e. if this use has led to changes which they consider would otherwise not have occurred ('self-reported additionality'); and (b) differences between the performance of the treatment group and the comparison group.

5.3.1 Self-reported additionality: employment impact

Respondents with a business were asked to estimate the number of jobs which had, *as a direct result of accessing the SfB product*, been (a) added to their business already; (b) were anticipated to be added to the business in the future; and (c) had been safeguarded.

Examining first the proportion of businesses reporting changes in employment, respondents indicated that, as a direct result of the support:

- employment had already increased in 17 per cent of businesses, with the highest proportion (35 per cent) being amongst CfHG businesses.
- jobs had been safeguarded in 31 per cent of businesses (which tended to be slightly larger in employment terms than average).³

³ Responses to questions on employment were complicated somewhat by the high number of sole traders among the respondents, particularly amongst recent start-ups. Although the question specified that they should exclude owners, partners and directors from their calculation of jobs gained or safeguarded, it is clear from the responses that many owners did include themselves, since they were the only 'employees' of the business. Therefore, to calculate the proportionate increase in employment stemming from use of the support, we have added the number of owners to the number of employees for each business, to create an estimate of the total workforce in respondent businesses. For example, several business with no employees stated that they had safeguarded or created one or more jobs as a result of the support; this is likely to be a contributory reason why the proportion of safeguarded jobs for the three start-up products appears to be relatively high.

- additional jobs are expected to be created in the future in 37 per cent of respondent businesses reported. Only three per cent of businesses reported that they have created jobs already but were *not* expecting to increase employment further in the future. (Table 5.5).

Table 5.5 Increases in employment and safeguarded jobs, by product, as a direct result of using the product

	<i>SaB</i>	<i>ISUS</i>	<i>SaHGB</i>	<i>IAG</i>	<i>UFB</i>	<i>CfHG</i>	Total
Increase to date	6	2	31	107	65	165	376
% of firms reporting	4.5%	5.8%	19.3%	22.7%	19.6%	35.0%	17.3%
% increase in total workforce	1.9%	0.9%	5.4%	4.4%	2.9%	5.3%	4.2%
Expected increase	46	53	391	225	346	473	1,534
% of firms reporting	17.2%	22.3%	40.0%	46.4%	41.2%	61.4%	37.3%
% increase in total workforce	14.6%	24.5%	64.1%	9.0%	15.0%	14.3%	16.6%
% reporting both realised and expected increase	3.2%	4.3%	13.3%	18.6%	14.4%^x	32.1%	13.9%
Safeguarded jobs	55	36	126	533	514	765	2,029
% of firms reporting	15.9%	15.8%	29.6%	46.4%	46.4%	52.9%	30.8%
% of total workforce	17.5%	16.5%	20.7%	21.2%	22.2%	23.2%	21.9%
% reporting jobs either safeguarded or increased	4.5%	7.2%	23.0%	26.8%	28.8%	38.6%	21.0%
% too early to say	11.5%	11.5%	8.9%	2.1%	6.5%	1.4%	7.3%
% reporting neither safeguard nor increase	56.7%	51.8%	31.1%	23.7%	26.8%	17.1%	35.4%

Note: The percentage of firms reporting increases also includes those who said they did not know the number of extra employees they would take on.

Looking at the *number* of jobs generated, respondent businesses reported that, as a direct result of the support:

- an additional 376 new jobs had been created in the businesses already (equivalent to four per cent of the workforce before receiving the support);
- just over 2,000 jobs had been safeguarded (equivalent to 22 per cent of the current workforce); and
- just over 1,500 jobs are expected to be created in the future, equivalent to 17 per cent of the current workforce.

Hence, the bulk of the increase in workforce resulting from the use of the product has not yet been realised. This is unsurprising: as noted above, these products have been in operation for a relatively short period, leaving only a short window in which impacts could have been realised. Equally, the benefits of products such as IAG and UFB will naturally take some time to be realised; indeed, as noted below (Section 10), many businesses using UFB have not yet put into practice their increased level of knowledge and skills relating to finance. In addition, as noted above, just under two-thirds of the sample were still accessing the product at the time of the survey.

Those businesses where none of the employment increase was attributed to the support were asked if the increase would have happened as quickly in the absence of support. Of the 201 businesses which fall into this category, 75 per cent indicated that the support had indeed contributed towards bringing about the employment increase more quickly. This applies across all products, with only SaB clients recording a substantially lower rate (61 per cent of respondents).

5.3.2 Self-reported additionality: employment impact by bundle of products

In theory, the use of a variety of products should prove more beneficial to the business, by improving competency in a range of areas. In broad terms, this does indeed appear to be the case in practice (Table 5.6).

Table 5.6 Proportion of businesses increasing or safeguarding jobs, by number of areas of support

	'Main' support product only	Support in one extra area	Support in 2+ extra areas
Either increase or safeguard jobs	48.2%	53.5%	66.2%
<i>Increase in jobs only</i>	21.7%	17.0%	25.4%
<i>Safeguard jobs only</i>	13.5%	14.1%	11.7%
<i>Both increase and safeguard</i>	13.0%	22.4%	29.1%
Neither increase nor safeguard	43.5%	38.1%	28.2%
Too early to say	8.2%	8.4%	5.6%

Note: Includes businesses reporting either realised or anticipated employment increases due to the support

Looking purely at the number of areas of support, regardless of the original product accessed, it is clear that adding additional support leads to businesses being more likely to either increase or safeguard jobs. Receiving support in one extra area increases the proportion reporting this benefit from 48 per cent to 53 per cent, and adding further support areas increases the proportion to 66 per cent. These data thus suggest that there is a relationship between the extent of clients' use of support and the impacts achieved.

There is also a difference (significant at a 95% confidence level) in the mean percentage increase in employment, the greater the number of support areas accessed: those businesses accessing two or more additional areas reported a mean increase in employment of 81 per cent (including both realised and anticipated growth), compared with 38 per cent for those accessing fewer. A similar pattern is found in the percentage of jobs safeguarded: those accessing two or more additional areas of support reported that 24 per cent of jobs had been safeguarded, compared with 18 per cent in those accessing fewer (again, a statistically significant difference).

5.3.3 Self-reported additionality: turnover impact

Businesses were asked to estimate the proportion by which their turnover had risen, or was anticipated to rise in the future, as a direct result of accessing the product (Table 5.7). The pattern of impacts on turnover is similar to that seen for employment impacts, with a substantially higher proportion of businesses anticipating an increase in turnover in the future as a direct result of accessing the support than have already realised an increase. As a direct result of the support:

- an increase in turnover had already been realised in 16 per cent of businesses;
- an increase in turnover is anticipated in the future by a substantially higher proportion of respondents (47 per cent)
- the mean realised and/or anticipated increase in turnover per business (conflating realised and anticipated impacts together, if both were reported) is 52 per cent, among those businesses reporting any increase;
- the mean realised/anticipated increase in turnover per business across *all* respondent businesses (i.e. including those which reported no turnover impacts) is 22 per cent.

In terms of products, the reported impact was highest among the growth products, CfHG and SaHGB, which reported turnover increases of 29 per cent and 39 per cent, respectively. The smallest turnover impacts were among the two non-high growth start-up products, which both reported mean rises of around 11 per cent. Since these businesses were mostly in the very early stages of trading, and the economic outlook remains uncertain, the lower proportion of clients of SaB and ISUS reporting anticipated future turnover increases is in line with expectations.

Those businesses where none of the turnover increase was attributed to the support were asked if the increase would have happened as quickly in the absence of support. Results were very similar to those reported for employment increases above. Of the 326 businesses which fall into this category, 76 per cent indicated that the support had indeed contributed towards bringing about the turnover increase more quickly.

Table 5.7 Turnover impact, by product, as a direct result of support

	<i>SaB</i>	<i>ISUS</i>	<i>SaHGB</i>	<i>IAG</i>	<i>UFB</i>	<i>CfHG</i>	Total
<i>Turnover rise already realised, no further rise anticipated</i>							
% of firms	5.1	5.8	8.1	9.3	7.2	10.7	7.6
Mean rise (%) [†]	35.3	44.0	36.9	15.1	16.4	36.9	30.1
Mean rise (%) – all firms [‡]	2.5	3.2	4.9	2.0	2.3	6.3	3.6
<i>Turnover rise anticipated, none realised yet</i>							
% of firms	35.0	31.7	35.6	45.4	45.1	40.7	38.6
Mean rise (%) [†]	30.1	28.9	76.1	32.9	33.8	34.9	39.1
Mean rise (%) – all firms [‡]	7.5	7.7	23.7	13.9	13.9	14.7	13.4
<i>Turnover rises both realised already and anticipated</i>							
% of firms	5.7	2.9	11.9	11.3	7.8	11.4	8.3
Mean rise (%) [†]	141.1	69.0	189.4	114.1	87.4	99.3	122.9
Mean rise (%) – all firms [‡]	1.8	1.0	18.2	8.2	5.7	11.4	7.5
<i>Any turnover rise, either realised already or anticipated or both</i>							
% of firms	45.9	40.3	55.6	66.0	60.1	62.9	54.4
Mean rise (%) [†]	37.0	33.9	103.0	41.8	41.2	53.4	51.7
Mean rise (%) – all firms [‡]	11.3	11.0	38.9	21.1	19.4	29.4	21.5

[†] Average across only businesses which reported relevant turnover rise(s)

[‡] Average across all businesses

5.3.4 Self-reported additionality: turnover impact by bundle of products

For turnover, the pattern of impact by bundle of support is similar to that for employment, although more pronounced (Table 5.8). Accessing two or more additional areas of support in addition to the ‘main’ product substantially increases the likelihood of an impact on turnover (albeit mainly in terms of anticipating an impact, rather than already having realised one). The mean reported turnover rise (including increases both realised and anticipated) for those using two or more additional products was 36 per cent compared with 16 per cent for those accessing lower levels of support, a statistically significant difference at a 95% confidence level.

Table 5.8 Proportion of businesses increasing turnover, by number of areas of support

	Main support product only	Support in one extra area	Support in 2+ extra areas
Rise realised or anticipated	44.0%	49.4%	73.0%
<i>Realised</i>	5.1%	7.1%	10.0%
<i>Anticipated</i>	30.3%	36.9%	50.7%
<i>Both realised and anticipated</i>	8.6%	5.4%	12.3%
Neither	44.4%	41.7%	22.7%
Too early to say	11.6%	8.9%	4.3%

5.3.5 Performance against comparison group: employment change

This section and the following sections analyse the performance of the treatment group against the group of comparator businesses. They examine differences in employment and turnover change in general, followed by an examination of the change in employment and turnover which can be attributed to the support received – SfB in the case of the treatment group, private sector support in the case of the comparison group.

In terms of overall employment changes, differences between the treatment and comparison group are apparent. Looking at all businesses, total employment growth has been substantially stronger in the treatment group than the comparison group:

- Employment in businesses using the SfB products rose from 4,671 to 5,270, an increase of 599 employees, or 13 per cent. Employment in comparator businesses increased by only five per cent.
- Similarly, a greater proportion of treatment group businesses reported increases (35 per cent) than comparison group businesses (22 per cent) (Table 5.9).

There are differences between products, with much of the change stemming from the more established businesses using UFB and CfHG. However, for every product, the margin between the proportions reporting increases and those reporting decreases in employment was both positive and larger among the treatment group than their comparator businesses.

Table 5.9 Trends in employment amongst comparison and treatment group respondents, past 12 months

		SAB	ISUS	SAHGB	UFB	CFHG	All
Change in total employment	Treatment group	25.6% (n=52)	9.6% (n=38)	63.0% (n=66)	16.9% (n=125)	7.5% (n=132)	12.8% (n=413)
	Comparison group	-8.8% (n=41)	-5.7% (n=33)	11.4% (n=60)	7.4% (n=127)	3.6% (n=135)	5.1% (n=396)
% reporting increase in employment	Treatment group	11.5%	13.5%	40.9%	32.0%	49.2%	34.6%
	Comparison group	10.6%	5.0%	23.8%	25.5%	25.9%	22.1%

Note: Percentages exclude those not trading 12 months ago; excludes owners etc.. IAG was excluded from the comparison group survey and is excluded from this table, hence the figures for 'all products' are different to those given in Table 5.1.

5.3.6 Performance against comparison group: turnover change

In terms of turnover change, the treatment group also reported a slightly better performance than the comparison group (Table 5.10). Again, this applies across the full range of products, with 23 per cent of the treatment group, overall, reporting a decrease in turnover against 34 per cent of the comparison group.

Table 5.10 Trends in turnover in treatment and comparison groups, previous 12 months

		SAB	ISUS	SAHGB	UFB	CFHG	All
Mean change in turnover	Treatment	17.9 (n=35)	-1.7 (n=24)	57.9 (n=56)	22.6 (n=122)	15.8 (n=127)	23.6 (n=364)
	Comparison	7.3 (n=37)	1.3 (n=30)	12.8 (n=55)	8.0 (n=117)	1.8 (n=124)	6.0 (n=364)
% reporting increase in turnover	Treatment	30.8%	10.5%	44.8%	44.9%	47.0%	40.7%
	Comparison	42.1%	37.9%	45.5%	41.0%	34.8%	39.3%

Note: Percentages exclude those not trading 12 months ago and (for mean change) only include businesses providing actual figures for proportionate turnover change. IAG was excluded from the comparison group survey and is excluded from this table, hence the figures for 'all products' are different to those given in Table 5.2.

In terms of the mean turnover change in businesses over the previous twelve months, there is a substantial difference between the treatment group and the comparison group. Turnover across all treatment group businesses alive for a sufficient period increased by an average of 24 per cent, compared with six per cent in the comparison group. Users of all products except

ISUS reported a mean increase in their business's turnover, with the largest – and the largest difference with the comparison group - being among users of SaHGB (58 per cent, compared to a rise of 13 per cent in SaHGB comparators). Even in the case of ISUS, the mean decline in turnover is modest (two per cent), and close to the figure reported by the ISUS comparison group (a rise of two per cent).

5.3.7 Performance against comparison group: impact attributed to support

The impact on businesses directly attributed to use of support is generally greater among the treatment group than those among the comparison group that had received private sector support:

- Some 41 per cent of the treatment group had already increased and/or expected to increase employment as a direct result of the SfB support. Among comparison group respondents, the equivalent proportion, with regards to the non-SfB support they had accessed, was slightly lower (34 per cent).
- Where the employment increase was not wholly attributed to the support, some 74 per cent of the treatment group indicated that it had aided in bringing about the increase more quickly than it otherwise would have happened. This compares with 51 per cent among the comparison group.

Similar results can be seen for turnover increases:

- Some 52 per cent of the treatment group attributed all or some of their increase in turnover to their use of the support, compared with 34 per cent of comparators who had accessed some private sector support.
- Where the turnover increase was not wholly attributed to the support, some 75 per cent of the treatment group indicated that it had aided in bringing about the increase more quickly than it otherwise would have happened. This compares with 39 per cent among the comparison group.

In both instances, therefore, the indication is that SfB is more effective than private sector support alone (since SfB clients may well have accessed some private sector support as well).

5.3.8 Deadweight and displacement effects

The results in this chapter indicate a high level of additionality, but also relatively low levels of deadweight loss or displacement. The evidence suggests that SfB is reaching businesses that would not use private sector support, and, furthermore, that the impact deriving from SfB is higher than that resulting from private sector support. In other words, SfB is not displacing private sector support, and the growth that has occurred would have been less likely to have occur if they did not use SfB. In addition, the support has led to improvements in skill levels in a wide range of areas, which will benefit businesses in pursuing growth in the future. Given

these high levels of impact, and the expectation of further impacts in the future, the net present value⁴ of the SfB support is likely to be positive. In particular, the net present value is likely to be higher the more extensively a business makes use of the support, in terms of the number of different areas of support accessed.

⁴ The present value of all cashflow associated with the support; i.e. the proportion of future income which is attributable to the support, discounted by the rate of inflation, taking into account any associated outlays.

6 Product-specific impacts: Starting a Business

Key findings

- *SaB had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up in the case of 44 per cent of business starts.*
- *Relatively few businesses had been established long enough to report changes in turnover or employment.*
- *SaB clients reported substantial development of skills and management competencies. The greatest impacts were in planning (an improvement reported by 75 per cent of clients) and marketing capability (67 per cent).*
- *Almost three quarters of SaB clients (72 per cent) reported an increased likelihood of growth in the future.*

6.1 Outcomes and outputs

As a generic start-up support programme, the principal outcome of SaB is the actual establishment of new businesses, which may not otherwise have started. This outcome is analysed in Section 6.3 below, which specifically examines the additionality of the product.

Similarly, the main outputs related to the product are shown in Table 5.3 above, examining the skills and management capacities which were developed through accessing the product

6.2 Targeting

6.2.1 Stage of start-up when support first accessed

The majority (53 per cent) of SaB clients who went on to own (or already owned) a business first accessed the product at an early stage in the start-up process, before they had taken any steps at all. The majority of the remainder (36 per cent of all clients) first accessed SaB when they were first establishing their business. Thus, SaB has largely proven effective at targeting would-be owners pre-start-up, rather than when they are a nascent business.

Table 6.1 Stage at which SaB was first accessed

Stage	%
Before any steps taken to establish a business	52.6%
During the period when actually establishing my business	35.8%
After business was established	11.7%

N=137

6.2.2 Employment status when first accessing support

Table 6.2 shows the prior employment status of users of SaB, including both those who currently own a business and non-starters. It is clear that SaB users were more likely to not be in work when they first accessed the product than their comparators were before establishing their business. In particular, the proportion of SaB clients unemployed in receipt of benefits is substantially higher than among comparators before they started. It is reasonable to conclude, therefore, that SaB is effectively targeting clients who may need extra support in order to start their own business.

It is also worth noting that, between starters and non-starters, there is little difference in the proportions of clients falling into each status group. As such, it is clear that the initial employment status of SaB clients does not appear to be a decisive factor in determining whether or not they go on to start.

Table 6.2 Employment status of SaB clients going on to establish a business, at the time of first accessing the product

	SaB starters (n=137)	SAB non-starters (n=48)	Comparison group status pre-start (n=109)
Working as an employee	40.1%	37.5%	63.0%
Self-employed	8.8%	6.3%	16.5%
Unemployed, not receiving benefits	14.6%	14.6%	5.9%
Unemployed, receiving benefits	26.3%	29.2%	8.4%
In education/training	2.9%	4.2%	2.6%
Not working e.g. retired, home-maker	7.3%	8.3%	3.3%

6.3 Additionality

In order to gauge the additionality of the product, users were asked whether or not they would have started their business *in the absence* of using the product. Nearly half of respondents (48 per cent) indicated that, in fact, they would *definitely* have gone on to establish the business if they had not accessed the product, with a further 24 per cent indicating that they *probably* would have progressed to start-up. The support only made a decisive difference to the respondent actually starting in nine per cent of cases, with a further five per cent probably not having been able to start without the support (Table 6.3). It is, however, important to appreciate that these products are concerned with the facility with which individuals approach the start up process and quality of what is achieved rather than simply the *number* of new businesses created.

Table 6.3 Likelihood of establishing respondent's current business in the absence of having used support

	SaB (n=137)	All start-up products
Definitely	48.2%	48.1%
Probably	24.1%	23.4%
Possibly	13.9%	15.7%
Probably not	5.1%	6.5%
Definitely not	8.8%	5.9%

In order to gauge additionality in these other areas beyond simply whether a business started or not, respondents who definitely, probably or possibly would have started in the absence of support were also asked whether (i) the support had accelerated the process of start; and/or (ii) contributed towards making the new business larger than it would otherwise have been.

Table 6.4 shows where the support contributed qualitative benefits to the start-up, facilitating either an earlier start, a larger initial size or both:

- 34 per cent of this group of businesses reported positive effects of this sort stemming from the support.
- The support had no effect on the timing or size at start of 56 per cent of this group of respondents.

In total, looking at both the likelihood of start, and the quality and process of start-up, SaB made a positive difference to a total of 60 business starts out of the 137 who responded to the question, equivalent to 44 per cent of respondents.

Table 6.4 Effect of support on (i) timing of start and (ii) size of business at start, compared with prior expectations

	Support led to smaller size at start	Support had no effect on size at start	Support led to larger size at start	Don't know	Total
Support led to earlier start	-	16.9%	8.5%	1.7%	27.1%
Support had no effect on timing of start	1.7%	55.9%	6.8%	1.7%	66.1%
Support led to later start	-	5.9%	0.8%	-	6.8%
Don't know	-	-	-	-	-
Total	1.7%	78.8%	16.1%	3.4%	100.0%

N=118; only includes those likely or definite to have started in absence of support

6.3.1 Deadweight and displacement effects

The general findings regarding losses from deadweight and displacement for SaB are similar to those reported in Section 5.3.8. Businesses have benefited from improved skill levels and growth prospects which they would have been unlikely to acquire from private sector support if they did not access SaB.

However, there is also some deadweight loss from the SaB product: 56 per cent of respondents indicated that the support neither had a decisive impact on their business being established nor did it impact positively on the size at start or the speed of the start-up process.

7 Product-specific impacts: Intensive Start-up Support

Key findings

- *ISUS had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up in 54 per cent of business starts.*
- *Businesses formed with the support of ISUS were generally too new and small to report employment and turnover impacts.*
- *The results show that ISUS is fulfilling its targeting criteria effectively, with the proportions of clients falling into groups under-represented in business ownership (e.g. women, BME groups) being approximately the same as in the population as a whole, and a high proportion of unemployed clients (45 per cent). Clients of ISUS were more likely to face multiple barriers to start-up than the comparison group.*
- *The greatest reported impacts on skills and competencies were: improving the likelihood of future growth (reported by 77 per cent), marketing capability (73 per cent) and planning (also 73 per cent).*

7.1 Outcomes and outputs

7.1.1 Characteristics of owners of businesses formed after using ISUS

ISUS is intended to facilitate business start-up for groups under-represented among business owners. This includes (but is not limited to) women, ethnic minority groups, those with long-term illnesses or disabilities and people living in deprived communities⁵, in addition to other priority groups identified at regional level. Apart from the final group, we are able to identify respondents who fall into at least one of the first four groups.

In terms of the *ownership of businesses* formed with the support of ISUS, just over half are women-owned or women-controlled businesses (i.e. at least half of the owners, partners or directors are women), substantially higher than the proportion recorded in the latest BIS Annual Small Business Survey (2007-08). The proportion of businesses formed with the support of ISUS with at least one owner, partner or director having a long-standing disability is 15 per cent, also higher than the ASBS figure (11 per cent). The proportion of BME-owned or BME-controlled businesses, however, it is the same as the ASBS figure (eight per cent) (Table 7.1).

⁵ Defined here as having a postcode falling within a Super Output Area which is among the most deprived 30% of SOAs in England, using the overall score for the 2007 Index of Multiple Deprivation.

Table 7.1 Business ownership/control by membership of selected target groups

<i>At least 50% women</i>		<i>At least 50% from BME group</i>		<i>At least one owner etc. with long-standing illness</i>	
Treatment group	ASBS	Treatment group	ASBS	Treatment group	ASBS
51.1%	38%	7.9%	8%	15.4%	11%

Source for additional data: Annual Small Business Survey 2007/08

7.1.2 Support to overcome barriers to start-up

Respondents who indicated that they faced a barrier to start-up (see Section 7.2.2 below) were asked if the support helped them to overcome it. The majority of respondents – 76 per cent - indicated that the support had been of some benefit. In particular, ISUS support proved beneficial in improving financial and administrative skills (aiding 50 per cent of those who cited this barrier), confidence (42 per cent of those with this barrier) and lack of finance (40 per cent).

7.2 Targeting

7.2.1 Under-represented groups

As shown in Table 7.2, two-thirds of ISUS clients fall into at least one of the target groups. Furthermore, the proportion of clients falling into each of the target groups is similar to the representation of that group in the population more generally: according to ONS population estimates, and the Annual Population Survey, BME groups make up approximately eight per cent of the population and those with a disability approximately 18 per cent. The proportion of the target groups among those clients who go on to start a business is also very similar. As such, ISUS are indeed targeting clients from under-represented target groups, and supporting them to go on to start a business.

Table 7.2 Proportion of clients falling into ISUS target groups

<i>% in at least one target group*</i>	<i>Women</i>	<i>BME</i>	<i>Disability</i>	<i>Deprived</i>	<i>Unemployed</i>
All clients					
66.2%	45.3%	8.4%	15.4%	26.9%	45.1%
Clients involved in forming a business					
69.1%	48.9%	7.7%	15.1%	28.8%	40.9%

* unemployed clients are not included in this figure

7.2.2 Barriers to start-up

Respondents were asked if, before using ISUS, they had faced any particular barriers to start-up. Of the 201 respondents accessing ISUS, 112 (56 per cent) indicated that they had indeed faced

some kind of barrier, and were asked, unprompted, what that barrier was (Table 7.3). The most common were:

- lack of finance (20 per cent of all ISUS clients)
- financial or administrative skills (19 per cent of ISUS clients)
- lack of experience (13 per cent of ISUS clients)
- lack of confidence (11 per cent of ISUS clients).

Table 7.3 Barriers to start-up faced by ISUS clients and comparison group, pre-start

Barrier	% of ISUS clients (n=201)	% of comparison group (n=150)
Lack of finance	19.9%	16.6%
Financial/business admin. Skills	19.4%	0.5%
Lack of experience	13.4%	1.1%
Confidence	10.5%	0.6%
Lack of knowledge of business start in general	6.5%	0.5%
Lack of opportunity	5.0%	0.8%
Poor skills/qualifications	3.5%	2.1%
Health/disability	3.0%	0.4%
Not willing to take the risk of starting	2.0%	1.5%
Market research/Lack of knowledge of market	2.0%	-
Legal requirements/Insurance/Tax	2.0%	0.9%
Lack of knowledge (Legislation)	1.5%	0.4%
Business plans	1.5%	-
Marketing	1.0%	0.4%
Advice (Unspecified)	1.0%	-
Lack of desire to start	0.5%	-
Other	2.5%	8.4%
Don't know	0.5%	

In every case (bar 'other' barriers), a greater proportion of ISUS clients than among the comparison group indicated that they faced the given barrier. In particular, a substantially greater proportion of ISUS clients faced barriers relating to a lack of business skills or knowledge about start-up, a lack of business experience, poor confidence or a lack of opportunities to start. The targeting of ISUS therefore does appear to be focused on those with a higher level of barriers to start-up.

The main barriers faced by ISUS users are ones which are generally faced by those wishing to start a small business, centred around accessing finance and developing management and business skills. However, the *level* of barriers may be higher for those targeted by ISUS (as may the difficulties of engaging them in the programme in the first place), and the number facing these barriers will be higher than among those starting businesses more generally, the fundamental nature of the support needed is unlikely to be different to general start-up programmes.⁶

7.2.3 Stage of start-up when support first accessed

The majority (63 per cent) of ISUS clients who went on to own (or already owned) a business first accessed the product at an early stage in the start-up process, before they had taken any steps at all. Virtually all of the remainder (35 per cent of all clients) first accessed ISUS when they were first establishing their business. An extremely small proportion (3 per cent) first accessed the product when they were a nascent business. Comparing these figures against those for SaB (Section 6.2.1), it is clear that a higher proportion of ISUS clients than SaB clients were engaged at the earliest stage, before they had taken any steps to establish a business. Therefore, it is reasonable to conclude that ISUS is proving effective at engaging clients at early stages of start-up.

Table 7.4 Stage at which ISUS was first accessed

	ISUS
Before any steps taken to establish a business	62.5%
During the period when actually establishing my business	35.0%
After business was established	2.5%
Other	0.0%

N=120

7.2.4 Employment status when first accessing support

Table 7.5 shows the prior employment status of users of ISUS, including both those who currently own a business and non-starters. It is clear that ISUS users were more likely to not be in work when they first accessed the product than their comparators were before establishing their business. In particular, the proportion of ISUS clients unemployed in receipt of benefits is substantially higher than among comparators before they started. It is reasonable to conclude, therefore, that ISUS is effectively targeting clients who are under-represented in business ownership and may need extra support in order to establish their business.

⁶ While the overall proportion of ISUS users who go on to form businesses is not known, it is worth noting that it proved more difficult to find business starts among the sample of ISUS clients provided by the RDAs than among clients of either SaB or SaHGB.

It is also worth noting that, between starters and non-starters, there are some clear differences in the proportions of clients falling into each status group. In particular, the proportion of starters who were in employment prior to start-up is substantially higher than among non-starters.

Table 7.5 Employment status of ISUS clients going on to establish a business, at the time of first accessing the product

	ISUS starters (n=120)	ISUS non-starters (n=53)	Comparison group pre-start (n=117)
Working as an employee	40.0%	28.3%	62.6%
Self-employed	12.5%	1.9%	16.4%
Unemployed, not receiving benefits	9.2%	20.8%	6.1%
Unemployed, receiving benefits	28.3%	41.5%	8.8%
In education/training	4.2%	3.8%	2.5%
Not working e.g. retired, home-maker	5.8%	3.8%	3.1%

7.3 Additionality

In order to gauge the additionality of the product, we asked users whether or not they would have started their business *in the absence* of using the product. Some 43 per cent of ISUS respondents indicated that, in fact, they would *definitely* have gone on to establish the business if they had not accessed the product, with a further 23 per cent *probably* progressing to start-up. The support only made a decisive difference to the respondent actually starting in four per cent of cases, with a further nine per cent probably not having been able to start without the support (Table 6.3). It is, however, important to appreciate that these products are concerned with the facility with which individuals approach the start up process and quality of what is achieved rather than simply the *number* of new businesses created.

Table 7.6 Likelihood of establishing respondent's current business in the absence of having used support

	ISUS (n=120)	All start-up products
Definitely	42.5%	48.1%
Probably	23.3%	23.4%
Possibly	20.0%	15.7%
Probably not	9.2%	6.5%
Definitely not	4.2%	5.9%

In order to gauge additionality in these other areas beyond simply whether a business started or not, respondents who definitely, probably or possibly would have started in the absence of support were also asked whether (i) the support had accelerated the process of start; and/or (ii) contributed towards making the new business larger than it would otherwise have been.

Table 6.4 shows where the support contributed qualitative benefits to the start-up, facilitating either an earlier start, a larger initial size or both:

- 48 per cent of this group of businesses reported positive effects of this sort stemming from the support.
- The support had no effect on the timing or size at start of 46 per cent of this group of respondents.

In total, looking at both the likelihood of start, and the quality and process of start-up, ISUS made a positive difference to a total of 65 business starts out of the 120 who responded to these question, equivalent to 54 per cent of respondents. This is substantially higher than the proportion among SaB clients. The key area where ISUS appears to be more effective is not in increasing the probability of the business starting (the figures here being similar), but in increasing the size and accelerating the process of the start-up.

Table 7.7 Effect of support on (i) timing of start and (ii) size of business at start, compared with prior expectations

	Support led to smaller size at start	Support had no effect on size at start	Support led to larger size at start	Don't know	Total
Support led to earlier start	1.0%	29.1%	6.8%	-	36.9%
Support had no effect on timing of start	1.0%	45.6%	7.8%	-	54.4%
Support led to later start	-	4.9%	2.9%	-	7.8%
Don't know	-	-	-	1.0%	1.0%
Total	1.9%	79.6%	17.5 %	1.0%	100.0%

N=103; only includes those likely or definite to have started in absence of support; percentages are out of all 103 businesses

7.3.1 Deadweight and displacement effects

The general findings regarding losses from deadweight and displacement for ISUS are similar to those reported in Section 5.3.8. Businesses have benefited from improved skill levels and growth prospects which they would have been unlikely to acquire from private sector support. In addition, clients from under-represented groups – and facing multiple barriers – have, with the support of ISUS, overcome these barriers and started businesses which would have been unlikely to be established otherwise.

However, there is also a degree of deadweight loss implied in the finding that ISUS had no impact on the likelihood of start nor on the size and speed of start-up among 46 per cent of respondents with businesses.

8 Product-specific impacts: Starting a High Growth Business

Key findings

- *SaHGB had a positive impact on the likelihood of start, or made a positive contribution to the speed and/or size of start-up in the case of 60 per cent of business starts.*
- *Clients of SaHGB reported large increases in both turnover (a mean rise of 42 per cent, including anticipated increases) and employment (5 per cent to date, with a further 64 per cent anticipated), while 130 jobs (21 per cent of the workforce) have been safeguarded.*
- *Increases in employment and turnover over the past twelve months were substantially higher than among the comparison group: employment across all SaHGB businesses, for example, increased by 63 per cent against 11 per cent in the comparison group.*
- *More than three quarters of product users (76 per cent) reported an improved likelihood of future growth.*
- *The greatest impact on skills and competencies were related to capacity take advantage of an upturn (66 per cent) and marketing capability (65 per cent).*

8.1 Outcomes and outputs

SaHGB combines start-up advice and support with more specialist support aimed at achieving rapid growth in turnover in the first three years of trading. The product is aimed at pre-start and nascent businesses which are identified as having the potential to achieve this rapid growth.

The main outcome of Starting a High Growth Business is clearly the realisation of high growth within client businesses. As shown in Sections 5.1 and 5.3 above, respondents have indeed indicated that the support has led to high rates of growth in turnover and employment – and more particularly in *anticipated* rates of growth – that would otherwise have been lower. Only one product-specific question examined tangible benefits for the business, namely the extent to which their level of exports had changed. The remainder of this section concentrates on the realisation of outputs within client businesses which have prepared the workforce and business to be able to realise higher levels of growth.

8.1.1 Impact on exports

Respondents were asked about the impact of the product on their exporting of goods and services (Table 11.1). SaHGB clients responded positively, with 68 per cent either having already increased exports or planning to do so in the future.

Table 8.1 Realised or planned increases in exports of goods and/or services

	% reporting
Any realised or planned increase in exports	68.4%
<i>Increased exports already, no further increase planned</i>	10.5%
<i>No increase yet, plan to increase exports in future</i>	31.6%
<i>Both increased already and plan to increase exports</i>	26.3%
No increase realised or planned	31.6%

N=135

8.1.2 Actions facilitating increased growth

Clients of SaHGB were asked what actions they had taken, or anticipated taking in the future, as a direct result of having accessed the support. The majority of clients had undertaken at least one action, although a fairly large minority (25 per cent) had not undertaken any of the specified actions. The most common action reported was the introduction of new processes relating to marketing (50 per cent of users), followed by the introduction of new processes relating to finance (43 per cent).

Table 8.2 Actions undertaken or anticipated to be undertaken as a direct result of using the product, treatment and comparison group

	% undertaking or anticipating undertaking
Restructuring of the business	23.0%
New processes relating to marketing	49.6%
New processes relating to finance	43.0%
New processes relating to personnel	31.9%
New processes relating to Intellectual Property	34.1%
Recruitment or dismissal of staff	21.5%
New intellectual property being registered	26.7%
None of these	25.2%

N=135

Respondents were then asked about more specific activities they may have undertaken or anticipate undertaking in the near future that would be of high importance in a growth strategy, as shown in Table 8.3. The most common activity was the development of a growth-oriented business plan (52 per cent of respondents), followed by increasing investment in innovation (42 per cent).

Table 8.3 Respondents having undertaken actions relating to growth

Activity	% undertaking
Developed growth business plan	52.6%
Secured finance to fund growth	40.7%
<i>of those not having secured finance: % developed skills to secure finance</i>	69.7%
<i>% of clients lacking both finance and the skills to access it</i>	18.0%
Increased investment in innovation	42.0%
Increased investment in staff training	17.0%
Developed training plan	27.4%
Designated training budget	18.5%
Undertaken all three training actions	5.2%
Undertaken all actions	0.7%

N=135

In most cases, a relatively high proportion of SaHGB users had undertaken each of these activities, with the most common being to develop a business plan detailing growth plans (65 per cent of CfHG), and increasing investment in innovation (63 per cent of CfHG). By comparison, relatively few businesses have already secured the finance they need (just over 40 per cent); furthermore, around 20 per cent of users had neither secured the necessary finance nor yet developed the skills they require to access it. Relatively few SaHGB clients had undertaken or anticipated undertaking staff development activities (under 30 per cent), possibly because they were relatively recently established and had only a small workforce.

8.2 Targeting

8.2.1 Potential for high growth

The key target criteria for the selection of businesses for SaHGB programmes is that they have the potential to achieve high growth. Although the SaHGB criteria specify a target turnover⁷, achieving a stable basis for business growth more generally is clearly not a short-term aim and is difficult to test for. Nonetheless, we can draw inferences both from businesses self-reported impacts (Sections 5.1 and 5.3) and from their activity and performance judged against the comparison group of matched businesses (Section 8.3 below).

Looking at employment, the proportion of SaHGB clients reporting that they had either realised or anticipated an increase was substantially higher than among the other start-up products, and the anticipated or expected increase in employee numbers was the highest of the

⁷ A turnover of £500,000-£1m within three years of start.

six products. Just over half reported that they had realised or anticipated a rise in turnover due to their use of the product, with a mean rise of 39 per cent, again the highest among the six products. As such, it seems reasonable to conclude that SaHGB clients were indeed relatively more likely to have the potential for growth than users of non-growth products.

8.2.2 Stage of start-up when support first accessed

Although SaHGB is targeted at nascent businesses as well as start-ups, the majority of clients did first access it before they had actually established their business, although they were less likely than amongst ISUS or SaB clients to access it at very early stages (Table 8.4). Some 46 per cent of SaHGB clients accessed it at this stage, before they had taken any steps, with 40 per cent first accessing it during the process of start-up and only 13 per cent after the business was formed.

Table 8.4 Stage at which SaHGB was first accessed

	SaHGB
Before any steps taken to establish a business	46.3%
During the period when actually establishing my business	40.0%
After business was established	12.5%

N=80

Table 8.5 shows the prior employment status of users of SaHGB. The main difference between SaHGB and the other start-up products is the far higher proportion of users already self-employed when first using the product, which is partially due to the fact that the product is targeted at nascent businesses as well as pre-starts. The total proportion of clients in any form of employment was 78 per cent - very similar to the proportion of the comparator group in employment pre-start-up (83 per cent). As such, it is clear that SaHGB targets clients fairly similar to the SME population as a whole in terms of their employment status.

Table 8.5 Employment status of SaHGB users when first accessing the product

	SaHGB starters (n=80)	SAHGB non- starters (n=15)	SAHGB comparators pre- start (n=54)
Working as an employee	40.0%	33.3%	62.3%
Self-employed	37.5%	20.0%	18.8%
Unemployed, not receiving benefits	8.8%	13.3%	6.2%
Unemployed, receiving benefits	10.0%	33.3%	7.4%
In education/training	2.5%	-	2.5%
Not working e.g. retired, home-maker	1.3%	-	2.6%

8.3 Additionality

8.3.1 Performance against comparison group

In order to assess the impact the high-growth products have had on clients, we asked the comparison group similar questions about actions they expected to undertake in their business in the near future. In only three cases out of six were SaHGB clients more likely to report that they had undertaken or expected to undertake the action than comparison group respondents (Table 8.6). These cases were the introduction of new processes relating to finance, personnel and intellectual property. Furthermore, a greater proportion of SaHGB clients than among comparator businesses had undertaken or planned to undertake none of the specified actions.

Table 8.6 Actions undertaken or anticipated to be undertaken as a direct result of using the product

	Treatment (n=135)	Comparison (n=114)
Restructuring of the business	23.0%	35.3%
New processes relating to marketing	49.6%	59.0%
New processes relating to finance	43.0%	38.4%
New processes relating to personnel	31.9%	39.5%
New processes relating to Intellectual Property	34.1%	23.6%
Recruitment or dismissal of staff	21.5%	51.9%
New intellectual property being registered	26.7%	19.1%
None of these	25.2%	18.4%

Highlighted cells show where treatment group responses are more positive than comparison group.

Table 8.7 Respondents having undertaken actions relating to growth

	Treatment (n=135)	Comparison (n=114)
Developed growth business plan	52.6%	44.8%
Increased investment in innovation	42.0%	62.8%
Increased investment in staff training	17.0%	32.1%
Developed training plan	27.4%	32.2%
Designated training budget	18.5%	20.3%
<i>Undertaken all three training actions</i>	5.2%	11.4%
Undertaken all actions	3.0%	0.9%

Highlighted cells show where treatment group responses are more positive than comparison group. Note that the comparison group was not questioned about one activity, namely if they had secured the finance to fund growth, as this may not have been relevant. That activity has been omitted from this table, accounting for the different percentage for 'undertaken all' between this table and Table 8.3.

In terms of more specific actions, a similar pattern applies – in every case bar one (developing a growth-oriented business plan), a higher proportion of the comparison group than the SaHGB client group had undertaken the relevant action (Table 8.7).

A more positive pattern can be seen with regards to exports. This area yielded by far the most positive results against responses from the comparison group, with SaHGB clients substantially more likely than their comparators to report realised or planned increases in exports. Approximately one-quarter of the comparison group had increased exports in the past year or planned to increase them in the future, compared with 68 per cent of SaHGB clients.

Table 8.8 Realised or planned increases in exports of goods and/or services

	Treatment (n=135)	Comparison (n=114)
Increased exports already, no further increase planned	10.5%	8.7%
No increase yet, plan to increase exports in future	31.6%	13.9%
Both increased already and plan to increase exports	26.3%	7.0%
Any realised or planned increase in exports	68.4%	24.3%
No increase realised or planned	31.6%	75.7%

8.3.2 Performance against prior expectations

Finally, respondents were asked how their recent and projected growth compared with the growth expectations they had formed prior to accessing the support. Just under 50 per cent of SaHGB respondents reported higher than expected growth. Clients were particularly positive about future growth trajectories, with 37 per cent anticipating higher than previously expected growth in the future (Table 8.9).

Table 8.9 Comparison of realised and anticipated growth against expectations of growth prior to accessing support

	SaHGB
Already grown more than expected	9.6%
Anticipate growing more than expected	30.4%
Both already and anticipated	6.7%
Don't know	8.1%
No different to expectations	45.2%

N=135

8.3.3 Effect on likelihood and characteristics of start-up

We also asked users whether or not they would have started their business *in the absence of* using the product. Some 56 per cent of SaHGB respondents indicated that, in fact, they would *definitely* have gone on to establish the business if they had not accessed the product, with a

further 23 per cent *probably* progressing to start-up. The support only made a decisive difference to the respondent actually starting in four per cent of cases, with a further five per cent probably not having been able to start without the support (Table 8.10). It is, however, important to appreciate that these products are concerned with the facility with which individuals approach the start up process and quality of what is achieved rather than simply the *number* of new businesses created.

Table 8.10 Likelihood of establishing respondent’s current business in the absence of having used support

	SaHGB (n=80)	All start-up products
Definitely	56.3%	48.1%
Probably	22.5%	23.4%
Possibly	12.5%	15.7%
Probably not	5.0%	6.5%
Definitely not	3.8%	5.9%

In order to gauge additionality in areas beyond simply whether a business started or not, respondents who definitely, probably or possibly would have started in the absence of support were also asked whether (i) the support had accelerated the process of start; and/or (ii) contributed towards making the new business larger than it would otherwise have been.

Table 8.11 shows where the support contributed qualitative benefits to the start-up, facilitating either an earlier start, a larger initial size or both:

- 56 per cent of this group of businesses reported positive effects of this sort stemming from the support.
- The support had no effect on the timing or size at start of 34 per cent of this group of respondents.

In total, looking at both the likelihood of start, and the quality and process of start-up, ISUS made a positive difference to a total of 48 business starts out of the 80 who responded to these questions, equivalent to 60 per cent of respondents. This is higher than the proportion among either SaB or ISUS clients. The key area of effectiveness is the effect the product has on the size at start and the speed of the start-up process, rather than on the absolute likelihood regarding whether to start-up or not.

Table 8.11 Effect of support on (i) timing of start and (ii) size of business at start, compared with prior expectations

	Support led to smaller size at start	Support had no effect on size at start	Support led to larger size at start	Don't know	Total
Support led to earlier start	-	15.1%	16.4%	-	31.5%
Support had no effect on timing of start	-	34.2	20.5%	2.7%	57.5%
Support led to later start	-	6.8%	4.1%	-	11.0%
Don't know	-	-	-	-	-
Total	-	56.2%	41.1%	2.7%	100.0%

N=73; only includes those likely or definite to have started in absence of support; percentages are out of all 73 businesses

8.3.4 Deadweight loss and displacement effects

The general findings regarding losses from deadweight and displacement for SaHGB are similar to those reported in Section 5.3.8. Businesses have benefited from improved skill levels and growth prospects which they would have been unlikely to acquire from private sector support. The findings also demonstrate clear additionality in the case of exports, with a relatively small loss from deadweight or displacement effects. Approximately two-thirds of SaHGB clients have increased or anticipate increasing exports; evidence from the comparison group suggests that in the absence of the support, only one quarter of clients would report increased exports.

There is also a degree of deadweight loss implied in the finding that SaHGB had no impact on the likelihood of start nor on the size and speed of start-up among 40 per cent of respondents with businesses (although it should be noted that this is the lowest proportion among the three start-up products). In addition, the evidence relating to activity undertaken in preparation for growth is somewhat mixed: although some clients have undertaken some such activities, in many cases the proportion is *lower* than the proportion of the comparison group who have undertaken the same activity. Again, though, it should be emphasised that these are early stage findings, with many clients still accessing the product and implementing the learning acquired, and that employment and turnover changes to date among SaHGB clients have been substantially more positive than among the comparator group.

9 Product-specific impacts: pre-start and ‘non-starters’ among start-up product users

In total, the sample included 129 respondents who either had not yet started a business (and therefore could not yet be asked about impacts on employment or turnover) or no longer intended to establish a business (hereafter, the two groups are referred to collectively as ‘non-starters’). Due to the relatively low number of these non-starters, this section will not be disaggregated by product. These respondents were asked how their use of the product had impacted on their skills, their attitudes to start-up and, if they no longer intended to establish their own business, if the product had contributed towards an outcome in other areas – for example, securing employment or entering education or training.

9.1 Outcomes and outputs

Looking at differences between former users who have not yet started a business and current users reveals several statistically significant differences (at a 95% confidence level). Those *no longer using* the product were significantly more likely than those still using it to have gained an understanding of where to get help and advice, greater confidence in their abilities and an encouragement to seek further training. Hence, using the product, even though the client had not (yet) gone to start a business, and may not start at all, was still beneficial in certain respects.

Similarly, accessing the products generally has a positive influence on attitudes towards start-up among many non-starters. Some 72 per cent of respondents were substantially or slightly more positive towards starting a business or becoming self-employed and only seven per cent were more negative. To an extent, this correlates with their likelihood of starting a business in the future (Table 9.1).

Table 9.1 Effect of using the product on general attitude towards starting a business among non-starters

<i>Attitude towards starting</i>	<i>Thinking about start-up</i>		<i>Total (n=115)</i>
	Yes (n=94)	No (n=21)	
Substantially more positive	45.7%	-	37.4%
Slightly more positive	35.1%	33.3%	34.8%
Neither more positive nor more negative	14.9%	47.6%	20.9%
Slightly more negative	2.1%	9.5%	3.5%
Substantially more negative	2.1%	9.5%	3.5%

On the whole, therefore, even if participants do not start a business during or immediately after using the product, only a minority had not found the product useful in at least some respects. It is also worth noting that just over half of non-starters agreed that the product did make them

believe they could start their own business, albeit not in the immediate future – i.e. encouraging them to be more realistic about the amount of work involved in the process, or about their current capacity to start. Similarly, some 27 per cent of non-starters agreed that it made them aware that to start a business, they should perhaps seek to do so in a partnership.

However, while clients using start-up products did report some additional benefits related to raising confidence, the majority of benefits centred around a better understanding of business processes. Presented with a choice of ten likely benefits deriving from the support, only four per cent of respondents who had not yet started a business considered that none of them applied. Including those deriving no benefit, respondents reported an average of 6.7 different benefits accruing from the support. The most commonly reported benefits related to obtaining a better understanding about:

- the process of start-up in general (83 per cent)
- the risks involved in start-up (83 per cent); and
- where to obtain help or advice (80 per cent).

By contrast, by far the least common benefit was that the support aided a move to a better job (24 per cent) (Table 9.2).

Table 9.2 Benefits of using the product among non-starters

<i>Statement</i>	<i>% agreeing</i>
You have a better understanding the process of starting a business	83.6%
You have a better understanding of the risks involved in start-up	82.8%
You better understand where to get help and advice if needed	80.2%
You have a better understanding of business planning	76.7%
You have a better understanding of laws and regulations	75.9%
The support improved your confidence in your abilities	69.8%
The support helped you identify and evaluate a business idea	67.2%
It made you more entrepreneurial in your current activities	57.8%
The support encouraged you to undertake further training	50.9%
The support helped you move to a better/more suitable job	24.1%
None of these	4.3%

N=116

9.2 Targeting

Of these 129 respondents, the majority (78 per cent) were still thinking about starting, mostly in the near future; only ten per cent of this group had done no preparation at all, and a similar proportion stated that their time horizon for starting exceeded two years; the most common

preparations for start-up included researching the market or product (65 per cent) and speaking to a business advisor (40 per cent).

In other words, relatively few respondents had entered a start-up programme and subsequently dropped out with no intention of starting a business. Where they did, this was not necessarily because the support they received was inappropriate. A greater proportion of this group indicated that the support had made them think that they could still start a business but not in the immediate future, rather than that the support was not 'right for them' (although the numbers involved here are small, see Table 9.3). As with other findings, these results are complicated by the fact that a relatively high proportion (52 per cent) of non-starters are still accessing the product. Hence, it is not surprising that a high proportion are still simply thinking strongly about starting.

Table 9.3 Effect of using the product on attitudes towards start-up among non-starters

	Strongly agree	Slightly agree	Neither agree nor disagree	Slightly disagree	Strongly disagree
It made me think that I could start a business, but not in the immediate future (n=115)	37.4%	18.3%	6.1%	15.7%	22.6%
It made me think that I could start a business, but not by myself (n=112)	14.3%	14.3%	8.0%	23.2%	40.2%
It made me think that start-up was not a viable option for me at all (n=114)	8.8%	7.0%	9.6%	15.8%	58.8%
It was not the right programme for me (n=114)	11.4%	6.1%	5.3%	18.4%	58.8%

9.3 Deadweight and displacement effects

Table 9.2 indicates a relatively small deadweight loss among this group. Despite the fact that they may not start a business (although the majority indicate that they still plan to), only four per cent of respondents indicated that they had not received any improvement in the range of skills and competencies presented to them. Hence, the support has resulted in outputs and/or outcomes which would otherwise not have occurred among the vast majority of this group of clients, regardless of whether they go on to start a business. In addition, as shown by Table 9.3, it has resulted in a substantial number of clients changing their beliefs about their ability to start a business, resulting in particular in a more realistic attitude towards timescales and the required support and a higher likelihood of survival if they go on to establish a business.

10 Product-specific impacts: Understanding Finance for Business

Key findings

- *The proportion of UFB respondents reporting an improvement in their ability to seek external finance (65%) is the highest among the six products by a substantial amount.*
- *Almost half (49 per cent) of UFB clients applying for finance prior to accessing the product had been unable to obtain any funds; after using the support, this proportion declined to eight per cent.*
- *Employment in UFB client businesses increased by 17 per cent in the past year and turnover rose by an average of 23 per cent per business.*
- *Just over 500 jobs (22 per cent of the workforce) have been safeguarded with the help of the support.*
- *The greatest impact on skills and competencies came in the areas of improving the likelihood of future growth (reported by 68 per cent), through enabling them to take advantage of an upturn (68 per cent), and undertake more effective planning (67 per cent).*

10.1 Outcomes and outputs

10.1.1 Impact on level of applications for finance

Respondents were asked about whether they had applied for new finance since using the support. This is complicated by the high proportion of respondents whose use of the support remains ongoing – 66 per cent of UFB recipients indicated that they had not yet completed their use of the scheme. In addition, it may simply be the case that respondent do not currently require additional finance, or that they are researching the possible finance routes available, as a result of accessing the support. Nonetheless, despite these caveats, some 34 per cent of respondents had indeed applied for finance, roughly the same proportion which had applied prior to using UFB.

Table 10.1 sets out in more detail the timing of applications by UFB clients. Overall, 46 per cent of clients have not made any applications for finance, either before or since accessing the support, while 16 per cent have applied both before and after.

Table 10.1 Timing of applications for finance by UFB clients (% of all accessing UFB)

	Applied <i>after</i> support	Has <i>not</i> applied after support	Total
Applied <i>before</i> support	15.7%	19.0%	34.7%
Did <i>not</i> apply before support	18.3%	46.4%	64.7%
Total	34.0%	65.4%	

N=153

10.1.2 Impact on range of finance applied for

Respondents were also asked which of a range of finance options they had recently tried to access. Among those respondents who had sought finance before using UFB, the most popular sources applied for by a substantial margin were standard bank loans or overdrafts (each applied for by approximately half of those who had applied), with other methods being little used (Table 10.2).

Table 10.2 Use of different sources of finance before and after accessing UFB (% of those applying for finance)

	Before (n=53)	After (n=52)
Equity investment from existing shareholders	3.8%	1.9%
Equity investment from new shareholders	5.7%	22.6%
Bank overdraft	49.1%	18.9%
Bank loan	58.5%	39.6%
Mortgage for property purchase or improvement	1.9%	3.8%
Leasing or hire purchase	3.8%	3.8%
Factoring	0.0%	3.8%
Loan from family/business partner/directors	1.9%	0.0%
Loan from a Community Development Finance Institution	0.0%	9.4%
Credit card finance	1.9%	0.0%
Grant	9.4%	17.0%
Loan from Government /Local Development Agency	1.9%	5.7%
Finance from Venture	0.0%	3.8%
Other	3.8%	9.4%

It is clear from the data in Table 10.2 that the range of sources accessed by respondents broadened after their use of the product. Of particular note is the increase in the proportion applying for equity investment from *new* shareholders, which has risen from six per cent of those applying for finance before using UFB to 23 per cent of those applying after accessing the support. Other sources where there has been an increase include CDFI loans (up from no use at all to nine per cent of applicants) and grant finance (up from nine per cent to 17 per cent), while the proportion applying for 'conventional' sources – bank overdrafts or loans – has fallen considerably. Thus, UFB appears to have had an impact on broadening the *range* of finance being used, a key criterion by which the success of the product can be judged.

10.1.3 Impact on success of finance applications

A key criterion for judging the effectiveness of UFB is its effect on the chances of clients' applications for finance succeeding. The survey shows highly positive results on this point. The proportion of applicants not able to obtain any finance has decreased from 49 per cent to eight per cent, while the proportion encountering no difficulties at all has risen from 11 per cent to 42 per cent (Table 10.3). This indicates a substantial improvement in clients' likelihood of success in obtaining finance during a period when access to finance as widely regarded as problematic. The high proportion of 'don't knows' among the 'after' group is likely to be the result of a number of applicants still waiting to hear if they have been successful.

Table 10.3 Difficulties in obtaining finance before and after accessing UFB (% of those applying for any finance)

	Before (n=53)	After (n=52)
Unable to obtain any finance	49.1%	7.5%
Obtained some but not all of the finance required	24.5%	26.4%
Obtained all the finance required but with some problems	13.2%	5.7%
No difficulties in obtaining finance	11.3%	41.5%
Don't know	1.9%	17.5%

10.1.4 Impact on awareness of finance options

UFB is also intended to broaden and deepen clients' awareness and knowledge of external sources of finance. Overall, 64 per cent of respondents considered that the support had substantially or moderately broadened their awareness of different sources of finance, with a further 19 per cent considering that it had slightly broadened their awareness. Thus, the vast majority of respondents had become aware of a greater *number* of possible sources of finance due to UFB (i.e. simply discovering the existence of a particular source that they had not previously encountered).

In addition to increasing clients' awareness of the existence of different sources of finance, UFB also aims to increase and deepen their *level of understanding* about accessing a range of finance sources. Table 10.4 shows the nine sources of finance presented to respondents, and the extent to which UFB had increased their level of understanding of that source. The source of finance about which the highest proportion of clients considered they had gained a greater understanding was, by a large margin, grant finance (where 71 per cent reported some increase in their level of understanding), followed by equity investment (54 per cent) and loans from Community Development Finance Institutions (44 per cent). These are among the less frequently used sources on the list presented to them.

However, for most of the sources specified, a lower proportion of respondents gained a greater degree of understanding as a result of the support. Across the nine sources, a mean of 59 per cent of respondents indicated that the support had not increased their understanding at all. In some cases, clients may feel they already have ample knowledge and understanding (e.g. mortgages and credit cards). It is also possible that their package of support did not cover all sources, or did not cover them in sufficient depth.

Table 10.4 Extent to which UFB increased clients' understanding of sources of finance

Source of finance	Substantially	Moderately	Slightly	Not at all
Equity investment	13.1%	26.8%	13.7%	45.1%
Bank overdrafts	12.4%	18.3%	11.1%	56.9%
Bank loans	13.7%	20.9%	12.4%	51.0%
Mortgage (property purchase/improvement)	3.3%	10.5%	3.9%	80.4%
Leasing or hire purchase	3.3%	15.0%	9.2%	69.9%
Factoring	3.9%	19.6%	10.5%	64.1%
Loan from a CDFI	17.0%	15.0%	11.8%	54.2%
Credit card finance	2.6%	9.8%	8.5%	77.8%
Grant	30.7%	25.5%	15.0%	26.8%
All sources	11.1%	17.9%	10.7%	58.5%

N=153

10.2 Targeting

The section above shows that the majority of clients of UFB gain an improved level of understanding regarding less mainstream sources of finance. Here we consider whether they put this new understanding into practice by (a) applying for new sources of finance; and/or (b) improving their rate of success in actually gaining the required finance for their business.

At the time of receiving the support, just over a third of businesses accessing UFB (35 per cent) had recently tried to apply for finance. This is substantially higher than the proportion reported by *Business Barometer*⁸ respondents: during the corresponding period, only 15-20 per cent in the Barometer surveys had sought finance in the past six months. Thus, users of UFB were indeed relatively more likely to be seeking finance, compared to the SME population as a whole (Table 10.5).

Second, we need to examine the difficulties these businesses had encountered in trying to obtain finance. Only 11 per cent of those who had applied reported no problems at all. Around half of applicants (49 per cent) had not managed to secure any finance at all, and a further 25 per cent had only secured part of the finance they sought (Table 10.5). These figures can also be compared to those from the 2008-09 *Business Barometer* surveys. The proportion reported in the Barometer surveys as encountering any difficulties in obtaining finance varied between 44-57 per cent, a substantially lower figure than the 89 per cent reported by our survey. Similarly, the proportion reported by the Barometers as not being able to obtain any finance at all never rose above 42 per cent, also lower than the 49 per cent reported in the current survey. It is reasonable to conclude, therefore, that UFB is indeed reaching those businesses who are encountering a higher than average level of difficulty in obtaining finance.

Table 10.5 Difficulties in obtaining finance before accessing UFB, in comparison with broader SME population (% of those applying for any finance)

	Before support (n=53)	Comparison group (n=50)	Business Barometer average 2008-09
Unable to obtain any finance	49.1%	29.7%	36.8%
Obtained some but not all of the finance required	24.5%	12.4%	4.2%
Obtained all the finance required but with some problems	13.2%	12.4%	8.2%
No difficulties in obtaining finance	11.3%	44.3%	46.0%
Don't know	1.9%	1.1%	4.6%

10.3 Additionality

In the case of UFB, additionality can be measured by looking at the counterfactual question: what would have happened to the businesses in the absence of the support? There is no reason to assume that the difficulties in comparison to the general population of SMEs regarding finance which faced these clients would have eased without the support. Therefore, the

⁸ A re-survey of 500 respondents to the BIS Annual Small Business Survey to obtain regular feedback about the issues they face. The comparative figures reported here are taken from the five *Barometers* undertaken between December 2008 and September 2009, available from bis.ecgroup.net/Publications/EnterpriseBusinessSupport/EnterpriseSmallBusiness.aspx

additionality can be demonstrated by comparing the difficulties faced by clients *after* their support with the difficulties faced by other SMEs. If UFB is effective, the difficulties post-support would not only be reduced, but would be closer to, or possibly even below, the average level of difficulty faced by SMEs in obtaining finance.

Table 10.6 demonstrates that this is indeed the case. The proportion of UFB clients applying for finance *post*-support reporting that they could not obtain any finance at all (8 per cent) is well below the proportion in the other surveys. Similarly, the proportion of UFB clients which encountered no difficulties at all post-support (42 per cent) is substantially closer to the figure reported by other surveys than the figure for *pre*-support UFB clients. However, it should be noted that the proportion of 'don't knows' post-support is particularly high for this question (18 per cent), which is a reflection of the fact that this is an early-stage survey, with many clients either still receiving support or only recently having finished. Thus, a relatively high number of clients which applied for finance post-support were awaiting news on their success or otherwise.

Table 10.6 Difficulties in obtaining finance before and after accessing UFB, in comparison with SME population (% of those applying for finance)

	Before (n=53)	After (n=52)	Comparison group (n=50)	Business Barometer average 2008-09
Unable to obtain any finance	49.1%	7.5%	29.7%	36.8%
Obtained some but not all of the finance required	24.5%	26.4%	12.4%	4.2%
Obtained all the finance required with some problems	13.2%	5.7%	12.4%	8.2%
No difficulties in obtaining finance	11.3%	41.5%	44.3%	46.0%
Don't know	1.9%	17.5%	1.1%	4.6%

10.3.1 Deadweight and displacement effects

From the findings above, it seems likely that there is little deadweight loss or displacement of existing activity resulting from UFB. Businesses which have found it difficult to obtain finance have improved their ability to a level that is comparable with that found among the broader SME population. This has enabled them to access new funds to a greater degree than previously, and to access a range of sources of finance which were otherwise being little used by other businesses. As such, UFB has largely facilitated activity which otherwise would not have taken place, or would have occurred to a lesser degree (e.g. in the absence of support, some businesses would have obtained a lower level of finance than required or none at all). Any employment and turnover impacts deriving from the increased level of finance which businesses have been able to obtain can also be seen as examples of a high level of additionality with a low deadweight loss stemming from the use of UFB.

11 Product-specific impacts: Coaching for High Growth

Key findings

- *Over the past twelve months, employment in CfHG client businesses has risen by eight per cent and turnover by a mean of 16 per cent – in both cases, a rate substantially higher than among businesses in the comparison group.*
- *Support provided through CfHG has helped safeguard over 750 jobs (23 per cent of the workforce).*
- *Clients reported that the mean turnover rise directly attributable to the product (including anticipated rises) was 29 per cent*
- *The support has been particularly effective in encouraging export growth, with 92 per cent of clients either realising or anticipating increases.*
- *54 per cent of businesses have grown or anticipate growing at a rate faster than they had expected prior to accessing the support.*
- *This product impacted positively on the widest range of skills and competencies among the six products under investigation. Over 80 per cent of clients reported improvements in at least one of the following areas: strategic decision-making, planning or their positioning to take advantage of an upturn.*

11.1 Outcomes and outputs

The main outcome of Coaching for High Growth is clearly the realisation of high growth within client businesses. As shown in Sections 5.1 and 5.3 above, respondents have indeed indicated that the support has led to high rates of growth in turnover and employment – and more particularly in *anticipated* rates of growth – that would otherwise not have been realised. Only one product-specific question examined tangible benefits for the business, namely the extent to which their level of exports had changed. The remainder of this section concentrates on the realisation of outputs within client businesses which have prepared the workforce and business to be able to achieve higher levels of growth.

11.1.1 Impact on exports

Respondents were asked about the impact of the product on their exporting of goods and services (Table 11.1). CfHG clients responded highly positively: only eight per cent had neither increased exports to date nor had plans to increase exports in the future.

Table 11.1 Realised or planned increases in exports of goods and/or services

	% reporting
Any realised or planned increase in exports	92.1%
<i>No increase yet, plan to increase exports in future</i>	44.7%
<i>Both increased already and plan to increase exports</i>	39.5%
<i>Increased exports already, no further increase planned</i>	7.9%
No increase realised or planned	7.9%

N=140

11.1.2 Actions facilitating increased growth

Clients of CfHG were asked what actions they had taken, or anticipated taking in the future, as a direct result of having accessed the support. For the most part, clients had undertaken at least one action: only nine per cent had not undertaken or did not anticipate undertaking any actions at all to facilitate increased growth (Table 11.2). The most common action reported was the introduction of new processes relating to marketing (70 per cent of users), followed by restructuring of the business (52 per cent).

Table 11.2 Actions undertaken or anticipated to be undertaken as a direct result of using the product

Action	% undertaking or anticipating undertaking
New processes relating to marketing	70.0%
Restructuring of the business	52.1%
New processes relating to personnel	46.4%
New processes relating to finance	42.9%
New processes relating to Intellectual Property	32.9%
Recruitment or dismissal of staff	32.1%
New intellectual property being registered	30.0%
None of these	9.3%

N=140.

Respondents were asked about more specific activities that would be of high importance in a growth strategy, as shown in Table 11.3. In most cases, a relatively high proportion CfHG users had undertaken each of these activities, with the most common being to develop a business plan detailing growth objectives (65 per cent of CfHG), and increasing investment in innovation (63 per cent of CfHG). By comparison, relatively few businesses have already secured the finance they need (just over 40 per cent); furthermore, around 20 per cent of users had neither secured the necessary finance nor yet developed the skills they require to access it. This emphasises the need for ongoing support to realise growth in the medium to long term.

Table 11.3 Respondents having undertaken activities relating to growth

Activity	% undertaking
Developed growth business plan	65.0%
Secured finance to fund growth	44.3%
<i>of those not having secured finance: % developed skills to secure finance</i>	64.5%
<i>% of clients lacking both finance and the skills to access it</i>	19.8%
Increased investment in innovation	63.3%
Increased investment in staff training	50.7%
Developed training plan	53.6%
Designated training budget	53.6%
<i>Undertaken all three training actions</i>	25.7%
Undertaken all actions	7.1%

N=140

Approximately half of users had undertaken activities relating to staff training, with 26 per cent taking all three of the specified actions, indicating a deep, broadly-based commitment to developing their workforce.

11.2 Targeting

The key target criteria for the selection of businesses for CfHG programmes is that they have the potential to achieve high growth. This is clearly not a short-term aim, and is difficult to test directly. Nonetheless, we can draw inferences both from businesses self-reported impacts (Sections 5.1 and 5.3) and from their activity and performance judged against the comparison group of matched businesses (Section 11.3 below).

Looking at employment, the proportion of CfHG clients reporting that they had either realised or anticipated an increase was the highest of the six products. Two-thirds reported that they had realised or anticipated a rise in turnover, with a mean rise of 29 per cent, second only to the younger, smaller businesses accessing SaHGB. As such, it seems reasonable to conclude that CfHG clients were indeed relatively more likely to have the potential for growth than users of non-growth products. It is also clear that CfHG users are more willing to implement (or had already implemented before accessing the support) procedures and processes likely to facilitate growth in the future. A higher proportion of clients than among comparator businesses had implemented a range of such measures, in particular in relation to increasing exports. Again, therefore, CfHG clients appear to have the potential to grow, and the motivation to try to exploit this potential.

11.3 Additionality

11.3.1 Performance against comparison group

In order to assess the impact the high-growth products have had on clients, we asked the comparison group similar questions about actions they expected to undertake in their business in the near future. In all of these cases except one (recruitment/dismissal of staff), CFHG clients were more likely to report that they had undertaken or expected to undertake the action than comparison group respondents (Table 11.4).

Table 11.4 Actions undertaken or anticipated to be undertaken as a direct result of using the product, treatment and comparison group

	Treatment(n=140)	Comparison (n=135)
Restructuring of the business	52.1%	44.0%
New processes relating to marketing	70.0%	49.9%
New processes relating to finance	42.9%	34.5%
New processes relating to personnel	46.4%	36.1%
New processes relating to Intellectual Property	32.9%	20.4%
Recruitment or dismissal of staff	32.1%	55.1%
New intellectual property being registered	30.0%	18.6%
None of these	9.3%	17.6%

Highlighted cells show where treatment group responses are more positive than comparison group.

Table 11.5 Respondents having undertaken actions relating to growth

	Treatment(n=140)	Comparison (n=135)
Developed growth business plan	65.0%	49.5%
Increased investment in innovation	63.3%	55.9%
Increased investment in staff training	50.7%	43.8%
Developed training plan	53.6%	49.5%
Designated training budget	53.6%	30.5%
Undertaken all three training actions	25.7%	21.3%
Undertaken all above actions	13.6%	5.9%

Highlighted cells show where treatment group responses are more positive than comparison group. Note that the comparison group was not questioned about one activity, namely if they had secured the finance to fund growth, as this may not have been relevant. That activity has been omitted from this table, accounting for the different percentage for 'undertaken all' between this table and Table 11.3.

In terms of more specific actions, the same applies – in every case, a higher proportion of the treatment group than the comparison group had undertaken the relevant action (Table 11.5).

Some 14 per cent had undertaken *all* the activities specified, compared to 6 per cent of the comparison group.

A similar pattern can also be seen with regards to exports. This area yielded the most positive results against responses from the comparison group, with CFHG clients substantially more likely than their comparators to report realised or planned increases in exports. Approximately one-quarter of the comparison group had increased exports in the past year or planned to increase them in the future, compared with 92 per cent of CFHG clients.

Table 11.6 Realised or planned increases in exports of goods and/or services

	Treatment(n=140)	Comparison (n=135)
Increased exports already, no further increase planned	7.9%	12.5%
No increase yet, plan to increase exports in future	44.7%	14.7%
Both increased already and plan to increase exports	39.5%	8.1%
Any realised or planned increase in exports	92.1%	27.9%
No increase realised or planned	7.9%	72.1%

11.3.2 Performance against prior expectations

Finally, respondents were asked how their recent and projected growth compared with the growth expectations they had formed prior to accessing the support. Just over 50 per cent of respondents reported higher than expected growth. Clients were particularly positive about future growth trajectories, with 48 per cent anticipating higher than previously expected growth in the future (Table 11.7).

Table 11.7 Comparison of realised and anticipated growth against expectations of growth prior to accessing support

	% reporting
Already grown more than expected	6.4%
Anticipate growing more than expected	37.9%
Both already and anticipated	10.0%
Don't know	10.0%
No different to expectations	35.7%

N=140

11.3.3 Deadweight and displacement effects

The general findings regarding losses from deadweight and displacement for CfHG are similar to those reported in Section 5.3.8. Businesses have benefited from improved skill levels and growth prospects which they would have been unlikely to acquire from private sector support.

Employment and, in particular, turnover increases over the past twelve months have been substantially higher than among businesses in the comparison group, while just over half of clients reported that growth has been or is anticipated to be higher than previously expected.

The findings also demonstrate clear additionality in the case of exports, with a relatively small loss from deadweight or displacement effects. Approximately 90 per cent of SaHGB clients have increased or anticipate increasing exports; evidence from the comparison group suggests that in the absence of the support, only one quarter of clients would report increased exports.

12 Product-specific impacts: Innovation Advice & Guidance

Key findings

- *Almost three-quarters (70 per cent) of businesses that have used IAG have subsequently introduced or anticipate introducing new products or services (of which, 58 per cent are completely new, rather than simply new to the business). Furthermore, 64 per cent have invested in new technology and 63 per cent have increased R&D spending.*
- *While increases in employment and turnover in IAG clients over the past twelve months have been relatively modest (two per cent and six per cent, respectively), the support has helped to safeguard 530 jobs (just over a fifth of the workforce), and a nine per cent increase in employment is anticipated in the future.*
- *IAG clients report a mean turnover rise of 21 per cent associated with using the product (including anticipated increases).*

12.1 Outcomes and outputs

12.1.1 Impact on innovation-related activity

Respondents using IAG were asked whether they had implemented any innovation-related activity since they had received their support. The list of innovation-related areas that were included is given in Table 12.1. Some 80 businesses (82 per cent) had indeed already implemented some measure relating to innovation, with a further eight (eight per cent) anticipating the introduction of measures in the future; i.e. only one-tenth of businesses accessing IAG had neither changed nor anticipated changing their level of innovation-related activity. These developments stemming from the use of IAG were fairly extensive within client businesses – on average, activity had been undertaken in four of the areas shown in Table 12.1, with 70 per cent of respondents undertaking activity in more than one area.

The most likely activity to have been undertaken (taking into account anticipated changes as well as those already realised) is the introduction of new products and/or services – a direct, tangible and positive outcome of the support. The next three most likely outcomes are those concerning investment - in R&D, new technology or staff training - all of which have already been introduced or are anticipated to be introduced by just under two-thirds of the sample. Again, these are tangible benefits, with clients developing clear goals for the future – raising the level of efficiency or skills and knowledge in the business and/or paving the way for the introduction of new products or services.

Table 12.1 Introduction of innovation-related activity directly related to accessing IAG

	Introduced	Anticipated	Not introduced
New products and/or services	44.3	25.8	28.9
Investment in new technology	41.2	22.7	36.1
Increased investment in R & D	45.4	17.5	37.1
Increased investment in staff training	38.1	24.7	37.1
Developed or developing new prototypes	38.1	13.4	47.4
New management processes and techniques	39.2	10.3	50.5
Registered intellectual property	25.8	15.5	57.7
New developments in monitoring and quality	25.8	11.3	60.8
New manufacturing processes/reorganised production	23.7	12.4	61.9
Other changes	6.2	5.2	83.5

N=97

The least likely activities to be undertaken tended to be process-related, involving business reorganisation or the introduction of quality processes, or registering intellectual property (all undertaken by approximately 40 per cent of the sample).

Where respondents had introduced new processes or products, they were also asked whether these innovations were novel (i.e. entirely new) or adopted through diffusion (i.e. new to the individual business). Many believed that they had indeed introduced novel ideas. This applied, in particular, to the introduction of products and services rather than processes, a key area for firms to differentiate themselves, and the only one of the three areas where the proportion stating that they had introduced a novel innovation (59 per cent) outweighed the proportion introducing a diffusion innovation (41 per cent) (Table 12.2). In total, 40 businesses believed that they had introduced entirely new products or services, equivalent to 41 per cent of those accessing IAG.

Relatively few businesses believed that they had introduced (or hoped to introduce) completely new manufacturing or management processes. Nonetheless, the fact that 20 per cent of all businesses accessing IAG had reorganised production in some way (rising to 52 per cent among manufacturing businesses), and 35 per cent had introduced new management processes to the business illustrates a major impact of the product in inducing positive change among clients.

Table 12.2 Novelty of innovation stemming directly from use of IAG

	New to the business	Completely new
Manufacturing processes/reorganised production (n=35)	54.3	42.9
Management processes and techniques (n=47)	72.3	23.4
New products and services (n=68)	41.2	58.8

12.1.2 Impact on innovation-related attitudes

The survey also asked whether IAG had influenced general attitudes towards innovation among the business's workforce. The results indicated a highly positive shift in attitudes, laying the foundations for longer-term and more pervasive innovation activity. Some 80 per cent of respondents indicated that they were more aware of the support they could access relating to innovation, while approximately 70 per cent indicated that innovation was more embedded in their internal processes. A similar proportion reported that the innovative culture in the business had increased.

Table 12.3 Change in attitudes towards innovation brought about by IAG

	Agree	Neutral	Disagree
Increased innovative culture	68.0%	11.3%	20.6%
Innovation more embedded in processes	70.1%	10.3%	18.6%
Generally more aware of innovation support	80.4%	3.1%	15.5%

12.2 Targeting

Users of IAG received a combination of a number of different services relating to innovation, advice and guidance, with 72 per cent of respondents accessing more than one of the services shown in Table 12.4. In other words, IAG is a fairly wide-ranging and broadly-based product, with different users benefiting in different ways. It is also clear that the time lag involved in realising turnover or employment benefits may be substantial, given that the services include early-stage activity such as developing leadership roles and developing links with knowledge-based institutions, and also that 62 per cent of respondents were still receiving support on an ongoing basis at the time of the survey. Similarly, product development and process innovation both necessarily take time to implement.

It is worth noting that a higher proportion of users of IAG (28 per cent) are in manufacturing sectors than in any other product examined in this report - the average proportion of manufacturers across all products is 15 per cent.

Table 12.4 Type of assistance received by IAG users

Assistance	% using
Developing a new product or service	56.7%
Marketing	51.5%
Developing links with knowledge-based institutions	41.2%
Scaling up products	32.0%
Developing a new process	25.8%
Leadership or management for innovation	22.7%
Investment readiness	20.6%
Don't know	11.3%

N=97

12.3 Additionality

For IAG, there are no measures of additionality against a comparison group to report. IAG clients were omitted from the matching process for the comparison group, because of the small achieved sample size. As such, it is not possible to measure the extent to which the employment and turnover rises to date may have occurred anyway. The degree of additionality self-reported by clients (see Section 5.3) is fairly modest, with a mean realised or anticipated increase of 21 per cent in turnover (although these are early stage results, and the realisation of gains due to innovation will likely have a long lead time).

A measurable indicator of additionality at this early stage is the degree to which clients have indeed innovated i.e. introduced products, services or processes which are completely new. In total, 46 IAG clients (47 per cent of respondents) meet this criterion. A further 31 businesses (32 per cent) have introduced a product, service or process which is new to the business. In total, therefore, 79 per cent of IAG respondents, as a result of accessing the support, have introduced or anticipate introducing an innovation to their business (either completely novel or through diffusion) that they would otherwise not have introduced.

13 Customer Journey

While satisfaction with process was not its main focus, the survey did ask some questions relating to this topic. The first broad set of questions related to customer service, whilst the second specifically addressed the relevance of the SfB product to the particular needs of the participating business.

13.1.1 Customer service

Various aspects of customer service attracted highly positive ratings from respondents (Table 13.1) In particular, there was very high satisfaction with the professional nature of the support (93 per cent) and that those delivering the support were welcoming, open and keen to help (94 per cent). For the most part, there were no significant differences (at a 95% level of confidence) between products in terms of these areas of customer satisfaction. The one exception was the straightforwardness of applying to use the product, where users of SaB and ISUS were more likely to reply positively, and users of SaHGB, in particular, were less likely to respond positively. However, even in this case, the majority of users (76 per cent) thought that the application process was straightforward.

Table 13.1 Satisfaction with aspects of customer service (% agreeing)

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
Providers welcoming, keen to help	91.7%	93.5%	94.1%	93.8%	96.1%	96.4%	94.1%
Support was professional	92.2%	93.5%	92.8%	93.8%	94.1%	95.7%	93.6%
Support was high quality	82.4%	86.5%	82.4%	88.7%	81.5%	87.7%	84.5%
Applying was straightforward	87.4%	90.5%	81.6%	76.3%	81.6%	83.5%	84.5%
Providers responded quickly	85.4%	85.6%	79.7%	86.6%	84.9%	88.6%	85.0%
All five statements above	63.7%	75.2%	77.0%	68.0%	63.4%	72.9%	70.2%

N=950

13.1.2 Relevance to business needs

Respondents also indicated that the service they received was relevant to their business needs and provided useful support. Over four-fifths of respondents (84 per cent) believed that their needs were understood. A similar proportion of respondents believed that the support was both useful (88 per cent) and relevant to their needs (85 per cent). A slightly lower proportion (78 per cent) agreed that the support focused on ‘achieving real outcomes’ for the business/themselves. It is notable that the lowest rating for a focus on achieving outcomes is among users of SaB; here, the main outcome is actually starting a business, rather than achieving any benefit *for* the business. Overall, there were no significant differences between products when the six were looked at jointly.

Table 13.2 Relevance of support to business/individual needs (% agreeing with statement)

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
The needs of my business/my needs were understood	80.0%	87.1%	83.7%	87.4%	82.8%	89.2%	84.6%
Support was useful for the business/for me	84.9%	87.6%	87.6%	92.8%	85.2%	94.2%	88.1%
Support was relevant to my situation	81.0%	83.6%	85.0%	92.8%	83.4%	91.4%	85.3%
Support focused on achieving real outcomes for the business/for me	72.4%	82.8%	80.3%	85.3%	77.3%	82.1%	79.4%
All four statements above	59.9%	77.0%	71.9%	74.2%	64.1%	75.7%	69.9%

N=950

13.1.3 Overall satisfaction

The table below shows the different levels of overall satisfaction for the six products. Again, satisfaction ratings are very high. Overall, 74 per cent of respondents were very or fairly satisfied with their use of the product. Slightly lower satisfaction ratings were garnered by both SaB (70 per cent) and SaHGB (69 per cent), although differences between products are not statistically significant at a 95% level of confidence.

Table 13.3 Overall satisfaction by product type (% of respondents)

	SaB	ISUS	SaHGB	IAG	UFB	CfHG	Total
Very satisfied	28.7%	44.6%	25.4%	29.9%	30.9%	37.1%	32.8%
Fairly satisfied	40.8%	33.8%	43.3%	47.4%	43.4%	42.1%	41.5%
Indifferent	19.1%	12.2%	16.4%	14.4%	9.9%	14.3%	14.4%
Fairly dissatisfied	6.4%	5.8%	8.2%	4.1%	9.9%	5.0%	6.7%
Very dissatisfied	5.1%	3.6%	6.7%	4.1%	5.9%	1.4%	4.5%

N=950

Whilst these results are very positive, those participants who are no longer accessing the product report significantly lower (at a 95% confidence level) satisfaction: only 62 per cent of those who had exited the support were very or fairly satisfied, compared with 81 per cent of those still accessing the product (Table 13.4). The greatest difference between the two groups, in terms of the various aspects of satisfaction reported above, was in whether the support focused on 'achieving a real outcome' for the business/individual: only 69 per cent of those no longer accessing the product agreed with this statement, compared with 87 per cent of those still using the support. This suggests that there is a modest level of dissatisfaction among those exiting the support, although it should be stressed, again, that these are very much early-stage results. A more complete picture of satisfaction of those who have ceased their use of the

support would be possible if this survey was repeated after the programme had been in operation for a longer period of time.

Table 13.4 Satisfaction by completion status and product (% very or fairly satisfied)

	Still receiving support	Completed support	Percentage point difference
SaB*	80.7%	56.5%	-24.2
ISUS*	83.3%	64.2%	-19.1
SaHGB*	77.8%	54.4%	-23.4
IAG	76.7%	78.4%	+1.7
UFB*	83.3%	54.9%	-28.4
CHG	82.0%	69.6%	-12.4
All products*	81.1%	61.5%	-19.6

*N=950; * significant difference at 95% level of confidence*

The number of support sessions attended and the intensiveness of support received were both statistically significant influences on the overall satisfaction of clients. (Table 13.5 and *N=950*

Table 13.6). The greater the number of interventions, the more satisfied clients were, while those receiving intensive support were more satisfied than other clients.

Table 13.5 Satisfaction by number of interventions and completion status (% very or fairly satisfied)

Number of interventions	Still receiving support	Completed support
1-2	77.8%	50.6%
3-4	77.3%	70.4%
5-6	86.1%	71.7%
7-10	90.9%	93.4%
10+	83.2%	78.3%

N=950

Table 13.6 Satisfaction by intensity of usage and completion status (% very or fairly satisfied)

	Still receiving support	Completed support
Not intensive	76.1%	58.7%
Intensive	87.3%	73.2%

N=950

13.1.4 Performance against expectations

Performance against client expectations was similar to the trends reported for satisfaction, with between four-fifths and two-thirds of respondents having their expectations mainly or fully met or exceeded. Again, it is clear that a higher proportion of those who were no longer accessing the product did not have their expectations met.

Table 13.7 Rating of product against expectations, by product

	Support ongoing			Support finished			All users		
	<i>Exceeded/ fully met</i>	<i>Mainly met</i>	<i>Partially/not met at all</i>	<i>Exceeded/ fully met</i>	<i>Mainly met</i>	<i>Partially/not met at all</i>	<i>Exceeded/ fully met</i>	<i>Mainly met</i>	<i>Partially/not met at all</i>
SaB	47.8%	26.1%	26.1%	35.4%	16.9%	47.7%	42.7%	22.3%	35.0%
ISUS	60.5%	18.7%	20.9%	44.7%	23.4%	31.9%	55.1%	20.3%	24.6%
SaHGB	58.5%	26.0%	15.6%	33.9%	19.6%	46.4%	48.1%	23.3%	28.5%
IAG	55.9%	23.7%	20.4%	54.0%	21.6%	24.3%	55.2%	22.9%	21.9%
UFB	54.4%	30.7%	14.9%	34.0%	24.0%	42.0%	47.7%	28.5%	23.8%
CHG	61.0%	22.1%	16.9%	40.0%	35.6%	24.5%	54.2%	26.4%	19.3%
All	56.3%	24.7%	19.0%	39.3%	23.0%	37.7%	50.1%	24.0%	25.9%

N=950

13.1.5 Recommendation of product

Recommendations were perhaps the strongest element of reported satisfaction. For each product, approximately 90 per cent of clients indicated that they were very or fairly likely to recommend the product to others. Such high numbers suggest that even though some customers were not personally satisfied they recognised that the support itself was of a good quality and would not hesitate to recommend it to others.

Table 13.8 Recommendation of service by product

	Very/fairly likely to recommend	Not very/not at all likely to recommend
SaB	90.3%	8.9%
ISUS	90.0%	7.9%
SaHGB	89.1%	11.1%
IAG	94.8%	5.2%
UFB	90.8%	8.5%
CHG	92.5%	5.7%
Total	91.3%	8.1%

N=950

13.1.6 Satisfaction by number of areas of support

Most aspects of customer service received similar ratings regardless of the number of areas of support the client accessed. However, there were four aspects of satisfaction where there was a statistically significant improvement (at a 95% level of confidence): when more areas of support were accessed – overall satisfaction (Table 13.9), likelihood of recommending the product to others (Table 13.10), whether the support focused on providing a real outcome (Table 13.11) and whether expectations were met or not (Table 13.12)

Table 13.9 Overall satisfaction, by number of areas of support accessed

	Main product only or 1 additional area	2 or more additional areas
Very/fairly dissatisfied	12.9%	6.7%
Indifferent	15.6%	11.2%
Very fairly satisfied	71.2%	82.2%

N=950

Table 13.10 Likelihood of recommending product to others, by number of areas of support accessed

	Main product only or one additional area	2 or more additional areas
Very/fairly likely to recommend	89.3%	96.9%
Not very/not at all likely to recommend	9.9%	3.1%

N=950

Table 13.11 Respondents agreeing that the support focused on providing a real outcome, by number of areas of support accessed

Real outcome	Main product only or one additional area	2 or more additional areas
Agree	76.2%	86.6%
Neither agree nor disagree	8.7%	7.6%
Disagree	13.2%	5.8%

N=950

Table 13.12 Rating of support against expectations, by number of areas of support accessed

	Main product only or one additional area	2 or more additional areas
Exceeded or fully met	46.9%	57.1%
Met in the main	23.5%	25.0%
Partially/not met at all	28.8%	17.4%

N=950

13.1.7 Awareness of Solutions for Business brand

Awareness of the SfB brand among clients was fairly low, with only one-third of respondents having heard of SfB by name, although this is approximately three times higher than for the comparison group. However, this is not necessarily surprising – not only is SfB a new brand, but some respondents will have been accessing legacy packages, or may only recognise the specific name of the scheme(s) they have accessed as opposed to the umbrella brand.

Appendix 1 Questionnaire – treatment group

Solutions for Business Monitor Questionnaire V3 (7th January 2010)

Sample Type (for quotas)	
Starting a Business (SaB)	1
Intensive Start Up Support (ISUS)	2
Starting a High Growth Business (SaHGB)	3
Innovation Advice and Guidance (IAG)	4
Understanding Finance for Business (UFB)	5
Coaching for High Growth (CHG)	6

N1 **Good morning/afternoon/evening. My name is (INTERVIEWER NAME) from IFF Research. Please could I speak to [NAMED RESPONDENT]?**

ASK IF SPEAKING TO NAMED RESPONDENT

I am calling from IFF Research, an independent market research agency. We have been commissioned by the Department for Business, Innovation & Skill (BIS - FORMERLY BERR and the DTI) to conduct an evaluation of business support and advice schemes. I understand that in the past two years, you may have received business support advice through the Government or one of its agencies.

Would you be able to spare some time to help us with our study – it would take the form of a telephone interview that would last approximately 20 minutes?

IF RESPONDENT CLAIMS NOT TO HAVE RECEIVED BUSINESS SUPPORT ADVICE ADD: The advice may have been delivered by an appointed agency. It may have comprised face-to-face meetings with advisers or attendance at seminars.

REASSURANCES – USE IF NECESSARY

Ø This survey is being conducted for the Department of Business Innovation & Skills with the aim of improving the types of advice that are available. Please be assured that the survey is completely confidential and that you and your business will not be identified in relation to the results of the survey.

Ø IFF Research Ltd is an independent market research company. All our work is carried out according to the Code of Conduct of the Market Research Society. If you wish to check IFF's credentials, you can call the MRS, free of charge, on 0500 39 69 99

Ø Your details were selected at random from lists supplied by Business Link or other organisations that may have given you business advice

Ø If you would like to speak to someone at IFF you can call Katie Gore on 020 7250 3035

- Continue 1
- Claims not to have received advice 2
- Refused 3
- Hard appointment 4
- Soft appointment 5
- Dead/unobtainable number 6
- Other (SPECIFY) 7

SECTION ONE: SCREENER

1. Can I just check, in the last two years have you been given any of the following types of business support advice through the Government or one of its agencies? This would comprise face-to-face meetings with advisors or attendance at seminars. READ OUT.

MULTICODE OK

- Support or advice on starting a business 1
- Support or guidance on innovation 2
- Support or guidance on understanding business finance 3
- Coaching for high growth businesses 4
- Any other form of business advice or support 5
- None of these 6
- Don't know 7

IF NOT BUSINESS ADVICE RECEIVED (Q1 CODE '6') GO TO THANK AND CLOSE

2. Can I check, do you currently own or part own a business that is up and running, or are you self-employed?

- Have a business 1
- Self employed 2
- Neither 3

FOR QUOTA PURPOSES – ONLY 25 OF THOSE SELECTED FOR SaB, ISUS or SaHGB (SAMPLE TYPE = 1-3) CAN SAY 'NEITHER' AT Q2. OTHERS GO TO THANK AND CLOSE

IF SELECTED FOR IAG, UFB OR CHG AND NO BUSINESS AT Q2, THANK AND CLOSE

Quotas	Has a Business (Q2 '1-2')	No business (Q2 '3')	Total
Starting a Business (SaB)	150	50	200
Intensive Start Up Support (ISUS)	150	50	200
Starting a High Growth Business (SaHGB)	150	50	200
Innovation Advice and Guidance (IAG)	200	0	200

Understanding Finance for Business (UFB)	200	0	200
Coaching for High Growth (CHG)	200	0	200

ASK IF NEITHER AT Q2. OTHERS GO TO Q7

3.Are you thinking about starting a business?

- Yes
- No

IF YES AT Q3, ASK Q4, OTHERS GO TO Q7

4. When you say that you have thought about starting a business or becoming self-employed, is this something that you are thinking of doing in the near future, within the next two years or so, or further in the future than that?

- Now / near future 1
- Within the next two years or so 2
- Further in the future 3
- Don't know / only a vague idea 4

5. Is this something you would say you have...? READ OUT ALL STATEMENTS. SINGLE CODE ONLY.

- Given serious thought to and which will almost certainly happen at some stage in the future..... 1
- Given serious thought to and which is likely to happen at some stage in the future 2
- Given some thought to and which may possibly happen at some stage in the future 3
- Not given much thought to but might like to do some day 4
- None of the above 5

6.Over the past 12 months, what if anything have you done by way of preparation for starting your own business, buying into an existing business or becoming self-employed? DO NOT READ OUT, MULTICODE OK

- Research the market or product 1
- Look for equipment 2
- Look for premises 3
- Organise a start-up team / look for staff 4
- Work on business plan 5
- Save money or seek finance 6
- Spoken to a business adviser 7
- Other (PLEASE SPECIFY) 8
- Nothing 9

ASK ALL

7. Who was mainly responsible for providing the advice you got in the last 2 years? Was it.....? READ OUT

- Business Link?

1

- REGIONAL DEVELOPMENT AUTHORITY (SEE NOTE BELOW⁹) 2
- **A private firm authorised to do this on behalf of the Government?** 3
- **Somebody else** (SPECIFY) 4
- Don't know 5

⁹ The text here is taken from the sample as follows:

North East = One North East (the Regional Development Agency for the North East of England)

North West = the North West Development Agency

Yorkshire & Humberside = Yorkshire Forward (the Regional Development Agency for Yorkshire and Humberside)

West Midlands = Advantage West Midlands (the Regional Development Agency for the West Midlands)

East Midlands = the East Midlands Development Agency

East of England = the East of England Development Agency

South East = the South East England Development Agency

London = the London Development Agency

South West = the South West Regional Development Agency

ASK IF RECEIVED ADVICE ON STARTING A BUSINESS (Q1 '1'). OTHERS GO TO Q9

8. **Was the advice you received geared towards firms with a high growth potential? By this I mean a business that might have a turnover of £500,000 or more within 3 years of starting**

- Yes 1
- No 2
- Don't know 3

ASK ALL

9. **Were you aware that the business support and advice given was part of a national initiative known as 'Solutions for Business'?**

- Yes 1
- No 2
- Don't know 3

SECTION TWO: GROWTH

ASK IF CURRENTLY HAVE A BUSINESS (Q2 '1-2'). OTHERS GO TO SECTION 3

10. I would like to ask you some questions that will help us know more about your business. What is your position in your business? READ OUT. SINGLE CODE ONLY

- Owner/proprietor/self-employed) 1
- Co-owner or partner 2
- A Director 3
- A Manager 4
- Another sort of employee 5
- Other (SPECIFY) 6

11. How many employees does your business currently employ across all sites, excluding owners and partners?

- Enter Number (RANGE 0-999)
- Don't know
- Refused

ASK IF DK/UNCERTAIN HOW MANY EMPLOYEES AT Q11. OTHERS GO TO Q14

12. Could you please tell me, is it... ? READ OUT. SINGLE-CODE

- 0 employees..... 1
- 1-9 employees..... 2
- 10-49 employees..... 3
- 50-249 employees..... 4
- 250+ employees..... 5
- Refused 6
- Don't know 7

ASK ALL CURRENTLY WITH A BUSINESS

13. Can I check, was your business running 12 months ago?

- Yes 1
- No 2

ASK ALL THAT HAD A BUSINESS 12 MONTHS AGO (Q13 '1'). OTHERS GO TO Q16

14. How many people did your business employ 12 months ago across all sites (still excluding owners and partners)?

- Enter Number (RANGE 0-999)
- Don't know
- Refused

ASK IF DK/UNCERTAIN HOW MANY EMPLOYEES EMPLOYED 12 MONTHS AGO AT Q14. OTHERS GO TO Q0

15.Could you please tell me, was it... ? READ OUT. SINGLE-CODE

- More than currently.....1
- The same.....2
- Fewer3
- Refused4
- Don't know5

ASK ALL THAT CURRENTLY HAVE BUSINESSES

16.Can you please tell me the approximate turnover of your business in the past 12 months? READ OUT IF NECESSARY

- Less than £67,000.....1
- £67,000 - £99,0002
- £100,000 - £249,9993
- £250,000 - £499,9994
- £500,000 - £999,9995
- £1m – £1.49m6
- £1.5m - £2.8m.....7
- More than £2.8m8
- Not applicable – not trading that long9
- Don't know10
- Refused11

ASK ALL THAT HAD A BUSINESS 12 MONTHS AGO (Q13 '1'). OTHERS GO TO Q20

17.Compare d with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same? SINGLE-CODE

- Increased.....1
- Decreased2
- Stayed the same3
- Don't know4
- Refused5

ASK IF TURNOVER HAS INCREASED/DECREASED (Q17/1-2), OTHERS GO TO Q20

18.By approximately what percentage did your turnover (IF Q17/1) increase (IF Q17/2) decrease in the past 12 months, compared with the previous 12 months? SINGLE-CODE

Enter percentage (RANGE 0-100 FOR DECREASE; 0-99,999 FOR INCREASE)
 Don't know/Uncertain
 Refused

ASK IF DON'T KNOW HOW MUCH TURNOVER INCREASED/DECREASED AT Q18. OTHERS GO TO Q20

19.Would you say it [Text substitution: (IF Q17/1) increased (IF Q17/2) decreased] by up to 10 or by 10 or more?

- Up to 10 1
- 10 or more 2
- Don't know 3

ASK ALL IN BUSINESS

20.Over the next two to three years, do you aim to grow your business? SINGLE-CODE

- Yes 1
- No 2
- Unwilling to answer 3

SECTION THREE: PROCESS QUESTIONS

ASK ALL

21. What was the nature of the business support you received from the Government in the last two years? READ OUT, MULTICODE

- Factual information** 1
- Basic advice** 2
- An in-depth discussion** 3
- Long-term or intensive assistance** 4
- Or, something else (SPECIFY)** 5
- Don't know** 6

22. And how was the support delivered? READ OUT, MULTICODE

- Telephone** 1
- Online** 2
- Group workshops** 3
- One-to-one meetings** 4
- Site visits by external experts/consultants** 5
- Other (SPECIFY)** 6
- Don't know** 7

23. On approximately how many occasions did you receive this support?

WRITE IN

- Enter Number (RANGE 0-999)
- Don't know
- Refused

24. Is your use of the support still ongoing?

- Yes 1
- No 2

25. Approximately how many months ago did you start using the support?

- Enter Number (RANGE 0-99)
- Don't know
- Refused

ASK USERS OF START-UP PRODUCTS (Q1 '1'). OTHERS GO TO Q27

26. At which of these stages of start-up did you make use of the support?

READ OUT ALL, MULTICODE

- Before I had taken any steps to establish a business** 1
- During the period when I was actually establishing my business** 2
- After my business was established** 3
- (DO NOT READ) Other (SPECIFY)** 4

27. **First of all, can I ask you how you first found out about the support? Was it... READ OUT.**
MULTICODE OK

- Through the Business Link website 1
- Through direct mailing 2
- Through telephone contact from Business Link 3
- Through a recommendation by business contacts..... 4
- Through a recommendation by external advisers..... 5
- Through the media (e.g. newspaper, radio, tv) 6
- Via a Trade Association 7
- Or in some other way (SPECIFY)..... 8
- Don't know..... 9

28. **Did you investigate if there were any alternative sources of similar business support available?**

- Yes 1
- No 2
- Don't know 3

29. **To what extent would you agree or disagree with the statement 'the support has provided me with something, or will provide me with something I could not have got from any other source'? PROBE FOR (DIS) AGREE STRONGLY OR SLIGHTLY**

- 1 Strongly agree
- 2 Slightly agree
- 3 Neither agree nor disagree
- 4 Slightly disagree
- 5 Strongly disagree
- Don't know

SECTION FOUR: IMPACTS

ASK ALL CURRENTLY IN BUSINESS (Q2 '1-2'). OTHERS GO TO SECTION 5A

30. As a direct result of using the support have you, or do you expect to, increase the number of people employed by your company, or safeguard any existing jobs?

- | | |
|------------------|---|
| Yes, increase | 1 |
| Yes, safeguard | 2 |
| Yes, both | 3 |
| No | 4 |
| Too early to say | 5 |
| Don't know | 6 |

ASK IF INCREASED NUMBER OF PEOPLE EMPLOYED (Q30 '1' OR '3'). OTHERS GO TO FILTER BEFORE Q35

31. Approximately how many more people have already been employed by your business as a direct result of having the support?

- Enter Number (RANGE 0-999)
- Don't know
- Refused

32. And approximately how many more people do you expect to employ as a direct result of having the support?

- Enter Number (RANGE 0-999)
- Don't know
- Refused

33. Would this increase, or some of this increase, have happened anyway, without using the support? READ OUT. SINGLE CODE ONLY

- | | |
|---|---|
| Yes, all the increase would have been realised without using the support | 1 |
| Yes, some of the increase would have been realised without using the support | 2 |
| No, the increase was due to use of the support | 3 |
| Don't know | 4 |

ASK IF 'YES' AT Q33 (CODES '1-2'). OTHERS GO TO FILTER BEFORE Q35

33a. Would this increase have occurred as quickly as it did if you had not had the support?

- | | |
|------------|---|
| Yes | 1 |
| No | 2 |
| Don't know | 3 |

ASK IF ONLY SOME OF THE INCREASE DUE TO THE PRODUCT (Q33 '2'). OTHERS GO TO FILTER BEFORE Q35

34. What percentage of the increase in the workforce do you think would have happened anyway?

Enter Percentage (RANGE 1-100)
Don't know
Refused

ASK IF SAFEGUARDED JOBS (Q30 '2' OR '3'). OTHERS GO TO Q36

35. Approximately how many jobs have been or will be safeguarded as a direct result of using the support?

Enter Number (RANGE 0-999)
Don't know
Refused

ASK ALL CURRENTLY IN BUSINESS

36. As a direct result of using the support, has your business experienced, or do you expect to experience, an increase in turnover?

Already experienced	1
Expect an increase	2
Both experienced and expect an increase	3
No	4
Too early to say	5
Don't know	6

ASK IF EXPERIENCED INCREASE IN TURNOVER (Q36 '1' OR '3'). OTHERS GO TO FILTER BEFORE Q38

37. Approximately by what percentage has turnover already increased?

Enter Percentage (RANGE 1-999)
Don't know
Refused

ASK IF EXPECT INCREASE IN TURNOVER (Q36 '2' OR '3'). OTHERS GO TO FILTER BEFORE Q39

38. Approximately by what percentage do you expect turnover to increase?

Enter Percentage (RANGE 1-999)
Don't know
Refused

ASK IF ANY INCREASE, OR EXPECTED INCREASE IN TURNOVER (Q36 '1-3'). OTHERS GO TO SECTION 5A FILTER

39. Would this increase, or some of this increase, have happened anyway, without using the support? READ OUT. SINGLE CODE ONLY

- | | |
|---|---|
| Yes, all the increase would have been realised without using the support | 1 |
| Yes, some of the increase would have been realised without using the support | 2 |
| No, the increase was due to use of the support | 3 |
| Don't know | |

ASK IF 'YES' AT Q39 (CODES '1-2'). OTHERS GO TO SECTION 5A FILTER

39a. Would this increase have occurred as quickly as it did if you had not had the support?

- | | |
|------------|---|
| Yes | 1 |
| No | 2 |
| Don't know | 3 |

ASK IF ONLY SOME OF THE INCREASE DUE TO THE PRODUCT (Q39 '2'). OTHERS GO TO SECTION 5A

40. What percentage of the increase in sales do you think would have happened anyway?

Enter Percentage (RANGE 1-99)

Don't know

Refused

Q41 DELETED

SECTION 5A: START UP BUSINESSES

ASK IF RECEIVED START UP BUSINESS SUPPORT (Q1 '1'). OTHERS GO TO FILTER BEFORE SECTION 5C

ASK IF ESTABLISHED BUSINESS (Q2 '1-2'). OTHERS GO TO SUB9

SUB1 **I would now like to ask you some questions relating to the business support and advice you received about starting a business. (ADD IF IAG OR UFB – SAMPLE TYPES 4 OR 5) I will ask about any other support you received since then later in the interview.**

What was your employment status prior to receiving the start-up support?

READ OUT – SINGLE CODE

Working as an employee	1
Self-employed	2
Unemployed, not receiving benefits	3
Unemployed, receiving benefits	4
In education/training	5
Not working e.g. retired, home-maker	6
Don't know	7
Refused	8

SUB2 **In the absence of using the support, do you think you would have established a business?**

READ OUT SINGLE CODE

Definitely	1
Probably	2
Possibly	3
Probably not	4
Definitely not	5
Don't know	6

ASK IF CODES 1-3 AT 0, OTHERS GO TO FILTER BEFORE SUB5

SUB3 **If you had gone ahead without using the support, would the start-up have taken place earlier than it did, later or at the same time?**

SINGLE CODE ONLY

Earlier	1
Later	2
Or at the same time	3
Don't know	4

SUB4 **And without using the support, would the business start up have been larger, smaller or no different in scale?**

SINGLE CODE ONLY

Larger	1
Smaller	2
Or no different in scale	3
Don't know	4

ASK ALL SUB WITH ESTABLISHED BUSINESSES THAT WERE PREVIOUSLY IN EMPLOYMENT (SUB1 '1-2). OTHERS GO TO FILTER BEFORE SUB6

SUB5 **If you had *NOT* started this business, what do you think you would you be doing now?**
READ OUT, SINGLE CODE

Carried on in existing job	1
Moved to a different job	2
Been made redundant	3
Tried to start a different business	4
Other (SPECIFY)	5
Don't know	6

ASK ALL SUB WITH ESTABLISHED BUSINESSES THAT WERE PREVIOUSLY UNEMPLOYED/NOT WORKING (SUB1 '3-4' OR '6'). OTHERS GO TO FILTER BEFORE SUB7

SUB6 **If you had *NOT* started this business, what do you think you would you be doing now?**
READ OUT, SINGLE CODE

Unemployed/not working	1
Retired or a homemaker	2
Moved into employment	3
Started a new training/education course	4
Tried to start a different business	5
Other (SPECIFY)	6
Don't know	7

ASK ALL SAB WITH ESTABLISHED BUSINESSES THAT WERE PREVIOUSLY IN EDUCATION/TRAINING (SUB1 '5'). OTHERS GO TO SUB8

SUB7 **If you had *NOT* started this business, what do you think you would you be doing now?**
READ OUT, SINGLE CODE

Still in education/training	1
Moved into employment	2
Now unemployed/inactive	3
Tried to start a different business	4
Other (SPECIFY)	6
Don't know	7

ASK ALL SUB CURRENTLY IN BUSINESS
 SUB8 I'm going to read out a list of possible ways in which the support you received may have impacted on the performance of your business. For each one, I'd like you to tell me whether this is something you have experienced AS A DIRECT RESULT of the support you've received So firstly... READ OUT AND RANDOMISE.

DISPLAY ON EACH SCREEN a-p – AS NECESSARY: Is this something you have experienced AS A DIRECT RESULT of the support you received? Please answer whether Yes, to some extent; Yes, to a large extent; or No.

- a. The business improved its financial management skills
- b. The business is better at planning
- c. The business is better equipped to seek external finance
- d. The business has more capability to develop new products or services
- e. The business has improved the quality of its products or services
- f. The business has improved its strategic decision-making capabilities
- g. The business is better positioned to cope with the economic downturn
- h. The business is better positioned to take advantage of an upturn
- i. The business has improved its marketing capability
- j. The business is better at managing its costs
- k. The business is more likely to grow in the future
- l. (ONLY ASK IF HIGH GROWTH Q8 '1') The business has improved its investment readiness
- m. (ONLY ASK IF HIGH GROWTH Q8 '1') The business is better at spotting opportunities
- n. (ONLY ASK IF HIGH GROWTH Q8 '1') The business is better at creating teams
- o. (ONLY ASK IF HIGH GROWTH Q8 '1') The business is better at understanding risk
- p. (ONLY ASK IF HIGH GROWTH Q8 '1') The business is better at exporting

Yes, to some extent..... 1
 Yes, to a large extent..... 2
 No..... 3
 Don't know 4

ASK IF RECIEVE START UP SUPPORT AND NOT CURRENTLY IN BUSINESS (Q1 '1' AND Q2 '3'). OTHERS GO TO FILTER BEFORE SECTION 5B

SUB9 **Which of the following best reflects how the advice or support you received impacted on your attitude towards starting your own business?** READ OUT. SINGLE CODE ONLY

- | | |
|--|---|
| You are now significantly more positive towards starting a business or becoming self-employed | 1 |
| Slightly more positive | 2 |
| Neither more positive nor more negative | 3 |
| Slightly more negative | 4 |
| Significantly more negative | 5 |
| Don't know | 6 |

SUB10 **To what extent do you agree or disagree with the following statements about how the advice and support changed your way of thinking about start-up?** READ OUT. ROTATE ORDER OF READING. FOR EACH PROBE WHETHER (DIS) AGREE STRONGLY OR SLIGHTLY

- | | |
|-----------------------------|--|
| (a) immediate future | It made me think that I could start a business, but not in the immediate future |
| (b) | It made me think that I could start a business, but not by myself |
| (c) | It made me think that start-up was not a viable option for me at all |
| (d) | It was not the right programme for me |

CODE EACH ANSWER

- 1 Strongly agree
- 2 Slightly agree
- 3 Neither agree nor disagree
- 4 Slightly disagree
- 5 Strongly disagree
- Don't know

ASK IF SUB10d '1-2'. OTHERS GO TO SUB12

SUB11 **Why do you think the advice and support was not right for you?**

- | | |
|----------------------|---|
| Any answer (SPECIFY) | 1 |
| No answer | 2 |
| Don't know | 3 |

ASK IF RECIEVE START UP SUPPORT AND NOT CURRENTLY IN BUSINESS

SUB12 **What was your employment status prior to receiving the support?**

READ OUT – SINGLE CODE

- | | |
|---|---|
| Working as an employee | 1 |
| Self-employed | 2 |
| Unemployed, not receiving benefits | 3 |
| Unemployed, receiving benefits | 4 |
| In education/training | 5 |
| Not working e.g. retired, home-maker | 6 |

Don't know
Refused

7
8

SUB13 **And has your employment status changed since using the support (ADD IF '1-2' AT SUB12): including changing your job?**

- Yes1
- No.....2
- Don't know3
- Refused4

ASK IF YES AT SUB13. OTHERS GO TO SUB19

SUB14 **What is your current employment status? DO NOT READ OUT, PROMPT AS APPROPRIATE IF NECESSARY**

- Working as an employee, same job 1
- Working as an employee, new job 2
- Self-employed 3
- Unemployed 4
- In education/training 5
- Not working e.g. retired, home-maker 6
- Don't know 7
- Refused 8

SUB15 **Do you think the support contributed to this change?**

- Yes 1
- No..... 2
- Don't know 3
- Refused 4

ASK IF YES AT SUB15 AND PREVIOUSLY IN EMPLOYMENT (SUB12 '1-2'). OTHERS GO TO FILTER BEFORE SUB17

SUB16 **If you had NOT used the support, what do you think you would you be doing now? READ OUT, SINGLE CODE**

- Carried on in existing job** 1
- Moved to a different job** 2
- Been made redundant** 3
- Tried to start a different business** 4
- Other (SPECIFY) 5
- Don't know 6

ASK IF YES AT SUB15 AND PREVIOUSLY UNEMPLOYED/NOT WORKING (SUB12 '3-4' OR '6'). OTHERS GO TO FILTER BEFORE SUB18

SUB17 **If you had NOT used the support, what do you think you would you be doing now? READ OUT, SINGLE CODE**

- Unemployed/not working** 1
- Retired or a homemaker** 2
- Moved into employment** 3
- Started a new training/education course** 4
- Tried to start a different business** 5
- Other (SPECIFY) 6
- Don't know 7

ASK IF YES AT SUB15 AND PREVIOUSLY IN EDUCATION/TRAINING (SUB12 '5'). OTHERS GO TO SUB19

SUB18 **If you had NOT used the support, what do you think you would you be doing now?**
READ OUT, SINGLE CODE

- | | |
|--|---|
| Still in education/training | 1 |
| Moved into employment | 2 |
| Now unemployed/inactive | 3 |
| Tried to start a different business | 4 |
| Other (SPECIFY) | 6 |
| Don't know | 7 |

ASK ALL SUB THAT DID NOT START A BUSINESS

SUB19 **I am going to read out a number of ways in which the support may have benefitted you. For each please tell me whether you experienced or expect to experience the benefit as a direct result of having had the support.**

READ OUT. ROTATE ORDER. MULTICODE OK

- | | |
|--|----|
| You have a better understand the process of starting a business | 1 |
| You have a better understanding of the risks involved in start-up | 2 |
| The support helped you identify and evaluate a business idea | 3 |
| You have a better understanding of laws and regulations | 4 |
| You have a better understanding of business planning | 5 |
| You better understand where to get help and advice if needed | 6 |
| It made you more entrepreneurial in your current activities | 7 |
| The support helped you move to a better/more suitable job | 8 |
| The support encouraged you to undertake further training | 9 |
| The support improved your confidence in your abilities | 10 |
| None of these | 11 |
| Don't know | 12 |

NOW GO TO FILTER BEFORE SECTION 5B

SECTION 5B: ISUS

ASK IF SELECTED FOR ISUS (SAMPLE TYPE =2). OTHERS GO TO FILTER BEFORE SECTION 5C

ISUS1 Before using the support, were there any factors in particular which were stopping you or slowing you down in terms of starting a business?

- Yes 1
- No 2
- Refused 3

ASK IF YES AT ISUS1. OTHERS GO TO FILTER BEFORE SECTION 5C.

ISUS2 What were those factors? DO NOT READ OUT, MULTICODE OK

- Confidence..... 1
- Lack of finance 2
- Poor skills/qualifications 3
- Health/disability 4
- Basic skills (literacy/numeracy)..... 5
- Transport..... 6
- Financial/business admin. Skills 7
- Lack of opportunity 8
- Lack of desire to start..... 9
- Lack of experience..... 10
- Not willing to take the risk of starting..... 11
- Other [SPECIFY] 12
- None 13
- Don't know 14

ISUS3 Did the support help you overcome some of these difficulties and move closer to starting your own business?

- Yes 1
- No..... 2

ASK IF YES AT ISUS 3 AND MULTICODE OK AT ISUS2. OTHERS GO TO FILTER BEFORE SECTION 5C

ISUS4 **Which difficulties did the support help you with?** SHOW ONLY THOSE IDENTIFIED AS BARRIERS AT 02. DO NOT READ OUT

Confidence	1
Lack of finance	2
Poor skills/qualifications.....	3
Health/disability	4
Basic skills (literacy/numeracy)	5
Transport.....	6
Financial/business admin. Skills.....	7
Lack of opportunity	8
Lack of desire to start	9
Lack of experience	10
Not willing to take the risk of starting.....	11
Other [SPECIFY].....	12
None	13

SECTION 5C: HIGH GROWTH BUSINESSES

ASK SECTION IF ESTABLISHED BUSINESS (Q2 '1-2') AND EITHER....

A START UP SELECTED FOR HIGH GROWN TRAINING (Q8 '1')

OR SAMPLE TYPES '3' OR '6' (SaHGB or CFHG)

OTHERS GO TO FILTER BEFORE SECTION 5D

HGB1 ONLY ASK HGB1 IF SUB8 HAS NOT BEEN ASKED ALREADY. OTHERS GO TO HGB2
I'm going to read out a list of possible ways in which the support you received may have impacted on the performance of your business. For each one, I'd like you to tell me whether this is something you have experienced AS A DIRECT RESULT of the support you've received So firstly... READ OUT AND RANDOMISE.

DISPLAY ON EACH SCREEN a-p – AS NECESSARY: **Is this something you have experienced AS A DIRECT RESULT of the support you received? Please answer whether Yes, to some extent; Yes, to a large extent; or No.**

- a. **The business improved its financial management skills**
- b. **The business is better at planning**
- c. **The business is better equipped to seek external finance**
- d. **The business has more capability to develop new products or services**
- e. **The business has improved the quality of its products or services**
- f. **The business has improved its strategic decision-making capabilities**
- g. **The business is better positioned to cope with the economic downturn**
- h. **The business is better positioned to take advantage of an upturn**
- i. **The business has improved its marketing capability**
- j. **The business is better at managing its costs**
- k. **The business is more likely to grow in the future**
- l. **The business has improved its investment readiness**
- m. **The business is better at spotting opportunities**
- n. **The business is better at creating teams**
- o. **The business is better at understanding risk**
- p. **The business is better at exporting**

Yes, to some extent.....	1
Yes, to a large extent.....	2
No.....	3
Don't know	4

ASK ALL HIGH GROWTH BUSINESSES

HGB2 **As a direct result of the support you received, did you undertake any of the following in your business, or do you anticipate them happening in the future? READ OUT.**
MULTICODE OK

Restructuring of the business	1
New processes relating to marketing	2
New processes relating to finance	3
New processes relating to personnel	4
New processes relating to Intellectual Property	5
Recruitment or dismissal of staff	6
New intellectual property being registered (patents, copyrights)	7
None of these	8
Don't know	9

HGB3 **Did the coaching involve a detailed diagnostic assessment of your business needs for growth?**

Yes	1
No	2
Don't know	3
Refused	4

HGB4 **Have you developed a business plan that documents your growth plans, as a result of the support?**

Yes	1
No	2
Don't know	3
Refused	4

HGB5 **Have you already secured the finance you will require to fund your growth plans?**

Yes	1
No	2
Don't know	3
Refused	4

ASK IF 'NO' AT HGB5. OTHERS GO TO FILTER BEFORE HGB6a

HGB6 **Do you think you have developed the skills necessary to access the finance you need?**

Yes	1
No	2
Don't know	3
Refused	4

ASK IF POSITIVE ANSWERS AT EITHER HGB1d-e OR SUB8d-e – I.E. ASK IF HGB1d ‘1-2’ or HGB1e ‘1-2’ or SUB8d ‘1-2’ or SUBe ‘1-2’. OTHERS GO TO FILTER BEFORE HGB7

HGB6a **As a result of the support, have you been able to increase investment in innovation?**

- Yes1
- No2
- Don't know3
- Refused4

ASK IF POSITIVE ANSWERS AT EITHER HGB1q OR SUB8q – I.E. ASK IF HGB1q ‘1-2’ or SUB8q ‘1-2’. OTHERS GO TO HGB8

HGB7 **Have you increased the amount of goods or services which you export, or do you plan to in future? SINGLE CODE ONLY**

- Increased already1
- Plan to increase2
- Both increased already and plan to increase3
- No.....4
- Don't know5
- Refused6

ASK ALL HIGH GROWTH BUSINESSES

HGB8 **As a result of the support, have you been able to increase investment in staff training?**

- Yes.....1
- No2
- Don't know.....3
- Refused.....4

HGB9 **And have you developed a training plan?**

- Yes1
- No2
- Don't know.....3
- Refused4

HGB10 **Do you have a training budget?**

- Yes.....1
- No2
- Don't know.....3
- Refused.....4

HGB11 **Having received the support, has your business grown more than you anticipated, or do you anticipate it growing more than you expected? SINGLE CODE ONLY**

- Already grown more than expected1
- Anticipate grow more than expected2
- Both already and anticipated.....3
- No4
- Don't know5
- Refused6

SECTION 5D: INNOVATION ADVICE GUIDANCE

ASK IF SAMPLE TYPE 4. OTHERS GO TO FILTER BEFORE SECTION 5E

IG1 **I would now like to ask you about any support you received at a later date which did not specifically relate to starting a business. This was known as Innovation Advice and Guidance.**

Did the support you received include any of the following? READ OUT. MULTICODE

Diagnosis of business needs in the area of innovation	1
Specific help from experts [i.e. subsidised by the public sector, either free or paid in part by your business]	2
Signposting to relevant expertise [i.e. <i>not subsidised</i> by the public sector, paid in full by your business]	3
None of these	4
Don't know	5

IG2 **In which area(s) did you receive specific support? READ OUT. MULTICODE OK**

Investment readiness	1
Developing links with knowledge-based institutions	2
Scaling up product(s)	3
Marketing	4
Developing a new product or service	5
Developing a new process	6
Leadership or management for innovation	7
Don't know	8

IG3 **Since receiving advice through the Innovation Advice and Guidance scheme have you moved on to use other Solutions for Business products? IF YES: Which ones? DO NOT READ OUT. MULTICODE OK**

KTP	1
Grant for R&D	2
Business Collaboration Networks	3
Networks for Innovation	4
Innovation Vouchers	5
Understanding Finance for Business	6
Small Loans for Business	7
Finance for Business	8
Grant for Business Investment	9
Manufacturing Advisory Service	10
Designing Demand	11
Others SPECIFY]	12
None	13
Don't know	14

IG4 **Since receiving advice through the Innovation Advice and Guidance scheme how has your business's activity relating to innovation changed, or how do you anticipate it changing? For each of the following that I read out please tell me whether you have already introduced this, whether you anticipate introducing it or neither. READ OUT. ROTATE START. MULTICODE OK FOR EACH**

		Already introduced	Anticipate introducing	Not introduced or planning to introduce	Don't know	Refused
a	Increased investment in R&D	1	2	3	4	5
b	Increased investment in staff training	1	2	3	4	5
c	Investment in new equipment/technology	1	2	3	4	5
d	Introduced new manufacturing processes or reorganised production	1	2	3	4	5
e	Introduced new management processes and techniques	1	2	3	4	5
f	Developed or developing new prototypes	1	2	3	4	5
g	Introduced new products or services	1	2	3	4	5
h	Moved to register intellectual property such as patents, copyrights and trademarks	1	2	3	4	5
l	New developments in the area of monitoring and quality standards	1	2	3	4	5
j	Any other changes (SPECIFY)	1	2	3	4	5

ASK IF CODES '1-2' FOR ANY OF IG4d, IG4e OR IF4g. OTHERS GO TO IG6

IG5 **ASK ONLY FOR ONES MENTIONED AT IG4d, IG4e OR IF4g Thinking about (READ OUT IG4d, IG4e OR IF4g – REPEAT FOR ALL) is this just new to your business or are they completely new, and by that I mean that to the best of your knowledge they have not been introduced by anyone before you?**

		New to the business	Completely new	Don't know	Refused
d	New manufacturing processes or reorganised production	1	2	3	4
e	New management processes and techniques	1	2	3	4
g	New products or services	1	2	3	4

ASK ALL IAG

IG6 I'm going to read out a list of possible ways in which the support you received may have impacted on the performance of your business. For each one, I'd like you to tell me whether this is something you have experienced AS A DIRECT RESULT of the support you've received. (ADD IF RECEIVED START UP SUPPORT Q1 '1') This is the same question I asked earlier concerning start-up support. Please can you answer this time in respect of Innovation Advice and Guidance that you have received since then. So firstly... READ OUT AND RANDOMISE.

DISPLAY ON EACH SCREEN a-k – AS NECESSARY: Is this something you have experienced AS A DIRECT RESULT of the support you received? Please answer whether Yes, to some extent; Yes, to a large extent; or No.

- a. The business improved its financial management skills
- b. The business is better at planning
- c. The business is better equipped to seek external finance
- d. The business has more capability to develop new products or services
- e. The business has improved the quality of its products or services
- f. The business has improved its strategic decision-making capabilities
- g. The business is better positioned to cope with the economic downturn
- h. The business is better positioned to take advantage of an upturn
- i. The business has improved its marketing capability
- j. The business is better at managing its costs
- k. The business is more likely to grow in the future

Yes, to some extent..... 1
 Yes, to a large extent..... 2
 No..... 3
 Don't know 4

IG7 Please tell me to what extent you agree or disagree with the following statements relating to how your attitudes may or may not have changed as a direct result of participating in the Innovation and Advice Guidance scheme? READ OUT. PROBE FOR (DIS) AGREE STRONGLY OR SLIGHTLY FOR EACH

- (a) There is a more innovative culture in the business
- (b) Innovation plays a greater part in our business processes and/or strategy
- (c) I am more aware of the support that is available for innovation

CODE EACH ANSWER

1 Strongly agree
 2 Slightly agree
 3 Neither agree nor disagree
 4 Slightly disagree
 5 Strongly disagree
 Don't know

SECTION 5E: UNDERSTANDING FINANCE FOR BUSINESS

ASK IF SAMPLE TYPE 5. OTHERS GO TO SECTION 6

UFB1 I would now like to ask you about any support you received at a later date which did not specifically relate to starting a business. This was known as Understanding Finance for Business

To what extent has the support *broadened* your awareness about different sources of finance? READ OUT

- Substantially** 1
- Moderately** 2
- Slightly** 3
- Or not at all** 4
- Don't know** 5

UFB2 And to what extent has the support *increased your understanding* about each of the following methods of finance, and your confidence in how to access them? For each that I read out please tell me if your understanding has increased substantially, moderately, slightly or not at all. READ OUT. ROTATE START POINT

		Substantially	Moderately	Slightly	Not at all	Don't know
a	Equity investment	1	2	3	4	5
b	Bank overdrafts	1	2	3	4	5
c	Bank loans	1	2	3	4	5
d	Mortgage for property purchase or improvement	1	2	3	4	5
e	Leasing or hire purchase	1	2	3	4	5
f	Factoring	1	2	3	4	5
g	Loan from a Community Development Finance Institution	1	2	3	4	5
h	Credit card finance	1	2	3	4	5
i	Grant	1	2	3	4	5

UFB3 At the time of applying to receive the support, had you recently tried to apply for finance, including renegotiation of an overdraft facility?

- Yes 1
- No 2
- Don't know 3
- Refused 4

ASK IF APPLIED FOR FINANCE BEFORE RECEIVING SUPPORT (UFB3 '1'). OTHERS GO TO UFB7

UFB4 **Which type of finance did you apply for before you received support?** MULTICODE OK. PROBE IF NECESSARY

Equity investment from existing shareholders	1
Equity investment from new shareholders	2
Bank overdraft	3
Bank loan	4
Mortgage for property purchase or improvement	5
Leasing or hire purchase	6
Factoring	7
Loan from family/business partner/directors	8
Loan from a Community Development Finance Institution	9
Credit card finance	10
Grant	11
Other [SPECIFY]	12
Don't know	13
Refused	14

UFB5 **Did you have any of the following difficulties obtaining this finance?** READ OUT. SINGLE-CODE.

You were unable to obtain any finance	1
You obtained some but not all of the finance required	2
You obtained all the finance required but with some problems	3
You had no difficulties in obtaining finance	4
Don't know	5
Refused	6

ASK IF ANY DIFFICULTIES RAISING FINANCE (UFB5 '1-3'), AND MORE THAN ONE TYPE OF FINANCE APPLIED FOR AT UFB4. OTHERS GO TO FILTER BEFORE UFB7

UFB6 **Which types of finance did you have difficulties raising before you received support?** MULTICODE OK. SHOW ONLY THOSE MENTIONED AT UFB4. PROBE IF NECESSARY

Equity investment from existing shareholders	1
Equity investment from new shareholders	2
Bank overdraft	3
Bank loan	4
Mortgage for property purchase or improvement	5
Leasing or hire purchase	6
Factoring	7
Loan from family/business partner/directors	8
Loan from a Community Development Finance Institution	9
Credit card finance	10
Grant	11
Other [SPECIFY]	12
Don't know	13
Refused	14

ASK IF ANY DIFFICULTIES RAISING FINANCE (UFB5 '1-3'). OTHERS GO TO UFB8
 UFB7 **What reasons were given for your difficulties in obtaining finance? DO NOT PROMPT MULTICODE OK**

- No security 1
- Insufficient security 2
- Poor personal credit history 3
- Poor business credit history 4
- No credit history/not been in business long enough 5
- Applied for too much money 6
- Applied for too little money 7
- Too many outstanding loans or mortgages 8
- Inadequate business plan 9
- Business sector considered too risky 10
- No reasons given 11
- Other [SPECIFY] 12
- Don't know 13
- Refused 14

ASK ALL UFB
 UFB8 **Have you tried to raise new finance from any sources since using the support, including renegotiating an overdraft facility?**

- Yes 1
- No 2

ASK IF APPLIED FOR FINANCE AFTER RECEIVING SUPPORT (UFB8 '1'). OTHERS GO TO UFB15
 UFB9 **Which type of finance did you apply for after you received support? MULTICODE OK. PROBE IF NECESSARY**

- Equity investment from existing shareholders 1
- Equity investment from new shareholders 2
- Bank overdraft 3
- Bank loan 4
- Mortgage for property purchase or improvement 5
- Leasing or hire purchase 6
- Factoring 7
- Loan from family/business partner/directors 8
- Loan from a Community Development Finance Institution 9
- Credit card finance 10
- Grant 11
- Other [SPECIFY] 12
- Don't know 13
- Refused 14

UFB10 **And was this/were any of these sources of finance that you hadn't previously used? IF YES: PROBE WHICH ONES**

Equity investment from existing shareholders	1
Equity investment from new shareholders	2
Bank overdraft	3
Bank loan	4
Mortgage for property purchase or improvement	5
Leasing or hire purchase	6
Factoring	7
Loan from family/business partner/directors	8
Loan from a Community Development Finance Institution	9
Credit card finance	10
Grant	11
Other [SPECIFY]	12
No - had used all these before	13
Don't know	14
Refused	15

UFB11 **Did you have any of the following difficulties obtaining this finance? READ OUT. SINGLE-CODE.**

You were unable to obtain any finance	1
You obtained some but not all of the finance required	2
You obtained all the finance required but with some problems	3
You had no difficulties in obtaining finance	4
Don't know	5
Refused	6

ASK IF ANY DIFFICULTIES RAISING FINANCE (UFB11 '1-3'), AND MORE THAN ONE TYPE OF FINANCE APPLIED FOR AT UFB9. OTHERS GO TO FILTER BEFORE UFB13

UFB12 **Which types of finance did you have difficulties raising after you received support? MULTICODE OK. SHOW ONLY THOSE MENTIONED AT UFB4. PROBE IF NECESSARY**

Equity investment from existing shareholders	1
Equity investment from new shareholders	2
Bank overdraft	3
Bank loan	4
Mortgage for property purchase or improvement	5
Leasing or hire purchase	6
Factoring	7
Loan from family/business partner/directors	8
Loan from a Community Development Finance Institution	9
Credit card finance	10
Grant	11
Other [SPECIFY]	12
Don't know	13
Refused	14

ASK IF ANY DIFFICULTIES RAISING FINANCE (UFB11 '1-3'). OTHERS GO TO FILTER BEFORE UFB7

UFB13 **What reasons were given for your difficulties in obtaining finance after you had received the support? DO NOT PROMPT MULTICODE OK**

No security	1
Insufficient security	2
Poor personal credit history	3
Poor business credit history	4
No credit history/not been in business long enough	5
Applied for too much money	6
Applied for too little money	7
Too many outstanding loans or mortgages	8
Inadequate business plan	9
Business sector considered too risky	10
No reasons given	11
Other [SPECIFY]	12
Don't know	13
Refused	14

ASK UFB14 IF SUCCESSFUL IN OBTAINING FINANCE SINCE GETTING SUPPORT (UFB11'2-4'). OTHERS GO TO UFB15

UFB14 **On a scale of 1 to 5, where 1 means to no extent and 5 means to a critical extent, how important was the support received through the Understanding Finance for Business scheme in securing this finance?**

- 1 – to no extent
- 2
- 3
- 4
- 5 – to a critical extent
- Don't know

UFB15 **I'm going to read out a list of possible ways in which the support you received may have impacted on the performance of your business. For each one, I'd like you to tell me whether this is something you have experienced AS A DIRECT RESULT of the support you've received So firstly... READ OUT AND RANDOMISE.**

DISPLAY ON EACH SCREEN a-p – AS NECESSARY: **Is this something you have experienced AS A DIRECT RESULT of the support you received? Please answer whether Yes, to some extent; Yes, to a large extent; or No.**

- a. **The business improved its financial management skills**
- b. **The business is better at planning**
- c. **The business is better equipped to seek external finance**
- d. **The business has more capability to develop new products or services**
- e. **The business has improved the quality of its products or services**
- f. **The business has improved its strategic decision-making capabilities**
- g. **The business is better positioned to cope with the economic downturn**
- h. **The business is better positioned to take advantage of an upturn**
- i. **The business has improved its marketing capability**
- j. **The business is better at managing its costs**
- k. **The business is more likely to grow in the future**

SECTION 6: CUSTOMER JOURNEY

ASK ALL

The following questions relate to the support you have received, and your satisfaction with various aspect of that support. Please think only of the support you have directly received from [ANSWER AT Q7], and not any additional support you may have used.

CJ1 Thinking overall about the support, do you agree or disagree with the following aspects of the service? READ OUT

- a. **Applying for the support was straightforward**
- b. **The people delivering the support were welcoming, open and keen to help**
- c. **The people delivering the support understood (ADD IF Q2 '1-2': the needs of the business) (IF Q2 '3': my needs)**
- d. **The people delivering the support responded quickly**
- e. **The support was professionally delivered**
- f. **The support received was of high quality**
- g. **The support offered focused on achieving a real outcome for (ADD IF Q2 '1-2': the business) (IF Q2 '3': me)**
- h. **The support offered was useful to (ADD IF Q2 '1-2': the business) (IF Q2 '3': me)**
- i. **the support offered was relevant to my situation**

(REMOVE PROMPT ON AGREE STRONGLY/SLIGHTLY – SCALE CHANGED)

Agree.....	1
Neither agree nor disagree.....	2
Disagree.....	3
Don't know	4

CJ2 Overall, how has your experience of the support been so far, compared with your expectations? Have your expectations been...? READ OUT – SINGLE CODE

Exceeded	1
Fully met	2
Met in the main	3
Partially met	4
Or, not met at all	5
Don't know	6

CJ3 **How likely would you be to recommend the support to others? Would you be**
READ OUT – SINGLE CODE

Very likely to recommend	1
Fairly likely	2
Not very likely	3
Not at all likely	4
Don't know	5

CJ4 **Thinking about your total experience of the support, how would you rate your satisfaction overall? Please give me a score between 1 and 5, where 5 means 'very satisfied' and 1 means 'very dissatisfied'. SINGLE CODE ONLY**

(1)	Very dissatisfied	1
(2)	Fairly dissatisfied	2
(3)	Indifferent	3
(4)	Fairly satisfied	4
(5)	Very satisfied	5
Don't know		6

SECTION 7: BUSINESS AND PERSONAL PROFILES

ASK ALL IN BUSINESS (Q2 '1-2'). OTHERS GO TO DEM3

DEM1 **I'd like to ask you some questions about the owners, partners and directors in your business. Including yourself, how many owners, partners or directors are there in day to day control of the business? IF NECESSARY: Please do not include any non-executive directors.** PROBE FOR BEST ESTIMATE

Enter number (1+)
(Don't know)
(Refused)

ASK IF MORE THAN ONE AT DEM2, OTHERS GO TO DEM3

DEM2 **And how many of these owners, partners or directors are female?** PROBE FOR BEST ESTIMATE

Enter number (ALLOW FOR ZERO)
Don't know
Refused

ASK ALL

DEM3 CODE GENDER OF RESPONDENT (DO NOT ASK)

Male..... 1
Female..... 2

ASK IF MORE THAN ONE AT DEM2, OTHERS GO TO DEM6

DEM4 **How many of the owners, partners and directors in your business are from ethnic minority groups?** PROBE FOR BEST ESTIMATE

Enter number (ALLOW FOR ZERO)
(Don't know)
(Refused)

ASK IF AT LEAST ONE ETHNIC MINORITY AT DEM4, OTHERS GO TO DEM6

DEM5 **Which ethnic minority groups?** MULTICODE OK

Mixed – White and Black Caribbean	1
Mixed – White and Black African	2
Mixed – White and Asian.....	3
Mixed – Other	4
Asian or Asian British - Indian.....	5
Asian or Asian British - Pakistani	6
Asian or Asian British - Bangladeshi	7
Asian or Asian British - Other	8
Black or Black British - Caribbean.....	9
Black or Black British - African.....	10
Black or Black British - Other.....	11
Chinese.....	12
Any other ethnic group	13
(Don't know)	14
(Refused)	15

ASK IF DEM1 = 1, OR IF NOT IN BUSINESS (Q2 '3'). OTHERS GO TO DEM7

DEM6 **I would like to ask some questions about yourself for classification purposes. Are you from an ethnic minority group? IF YES: Which group?** SINGLE CODE ONLY

Mixed – White and Black Caribbean	1
Mixed – White and Black African	2
Mixed – White and Asian.....	3
Mixed – Other	4
Asian or Asian British - Indian.....	5
Asian or Asian British - Pakistani	6
Asian or Asian British - Bangladeshi	7
Asian or Asian British - Other	8
Black or Black British - Caribbean.....	9
Black or Black British - African.....	10
Black or Black British - Other	11
Chinese.....	12
Any other ethnic group	13
(Don't know)	14
(Refused)	15

ASK ALL

DEM7 **Please could you tell me your age?**

Write in
Refused

ASK IF REFUSED AT DEM7. OTHERS GO TO DEM10

DEM8 **Can I ask you which of the following bands your age falls into?**

- Under 251
- Between 25 and 342
- Between 35 and 443
- Between 45 and 544
- Between 55 and 645
- Over 646
- Refused 7

DEM9 DELETED

ASK ALL

DEM10 **What was your highest level of qualification at the time of receiving the support?** PROMPT
AS NECESSARY. SINGLE CODE ONLY

- Degree, NVQ4, HND, HNC or higher 1
- A-Level, NVQ3 or equivalent 2
- GCSE, O-Level, NVQ2 or equivalent 3
- Below GCSE level 4
- Other (SPECIFY) 5
- No formal qualifications 6
- Don't know 7
- Refused 8

DEM11 **Do you have any long-standing illness, disability or infirmity?** [ADD IF NECESSARY]
By 'long-standing' I mean anything that has troubled you over a period of time or that is likely to affect you over a period of time.

- Yes1
- No2
- Unwilling to answer3

ASK ALL WITH CURRENT BUSINESSES (Q2 '1-2'). OTHERS GO TO DEM20
 DEM12 **I would like to finish with a few more questions for classification purposes. In what year was your business first established? This is when the business first started trading.**

WRITE IN YEAR (RANGE 1400-2010)
 Don't know
 Refused

ASK IF DON'T KNOW AT DEM12, OTHERS GO TO DEM14
 DEM13 **Was your business first established...? READ OUT**

- In the last year..... 1
- About 1-2 years ago 2
- About 2-3 years ago 3
- About 3-4 years ago..... 4
- About 4-5 years ago..... 5
- About 5-7 years ago..... 6
- About 8-10 years ago..... 7
- About 10-20 years ago 8
- Over 20 years ago 9
- Don't know 10
- Refused 11

ASK ALL IN BUSINESS
 DEM14 **And what is the main activity of your business?**
 WRITE IN. PROBE FULLY FOR INDUSTRY TYPE

DEM15 **Which of the following best describes the legal status of your business? READ OUT.**
 SINGLE CODE

- Sole trader 1
- Partnership 2
- Private Limited Company (Ltd) 3
- Public Limited Company (plc)..... 4
- Limited Liability Partnership..... 5
- Other (SPECIFY) 6
- Don't know 7
- Refused 8

DEM16 **A social enterprise is a business whose main purpose is to pursue social or environmental goals, where any profit or surplus generated is primarily reinvested for this purpose. Would you say that your business is a social enterprise?**

Yes 1
 No..... 2

DEM17 **I'd like you to think about your businesses' competitors and the nature of the competition in your main markets. Would you say that there is...? READ OUT. SINGLE CODE.**

Very intense competition..... 1
Intense competition..... 2
Moderate competition..... 3
Weak competition..... 4
Or no competition at all..... 5
 Don't know..... 6

DEM18 **I'd now like you to think about innovation within your business i.e. new products and processes. Have you introduced new or significantly improved products, services or processes in the past 12 months? SINGLE CODE ONLY**

New products or services 1
 New processes 2
 Both new products/services and new processes 3
 Neither 4
 Don't know 5
 Refused 6

DEM19 **Does your business currently export goods or sell outside of the UK?**

Yes 1
 No 2
 Don't know 3
 Refused 4

ASK ALL

DEM20 **Finally, would it be possible for BIS to link your responses to other information that you have provided previously to the Government. By this data linkage, we can reduce the burden of our surveys on your business and can improve the evidence that we use. We will never release information that identifies any individual business and your survey responses remain strictly confidential. Do you give your consent for us to do this?**

Yes 1
 No 2

DEM21 **Thank you very much for taking the time to help us with this research. . Would you be willing to take part in any follow-up research on this topic conducted on behalf of the Department for Business, Innovation and Skills?**

Yes 1
 No 2

Appendix 2 Questionnaire – comparison group

ASK TO SPEAK TO THE OWNER OR MANAGING DIRECTOR

- N1. **Good morning/afternoon/evening. My name is (INTERVIEWER NAME) from IFF Research, an independent market research agency. We are conducting a study on behalf of the Department of Business, Innovation & Skills (BIS – FORMERLY BERR/DTI) in conjunction with the University of Durham. The survey is concerned with trends in business and your views on business support. We are interviewing all sizes of business, including the self employed.**

Would you be able to spare some time to help us with our study – it would take the form of a telephone interview that would last approximately 15 minutes?

REASSURANCES – USE IF NECESSARY

- This survey is being conducted for the Department of Business Innovation & Skills with the aim of improving the types of advice that are available. Please be assured that the survey is completely confidential and that you and your business will not be identified in relation to the results of the survey**
- IFF Research Ltd is an independent market research company. All our work is carried out according to the Code of Conduct of the Market Research Society. If you wish to check IFF's credentials, you can call the MRS, free of charge, on 0500 39 69 99**
- Your details were selected at random from lists of businesses supplied by Dun & Bradstreet**
- If you would like to speak to someone at IFF you can call Katie Gore on 020 7250 3035**

- | | |
|----------------------------|---|
| - Continue | 1 |
| - Refused | 3 |
| - Hard appointment | 4 |
| - Soft appointment | 5 |
| - Dead/unobtainable number | 6 |
| - Other (SPECIFY) | 7 |

SECTION ONE: SCREENER

S1 **Firstly, I'd like to ask a few questions about your business. Over the next two to three years, do you aim to grow your business? SINGLE-CODE**

Yes 1
No..... 2

IF NOT AIMING TO GROW BUSINESS (S1 = 2), THANK AND CLOSE

S2 **In the last two years, have you investigated, sought or received any business support advice through the Government or one of its agencies? SINGLE-CODE**

Yes 1
No..... 2

ASK IF YES AT S2. OTHERS GO TO S6

S3 **Did you end up receiving this support? This might have comprised face-to-face meetings with advisers, or attendance at seminars? SINGLE-CODE**

Yes 1
No..... 2

ASK IF YES AT S3, OTHERS GO TO S6

S4 **Did the support programme (s) you received have any of the following names? READ OUT. MULTICODE OK.**

INTERVIEWER NOTE: ONLY CODE IF RESPONDENT IS SURE THEY HAVE RECEIVED THAT SUPPORT PROGRAMME, NOT JUST IF THEY HAVE PARTAKEN IN SOMETHING THAT SOUNDS SIMILAR

Starting a Business 1
Intensive Start-Up Support 2
Starting a High Growth Business 3
Innovation Advice and Guidance 4
Understanding Finance for Business 5
Coaching for High Growth 6
None of these 7
Don't know 8

IF USED ANY OF THE SUPPORT PROGRAMMES ABOVE (S4 '1-6'), THANK AND CLOSE

S5 **Did the business support that you received concentrate in any of the following? READ OUT. MULTICODE OK.**

INTERVIEWER NOTE: ONLY CODE IF RESPONDENT IS SURE THEY HAVE RECEIVED THAT TYPE OF SUPPORT

Support or guidance on starting a business 1
Support or guidance on innovation 2
Support or guidance on understanding business finance 3
Coaching for high growth businesses 4
None of these 5

Don't know 6

IF HAD ANY OF THESE TYPES OF SUPPORT (S5 '1-4'), THANK AND CLOSE

ASK ALL

S6 **Can I check, how many employees does your business currently employ across all sites, excluding owners and partners?**

Enter Number (RANGE 0-999)

Don't know

Refused

ASK IF DK HOW MANY EMPLOYEES AT S6. OTHERS GO TO S8

S7 **Could you please tell me, is it... ?** READ OUT. SINGLE-CODE

0 employees	1
1-9 employees	2
10-49 employees	3
50-249 employees	4
250+ employees	5
Refused	6
Don't know	7

CHECK BANDS FOR QUOTAS

ASK ALL

S8 **In what year was your business first established? This is when the business first started trading.**

WRITE IN YEAR (RANGE 1400-2010)

Don't know

Refused

ASK IF DON'T KNOW AT S8, OTHERS GO TO FILTER BEFORE A1

S9 **Was your business first established...?**¹⁰ READ OUT

In the last year	1
1-5 years ago	2
Over 5 years ago	3
Refused	4
Don't know	5

CHECK BANDS FOR QUOTAS

SECTION TWO: BUSINESS SUPPORT

ASK IF INVESTIGATED/SOUGHT SUPPORT BUT DID NOT GET IT (S3 '2'). OTHERS GO TO A3

A1 **Why did you not end up receiving business support from the Government or one of its agencies? Was it....** READ OUT. SINGLE-CODE

- Because you were turned down as being ineligible for the support? 1
- Or because you decided against taking the support?..... 2
- Other (SPECIFY) 3
- Don't know 4
- Refused 5

A2 **Did the business support that you investigated or applied for concentrate in any of the following?** READ OUT. MULTICODE OK.

- Support or guidance on starting a business..... 1
- Support or guidance on innovation..... 2
- Support or guidance on understanding business finance 3
- Coaching for high growth businesses 4
- None of these..... 5
- Don't know 6

ASK ALL

A3 **Apart from Business Link and other similar government-funded support, have you consulted any other organisations for advice, support or guidance about your business in the last 12 months? Please exclude any short, informal conversations or discussions**

- Yes 1
- No..... 2
- Don't know 3
- Refused 4

ASK IF YES AT A3, OTHERS GO TO A7

A3a **Who did you receive this advice or support from?**
DO NOT READ OUT. MULTICODE OK.

- An accountant..... 1
- Your bank 2
- A trade or business association 3
- A consultant 4
- A solicitor 5
- A local authority..... 6
- An enterprise agency..... 7
- Others (SPECIFY)..... 8
- None of these..... 9
- Don't know 10

A4 **What was the nature of the advice or support you received in the last two years? DO NOT READ OUT. MULTICODE OK**

- Factual information 1
- Basic advice 2
- An in-depth discussion 3
- Long-term or intensive assistance 4
- Business Planning assistance 5
- Marketing assistance..... 6
- Training/courses..... 7
- Or something else (SPECIFY) 8
- Don't know 9

A5 **Approximately how much, if anything, did you pay for this advice or support?**

- Enter £££ (RANGE £0-£999,999)
- Don't know
- Refused

A5a **RANGE CHECK. PUT VALUE AT Q5 INTO RANGE. IF DOES NOT MATCH, RECODE A5**

- £0-£9 1
- £10-£99..... 2
- £100-£999..... 3
- £1,000-£9,999 4
- £10,000-£99,999 5
- £100,000-£999,999 6

A6 **Did the advice or support cover any of the following areas? READ OUT. MULTICODE OK**

- Starting a business** 1
- Innovation**..... 2
- Understanding business finance**..... 3
- Achieving high growth**..... 4
- Any other form of advice or support (SPECIFY)** 5
- None of these 6
- Don't know 7

ASK ALL

A7 **Have you heard of the government-funded offering of business support schemes known as 'Solutions for Business'?**

- Yes 1
- No..... 2

SECTION THREE; GROWTH

ASK ALL THAT HAD A BUSINESS 12 MONTHS AGO (S8/S9 NOT 'LESS THAN ONE YEAR' OR 2009-10), OTHERS GO TO B3

B1 **Excluding owners and partners, how many people did your business employ 12 months ago across all sites?**

Enter Number (RANGE 0-999)
Don't know
Refused

ASK IF DK HOW MANY EMPLOYEES EMPLOYED 12 MONTHS AGO AT B1 OTHERS GO TO B3
B2 **Could you please tell me, was it... ? READ OUT. SINGLE-CODE**

More than currently 1
The same 2
Fewer 3
Refused 4
Don't know 5

ASK ALL

B3 **How many people do you expect the business to employ in twelve months time (excluding owners and partners)?**

Enter Number (RANGE 0-999)
Don't know
Refused

ASK IF DK AT B3. OTHERS GO TO FILTER BEFORE B5
B4 **Do you expect it to be... READ OUT**

More than currently 1
The same 2
Fewer 3
Refused 4
Don't know 5

ASK IF INCREASE OR EXPECTED INCREASE IN EMPLOYMENT [(S6>B1) OR (B2=3) OR (B3>S6) OR (B4=1)], AND HAD SOME ADVICE (A3 '1'). OTHERS GO TO FILTER BEFORE B8

B5 **Would the increase in the numbers you employed in the last year, or your planned increase in the next year, have happened without using the advice or support you mentioned previously? READ OUT. SINGLE CODE ONLY**

Yes, all the increase would have been realised without having the advice 1
Yes, some of the increase would have been realised without having the advice 2
No, the increase was due to receiving the advice 3
Don't know 4

ASK IF 'YES' AT B5 (CODES '1-2'). OTHERS TO FILTER BEFORE B8

B6 **Would this increase have occurred as quickly as it did if you had not had the advice or support?**

- Yes 1
- No..... 2
- Don't know 3

ASK IF ONLY SOME OF THE INCREASE DUE TO ADVICE (B5 '2'). OTHERS TO B8

B7 **What percentage of the increase in the workforce do you think would have happened anyway?**

- Enter Percentage (RANGE 1-100%)
- Don't know
- Refused

ASK IF BUSINESS HAD ANY ADVICE (A3 '1'), OTHERS GO TO B10

B8 **As a direct result of receiving the advice or support have you safeguarded any existing jobs?**

- Yes 1
- No..... 2
- Don't know 3

ASK IF ANY JOBS SAFEGUARDED (B8 '1'). OTHERS GO TO B10

B9 **Approximately how many jobs have been or will be safeguarded as a direct result of receiving the advice or support?**

- Enter Number (RANGE 0-999)
- Don't know
- Refused

ASK ALL

B10 **Can you please tell me the approximate turnover of your business in the past 12 months?**
READ OUT IF NECESSARY

- Less than £67,000..... 1
- £67,000 - £99,000 2
- £100,000 - £249,999 3
- £250,000 - £499,999 4
- £500,000 - £999,999 5
- £1m – £1.49m 6
- £1.5m - £2.8m..... 7
- More than £2.8m..... 8
- Not applicable – not trading that long..... 9
- Don't know 10
- Refused 11

ASK ALL THAT HAD A BUSINESS 12 MONTHS AGO (S8/S9 NOT 'LESS THAN ONE YEAR' OR 2009-10), OTHERS GO TO B14

B11 **Compared with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same? SINGLE-CODE**

- Increased 1
- Decreased..... 2
- Stayed the same 3
- Don't know 4
- Refused 5

ASK IF TURNOVER HAS INCREASED/DECREASED (B11/1-2), OTHERS GO TO B14

B12 **By approximately what percentage did your turnover (IF B11/1) increase (IF B11/2) decrease in the past 12 months, compared with the previous 12 months? SINGLE-CODE**

- Enter percentage (RANGE 0-100% FOR DECREASE; 0-99,999% FOR INCREASE)
- Don't know
- Refused

ASK IF DON'T KNOW HOW MUCH TURNOVER INCREASED/DECREASED AT B12. OTHERS GO TO B14

B13 **Would you say it [TEXT SUBSTITUTION: (IF B11/1) increased (IF B11/2) decreased] by up to 10% or by 10% or more?**

- Up to 10%..... 1
- 10% or more 2
- Don't know 3

ASK ALL

B14 **In the next 12 months do you expect your turnover to increase, decrease, or stay roughly the same?**

- Increase 1
- Decrease 2
- Stay the same 3
- Don't know 4
- Refused 5

ASK IF TURNOVER WILL INCREASE/DECREASE (B14/1-2). OTHERS GO TO FILTER BEFORE B17

B15 **Approximately by what percentage do you expect turnover to increase/decrease?**

- Enter percentage
- Don't know/Uncertain
- Refused

ASK IF DON'T KNOW HOW MUCH TURNOVER INCREASED/DECREASED AT B15, OTHERS GO TO FILTER BEFORE B17

B16 **Would you say it is likely to [TEXT SUBSTITUTION: (IF B14/1) increased (IF B14/2) decreased] by up to 10% or by 10% or more?**

- Up to 10%..... 1

10% or more 2
 Don't know 3

IF INCREASE OR EXPECTED INCREASE IN TURNOVER (B11/1 OR B14/1) AND USED SOME ADVICE (A3 '1') OTHERS GO TO FILTER BEFORE B21

B17 **Would the increase in turnover in the last year, or your expected increase in the next year, have happened without using the advice or support you mentioned previously? READ OUT. SINGLE CODE ONLY**

Yes, all the increase would have been realised without having the advice 1
Yes, some of the increase would have been realised without having the advice 2
No, the increase was due to having the advice 3
 Don't know 4

ASK IF 'YES' AT B17 (CODES '1-2'). OTHERS GO TO FILTER BEFORE B21

B18 **Would this increase have occurred as quickly as it did if you had not had the advice or support?**

Yes 1
 No 2
 Don't know 3

ASK IF ONLY SOME OF THE INCREASE DUE TO THE ADVICE (B17 '2'). OTHERS TO FILTER BEFORE B21

B19 **What percentage of the increase in the turnover do you think would have happened anyway?**

Enter Percentage (RANGE 1-100%)
 Don't know
 Refused

ASK IF DON'T KNOW HOW MUCH TURNOVER INCREASED AT B19, OTHERS GO TO FILTER BEFORE B21

B20 **Would you say it is likely to have increased by up to 10% or by 10% or more?**

Up to 10% 1
 10% or more 2
 Don't know 3

ASK ALL WHO GOT EXTERNAL ADVICE (A3 '1'). OTHERS GO TO C1

B21 **Having received the advice or support, has your business grown more than you anticipated, do you anticipate it growing more than you expected before receiving the advice, or neither of these? SINGLE CODE ONLY**

Has already grown more than expected 1
 Anticipate growing more than expected 2
 Both already grown and anticipate growing more than expected 3
 Neither of these 4
 Don't know 5
 Refused 6

SECTION FOUR; BUSINESS ENVIRONMENT

ASK ALL

C1 **Do you or your staff have a shortage of skills or expertise which has proven to be an obstacle to the success of your business?**

- Yes 1
- No 2
- Don't know 3

ASK IF HAVE A SKILL SHORTAGE. OTHERS GO TO FILTER BEFORE C3

C2 **Which skills would you say you face a shortage of? DO NOT READ OUT. MULTICODE OK.**

- Financial management skills 1
- Planning..... 2
- Capacity to seek external finance 3
- Capability to develop new products or services 4
- Strategic decision making capabilities 5
- Marketing capability 6
- Cost management..... 7
- Investment readiness 8
- Spotting opportunities 9
- Creating teams..... 10
- Understanding risk 11
- Other (SPECIFY) 12
- Don't know 5

ASK IF BUSINESSES STARTED IN THE PAST 12 MONTHS (S8/S9 = 2009-10 OR IN LAST YEAR), OTHERS GO TO C9

C3 **In the period before you actually started your business, were there any factors in particular which were stopping you or slowing you down in terms of starting?**

- Yes 1
- No 2
- Don't know 3
- Refused 4

ASK IF YES AT C3. OTHERS GO TO C5
C4 What were those factors? DO NOT READ OUT, MULTICODE OK

Confidence	1
Lack of finance	2
Poor skills/qualifications	3
Health/disability.....	4
Basic skills (literacy/numeracy).....	5
Transport	6
Financial/business admin. skills.....	7
Lack of opportunity.....	8
Lack of desire to start.....	9
Lack of experience	10
Not willing to take the risk of starting	11
Other [SPECIFY].....	12
None.....	13
Don't know.....	14

ASK ALL BUSINESSES THAT STARTED IN THE LAST 12 MONTHS
C5 What was your employment status prior to starting your current business?
 READ OUT – SINGLE CODE

Working as an employee	1
Self-employed	2
Unemployed, not receiving benefits	3
Unemployed, receiving benefits	4
In education/training	5
Not working e.g. retired, home-maker	6
Don't know	7
Refused	8

ASK ALL THAT WERE PREVIOUSLY IN EMPLOYMENT (C6 '1-2). OTHERS GO TO FILTER BEFORE C7
C6 If you had NOT started this business, what do you think you would you be doing now?
 READ OUT, SINGLE CODE

Carried on in existing job	1
Moved to a different job	2
Been made redundant	3
Tried to start a different business	4
Other (SPECIFY)	5
Don't know	6

ASK ALL THAT WERE PREVIOUSLY UNEMPLOYED/NOT WORKING (C6 '3-4' OR '6'). OTHERS GO TO FILTER BEFORE C8
C7 If you had NOT started this business, what do you think you would you be doing now?
 READ OUT, SINGLE CODE

Unemployed/not working	1
Retired or a homemaker	2
Moved into employment	3
Started a new training/education course	4
Tried to start a different business	5
Other (SPECIFY)	6

Don't know 7

C8 ASK ALL THAT WERE PREVIOUSLY IN EDUCATION/TRAINING (C6 '5'). OTHERS GO TO C9
If you had *NOT* started this business, what do you think you would you be doing now?
READ OUT, SINGLE CODE

Still in education/training 1
Moved into employment 2
Now unemployed/inactive 3
Tried to start a different business 4
Other (SPECIFY) 6
Don't know 7

C9 ASK ALL
Do you anticipate any of the following happening in your business in the next 1-2 years?
READ OUT. MULTICODE OK. ROTATE START POINT

Restructuring of the business1
New processes introduced relating to marketing.....2
New processes introduced relating to finance3
New processes introduced relating to personnel.....4
New processes introduced relating to Intellectual Property5
Recruitment or dismissal of staff6
New intellectual property being registered (patents, copyrights).....7
None of these8
Don't know9

C10 **Have you developed a business plan that documents your growth plans?**

Yes1
No2
Don't know3
Refused4

C11 **In the past 12 months, have you increased investment in innovation, or do you plan to in future?**

Yes, already1
Yes, planning2
Yes both.....3
No4
Don't know5
Refused6

C11a **Does your business currently export goods or sell outside of the UK?**

Yes1
No2
Don't know3
Refused4

C12 ASK IF EXPORTER [C12/1], OTHERS TO C13
In the past 12 months, have you increased the amount of goods or services which you export, or do you plan to in future? SINGLE CODE ONLY

- Increased already1
- Plan to increase2
- Both increased already and plan to increase3
- No4
- Don't know5
- Refused6

C13 ASK IF NOT EXPORTER [DEM19/2-4]. OTHERS GO TO C14
Do you plan to start exporting in future? SINGLE CODE ONLY

- Yes1
- No2
- Don't know3
- Refused4

C14 ASK ALL
In the past 12 months, have you increased investment in staff training?

- Yes1
- No2
- Don't know3
- Refused4

C15 **Do you have a training plan?**

- Yes1
- No2
- Don't know3
- Refused4

C16 **Do you have a training budget?**

- Yes1
- No2
- Don't know3
- Refused4

SECTION FIVE; BUSINESS FINANCE

D1 In the past 12 months, have you tried to apply for finance, including renegotiation of an overdraft facility?

- Yes.....1
- No2
- Don't know.....3
- Refused.....4

ASK IF APPLIED FOR FINANCE (D1 '1'). OTHERS GO TO E1

D2 Which type of finance did you apply for? MULTICODE OK. PROBE IF NECESSARY

- Equity investment from existing shareholders 1
- Equity investment from new shareholders 2
- Bank overdraft 3
- Bank loan 4
- Mortgage for property purchase or improvement 5
- Leasing or hire purchase 6
- Factoring 7
- Loan from family/business partner/directors 8
- Loan from a Community Development Finance Institution 9
- Credit card finance 10
- Grant 11
- Other [SPECIFY] 12
- Don't know 13
- Refused 14

D3 Did you have any of the following difficulties obtaining this finance? READ OUT. SINGLE-CODE.

- You were unable to obtain any finance 1**
- You obtained some but not all of the finance required 2**
- You obtained all the finance required but with some problems 3**
- You had no difficulties in obtaining finance 4**
- Don't know 5
- Refused 6

ASK IF ANY DIFFICULTIES RAISING FINANCE (D3 '1-3'), AND MORE THAN ONE TYPE OF FINANCE APPLIED FOR AT D2, OTHERS TO FILTER BEFORE D5

D4 Which types of finance did you have difficulties raising? MULTICODE OK. SHOW ONLY THOSE MENTIONED AT UFB2. PROBE IF NECESSARY

- Equity investment from existing shareholders 1
- Equity investment from new shareholders 2
- Bank overdraft 3
- Bank loan 4
- Mortgage for property purchase or improvement 5
- Leasing or hire purchase 6
- Factoring 7
- Loan from family/business partner/directors 8
- Loan from a Community Development Finance Institution 9
- Credit card finance 10

Grant	11
Other [SPECIFY]	12
Don't know	13
Refused	14

ASK IF ANY DIFFICULTIES RAISING FINANCE (D3 '1-3'). OTHERS GO TO E1
D5 **What reasons were given for your difficulties in obtaining finance?** DO NOT PROMPT
MULTICODE OK

No security	1
Insufficient security	2
Poor personal credit history	3
Poor business credit history	4
No credit history/not been in business long enough	5
Applied for too much money	6
Applied for too little money	7
Too many outstanding loans or mortgages	8
Inadequate business plan	9
Business sector considered too risky	10
No reasons given	11
Other [SPECIFY]	12
Don't know	13
Refused	14

SECTION SIX; DEMOGRAPHICS

E1 ASK ALL
For classification purposes, I'd like to ask you some questions about the owners, partners and directors in your business. Including yourself, how many owners, partners or directors are there in day to day control of the business? IF NECESSARY: Please do not include any non-executive directors. PROBE FOR BEST ESTIMATE

Enter number (1+)
 (Don't know)
 (Refused)

E2 ASK IF MORE THAN ONE AT E1, OTHERS GO TO E3
And how many of these owners, partners or directors are female? PROBE FOR BEST ESTIMATE

Enter number (ALLOW FOR ZERO)
 Don't know
 Refused

E3 ASK ALL
 CODE GENDER OF RESPONDENT (DO NOT ASK)

Male1
 Female2

E4 ASK IF MORE THAN ONE AT E1, OTHERS GO TO E6
How many of the owners, partners and directors in your business are from ethnic minority groups? PROBE FOR BEST ESTIMATE

Enter number (ALLOW FOR ZERO)
 (Don't know)
 (Refused)

E5 ASK IF AT LEAST ONE ETHNIC MINORITY AT E4, OTHERS GO TO E7
Which ethnic minority groups? MULTICODE OK

Mixed – White and Black Caribbean..... 1
 Mixed – White and Black African 2
 Mixed – White and Asian..... 3
 Mixed – Other 4
 Asian or Asian British – Indian..... 5
 Asian or Asian British – Pakistani 6
 Asian or Asian British – Bangladeshi..... 7
 Asian or Asian British – Other..... 8
 Black or Black British – Caribbean..... 9
 Black or Black British – African..... 10
 Black or Black British – Other 11
 Chinese 12
 Any other ethnic group (SPECIFY)..... 13
 Don't know 14

Refused 15

ASK IF E1 = 1,. OTHERS GO TO E7
E6 **I would like to ask some questions about yourself for classification purposes. Are you from an ethnic minority group? IF YES: Which group? SINGLE CODE ONLY**

- Mixed – White and Black Caribbean..... 1
- Mixed – White and Black African 2
- Mixed – White and Asian..... 3
- Mixed – Other 4
- Asian or Asian British – Indian..... 5
- Asian or Asian British – Pakistani 6
- Asian or Asian British – Bangladeshi 7
- Asian or Asian British – Other..... 8
- Black or Black British – Caribbean..... 9
- Black or Black British – African 10
- Black or Black British – Other 11
- Chinese 12
- Any other ethnic group (SPECIFY)..... 13
- Not from an ethnic minority group..... 14
- Don't know 15
- Refused 16

ASK ALL
E7 **Please could you tell me your age?**

WRITE IN (18-99)
Refused

ASK IF REFUSED AT E7. OTHERS GO TO E9
E8 **Can I ask you which of the following bands your age falls into?**

- Under 25 1
- 25-34 2
- 35-44 3
- 45-54 4
- 55-64 5
- 65+ 6
- Refused 7

ASK ALL
E9 **What is your highest level of qualification? PROMPT AS NECESSARY. SINGLE CODE ONLY**

- Degree, NVQ4, HND, HNC or higher 1
- A-Level, NVQ3 or equivalent 2
- GCSE, O-Level, NVQ2 or equivalent 3
- Below GCSE level 4
- Other (SPECIFY) 5
- No formal qualifications 6
- Don't know 7
- Refused 8

E10 Do you have any long-standing illness, disability or infirmity? [ADD IF NECESSARY] By 'long-standing' I mean anything that has troubled you over a period of time or that is likely to affect you over a period of time.

- Yes.....1
- No2
- Don't know.....3
- Refused.....4

E11 What is the main activity of your business?
WRITE IN. PROBE FULLY FOR INDUSTRY TYPE

E12 Which of the following best describes the legal status of your business? READ OUT.
SINGLE CODE

- Sole trader.....1
- Partnership.....2
- Private Limited Company (Ltd)3
- Public Limited Company (plc).....4
- Limited Liability Partnership.....5
- Other (SPECIFY).....6
- Don't know.....7
- Refused.....8

E13 A social enterprise is a business whose main purpose is to pursue social or environmental goals, where any profit or surplus generated is primarily reinvested for this purpose. Would you say that your business is a social enterprise?

- Yes.....1
- No2
- Don't know.....3

E14 I'd like you to think about your businesses' competitors and the nature of the competition in your main markets. Would you say that there is...? READ OUT. SINGLE CODE

- Very intense competition.....1
- Intense competition.....2
- Moderate competition.....3
- Weak competition.....4
- Or no competition at all.....5
- Don't know.....6

E15 **Have you introduced new or significantly improved products, services or processes in the past 12 months? SINGLE CODE ONLY**

- New products or services1
- New processes2
- Both new products/services and new processes3
- Neither.....4
- Don't know.....5
- Refused.....6

ASK ALL

E16 **Finally, would it be possible for BIS to link your responses to other information that you have provided previously to the Government. By this data linkage, we can reduce the burden of our surveys on your business and can improve the evidence that we use. We will never release information that identifies any individual business and your survey responses remain strictly confidential. Do you give your consent for us to do this?**

- Yes.....1
- No2
- Don't know.....3

E17 **Thank you very much for taking the time to help us with this research. . Would you be willing to take part in any follow-up research on this topic conducted on behalf of the Department for Business, Innovation and Skills?**

- Yes.....1
- No2
- Don't know.....3

Appendix 3 Legacy Products

The following are details of the legacy products that were included in the survey i.e. products that predate Solutions for Business, but were still active during at least part of 2009 and which were close enough to be included in the survey.

1. **High Growth East Midlands.** Launched in January 2008, this programme included two components: (a) growth readiness, including 'diagnosis of the potential for development; a one-day coaching module for businesses, strategic planning and five days of individual coaching'; and (b) high growth, including 20 days of intensive coaching and a three-day residential masterclass. [from EMDA press release]
2. **Innovation Advisory Service South East.** Offers support with accounting, advertising, banking, business ethics, legal problems, franchising, partnership, and renewable energy.
3. **Access to Finance (Advantage West Midlands).** A package of support for businesses seeking finance and comprises: (i) personal support from business advisers; (ii) consultancy support (pre & post investment); (iii) seminars and workshops; (iv) an ePortal with information and advice about financial support and initiatives available in the West Midlands. [From Business Link website]
4. **Access to Finance (LDA).** Provides an introductory workshop to help raise awareness of different types of business finance, followed by a full diagnostic review with a business advisor to create an action plan. A business expert then helps prepare a business plan aimed at making the business 'finance-ready', with advice and guidance on presenting a case to funders. [From LDA website]
5. **Enterprising Barnsley (Yorkshire Forward).** Matches to CfHG. Provides business support, training and coaching to established businesses. Coaches provide a regular review and progress report, and refer to more specialist coaches as necessary.
6. **Manufacturing Advisory Service (EEDA).** Support matching to IAG in EEDA was mostly delivered through this SfB product, rather than IAG *per se*.
7. **One North East.** Activity in SaB, ISUS, SaHGB and IAG since July 2009 is fully compliant with SfB definitions. Activity prior to that date was broadly compliant, although not absolutely.

Technical Annex

Methodology

As an early stage study of the six products, this study had a dual function: to assess the products' impact to date, and to act as a pilot for future studies of SfB products. This Annex therefore sets out the full methodology used in the study, including difficulties encountered in the process, to act as a template for future research design.

Design of the study

The study is based on a telephone survey of businesses which had used one of the six SfB products under investigation (the 'treatment group'), yielding self-reported data on outputs and impacts, rather than existing data sources (either public records or follow-up monitoring by RDAs). It was considered that such a survey would reduce problems with (i) consistency of reporting between businesses, and (ii) issues of matching records relating to the same business. The use of telephone interviews is less burdensome on business owners than a paper-based survey, and is thus likely to increase response rates. Furthermore, a survey can be tailored to suit the evaluation questions, whereas data from existing sources may not fit closely with the objectives of the evaluation. Conversely, the survey responses from different businesses may not be wholly reliable: responses to detailed questions may not be accurate, either because of respondents not knowing the answer or interpreting the question in different ways.

The survey questions included those that addressed the extent to which these impacts and outputs directly resulted from the support. This gives a self-reported measure of the *additionality* deriving from use of the product - i.e. the extent to which the support led to outcomes and impacts which would otherwise not have happened at all, or which would have happened differently. For example, a rise in employment in the business may still have occurred, but use of the support may have aided in increasing the size of the increase or shortening the time in which it was accomplished. Similarly, users of start-up products who had gone on to start a business were asked what they thought they would have been doing now, if they had not started the business. Respondents were also asked if the support provided something which they could not have obtained from any other source.

There are clearly limits to this form of self-reported additionality, as it relies on respondents being able to form accurate views on the baseline 'without intervention' position i.e. the counterfactual question of how the business would have performed in the absence of using the support.

In order to provide a second measure of additionality, a comparison group survey was carried out. Respondents in the treatment group were matched against businesses which had not used one of the SfB products. The matching was based on broad criteria: sector, number of

employees and age of business. A survey of these matched businesses yielded comparative data on how the treatment group were likely to have performed if they had not received the support, providing a further measure of the additional benefits deriving from the SfB support. The results are not a robust statistical control group, but are best seen as providing a benchmark against which the outcomes achieved by the treatment group can be compared.

Sampling

The data in this report derives from a telephone survey of businesses and individuals who have used one (or more) of the six SfB products. Contact details for clients were supplied by RDAs for clients who had accessed these products, or a legacy product with a definition closely resembling the SfB product¹¹, over the previous 12-18 months.

The numbers of clients accessing each product varied substantially by RDA. As well as simple differences in take-up of products by region, this variation stemmed from the nature of local delivery and the implementation of SfB itself. While the definitions of all the products in the survey were approved for use by January 2009, RDAs did not necessarily implement them immediately (indeed, the deadline for conforming to SfB definitions has not yet passed) and there is no compunction to implement every product in every region. If no legacy products in that particular RDA were a close enough fit to the SfB product, the size of the possible sample was restricted by the relatively short time some products had been delivered, or by the specific SfB product not being delivered at all.

For example, one RDA is offering generic start-up support which incorporates aspects of SaHGB and ISUS alongside the standard SaB offering. This meant that it was inappropriate to offer details of clients on any start-up programme, as there was no way of telling how closely the support they received matched the SfB product definitions. This difficulty particularly affected the two high growth products, since several RDAs simply delivered a single high growth programme, rather than separating out start-ups. Differences in the Customer Relationship Management processes between regions also complicated the development of the samples for this study, particularly in the manner in which the specific product used was recorded.¹²

For these reasons, details supplied for several products fell short of the number needed to achieve the planned number of responses (see Section 4). This was compounded by other issues relating to the information, including missing and dead telephone numbers.

¹¹ Although all these products had been defined by early 2009, the target date for alignment of existing business support schemes with the new SfB definitions was March 2010. RDAs did not all make the changeover to the new product at the same time; during the transition period, older schemes could continue to be delivered. See Appendix 3 for examples of some of the legacy products included.

¹² In addition, some RDAs had recently completed their own evaluations of some products, and requested that these products not be evaluated in their region to avoid repeatedly burdening clients with responding to similar surveys.

The sample for the three start-up products included individuals who had either not yet started a business, or no longer intended to go on to start. A quota was set on these products, limiting the total proportion of non-starters to no more than 25 per cent of the achieved sample (i.e. no more than 50 non-starters per product), the approximate upper limit of an estimate of the proportion of users who would not form a business, based on typical programme performance.

The telephone survey took place in January and early February 2010. The survey aimed to achieve 200 responses per product, which would lead to a sampling error, at 95 per cent confidence, of between ± 4.2 per cent (for findings where approximately 90 per cent of the sample provided the same response) and ± 6.9 per cent (for findings with 50 per cent agreeing). For the three start-up products, those clients who had not (yet) started a business were included in the survey, with a quota of no more than 25 per cent of the achieved responses (i.e. no more than 50 per product) to come from this group.

The comparison group survey took place in March 2010. Because of low numbers of respondents using Innovation Advice & Guidance, these businesses were omitted from the matched sample. The remaining businesses (around 700) were matched to a sample of businesses taken from the Dunn & Bradstreet directory. Businesses were matched in three areas, using three broad categories in each area:

- Sector: primary, secondary and tertiary
- Number of employees: none, 1-9 and 10+
- Age of business: under a year, 1-4 years, 5+ years

Questionnaire

The questionnaire for the treatment group is included in this report as Appendix 1. For the most part, and to facilitate completion of the questionnaire within a tight timescale, questions were taken from previous similar surveys conducted by BIS/BERR, either verbatim or in a slightly modified form, to provide for a degree of consistency between surveys.

The majority of the questionnaire was concerned with impacts on business and/or personal outcomes. Questions on impacts were derived from the logic chain models for the products, which set out the outputs and outcomes expected. The following definitions are used:

- a) Outputs: 'the results of activities that can be clearly stated or measured and which relate in some way to the outcomes desired'.¹³ In these SfB products, the direct output is usually the improvement in the skills, knowledge and management capacity of the clients.

¹³ HM Treasury (2003) *The Green Book: Appraisal and Evaluation in Central Government*, TSO, London

- b) Outcomes: the eventual benefits to society that policies are intended to achieve. In practice, this means assessing impacts against the core objectives for the product (e.g. impacts upon employment and turnover).

A set of questions were asked of all respondents who had a business, regardless of the product they had accessed, which focused on impacts on employment, turnover and skills which could be directly attributed to the client's use of the product (see Section 4 of the questionnaire). Sets of product-specific questions were only asked to those clients who had accessed the relevant product, including a set for clients of start-up products who had not (yet) gone on to establish their own business. These questions probed specific changes to business behaviour, and the development of skills and competencies in areas related to each product (understanding and accessing finance for UFB; developing innovation strategies and new products and processes for IAG etc.).

For all of the outcomes resulting from the improved skills and management capacity, respondents were asked about (a) those which had already been realised; and (b) their assessment of those which were likely to happen in the future. For example, the impact on employment was divided into (a) the number of extra jobs and number of jobs safeguarded within the business as a *direct result* of using the support; and (b) the number of extra jobs anticipated to be realised in the future, as a *direct result* of the support.

Respondents were also asked whether they had accessed government-funded support in other areas additional to the 'main' product they used. Businesses using SfB tend not to receive a single support product in isolation. Typically, they access a 'bundle' of different products, as recommended by their Business Link advisor. Indeed, RDAs often run more structured access routes, which are based around using a variety of different support products, either consecutively or concurrently. This use of support in a number of different areas should lead to a greater impact on the business.

The questionnaire used for the comparison group is shown in Appendix 2. Questions were as similar as possible to the original questionnaire, in order to facilitate direct comparisons. Respondents were also asked about their use of non-government funded sources of advice (accountants, banks etc), in order to judge the added value deriving from SfB products over and above that deriving from market-based sources.

Notes on presentation of analysis

Two points concerning the presentation of the data should be borne in mind:

- Where figures are reported as statistically significant, this refers to significance at a confidence level of 95 per cent. The term 'significant' will not be used unless this is the case. It should be noted that, for the most part, differences between the comparison group and treatment group findings are not significant at this level.

- For the most part, the 'don't know' category is very small (usually under 1-2 per cent). For that reason, in most tables, 'don't knows' are omitted for reasons of clearer presentation, but *are* included in the calculation of percentages, so that figures as presented do not necessarily add up to 100 per cent. Where the 'don't know' category is particularly high, it is included.

Reallocation of respondents from SaHGB to CfHG

The original number of respondents classified as having used CfHG was low (under 100). However, it was possible to transfer some interviewed clients from SaHGB to CfHG. Several RDAs had implemented a generic 'high growth' programme, rather than distinguishing between start-ups and more established businesses. As such, the product-specific questionnaire modules for SaHGB and CfHG were identical (if clients were recorded as SaHGB, they were asked additional questions relating to start-up support, rather than different questions about the high growth component of the product). However, to fit the Solutions for Business definitions, a business cannot be eligible for SaHGB if it is more than three years old at the time it receives the support, since the target outcome is the turnover level within three years of establishment. Therefore, established businesses would more closely fit the definition of CfHG than SaHGB, regardless of the original product they had been assigned to – in practice, the high growth support delivered by both products, particularly during the transition period to the new SfB definitions, was similar. Thus, any respondent business originally classified as SaHGB, but which had been established for five years or longer (allowing for a margin of error on estimates of age) was transferred to CfHG.