



Department  
for Business  
Innovation & Skills

RESEARCH

BIS RESEARCH PAPER NUMBER 219

Growth Vouchers Programme:  
Formative Evaluation Report

OCTOBER 2014

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# Acknowledgments

We would like to thank Khalid Khan, the research manager at BIS for his guidance and support and the rest of the BIS / BIT Programme team.

We express our kind regards to all Delivery Partner staff from Winning Pitch, Cavendish Consortium, Coventry and West Midlands Chambers of Commerce LLP, BE Group and Enterprise Nation as well as participating Advice Supplier organisations who have given up their time to take part.

We would also like to thank all the business involved, particularly those that agreed to act as case studies throughout this report: Hannah Cole (E4 Environment), Philip Rae (Jepson Rae Ltd), Paul Dennison (Paws & Purrs Ltd), Inese Rugina (Angara Ltd), Andrew Culpan (Aroxo Ltd), Roger Hackley (Big Frank's Cycle Hire), Adenike Titiloye (Catalyst Mutual Enterprise), Jennifer Wilson (Dreamcraft Furniture), Jodie Everett (Admin CoRe Ltd), Sangita Shah (Odyssean Entrprises Ltd) and Paul Veale (Totally Vans).

This research was carried out, and report written, by independent research agencies NatCen Social Research (Kirby Swales, Nilufer Rahim, Steven Coutinho, Kim Vowden, Jasmin Keeble and Natalie Jago) and IFF Research Ltd (Ben Davies, Matt Barnes, Gill Stewart and Jolyon Fairburn-Beech).

# Glossary

Term	Definition
<b>Action plan</b>	A document written by Delivery Partner advisers summarising key points of discussion and actions in personal diagnostic assessments. All businesses receive a copy of their action plan.
<b>Advice Suppliers</b>	Advice Suppliers are self-employed people or companies, registered on the Online Marketplace. Suppliers who can provide advice to businesses through the Growth Vouchers Programme are accredited members of professional bodies.
<b>Advice themes</b>	Areas of advice of which there are five available through the Growth Vouchers Programme. These are: raising finance and managing cash flow; recruiting and developing staff; improving leadership and management skills; marketing, attracting and keeping customers; and making the most of digital technologies.
<b>Advisers</b>	Business advice professionals working for Delivery Partners who deliver business advice assessments for the Growth Vouchers Programme.
<b>BIS</b>	The Department of Business, Innovation and Skills, a government department with overall responsibility for the Growth Vouchers Programme, together with BIT.
<b>BIT</b>	The Behavioural Insights Team, at the Cabinet Office, supports BIS in the Growth Vouchers Programme.
<b>Business Advice Assessment / Diagnostic Assessment</b>	An assessment of business needs aimed at identifying the advice theme most suitable for businesses. Personal assessments happen with a Delivery Partner business adviser either face to face or on phone. Online assessments consist of an online questionnaire completed by businesses independently.
<b>Business Link</b>	Previously a government funded business advice and guidance service in England. It comprised an online portal and telephone advice service. It stopped operating in 2011.
<b>Chartered Institute of Marketing</b>	The professional body for those working in marketing.
<b>Delivery Partners</b>	A number of organisations commissioned to deliver the Growth Vouchers Programme in different regions of the country: <ul style="list-style-type: none"> <li>• Greater Manchester and the North West: Winning Pitch</li> <li>• East of England and North London: NWES (as part of Cavendish Consortium)</li> <li>• South London and the South East: Enterprise First (as part of Cavendish Consortium)</li> </ul>

Term	Definition
	<ul style="list-style-type: none"> <li>• West Midlands: Coventry and West Midlands Chambers of Commerce LLP</li> <li>• Online route: BE Group</li> </ul> <p>Their role is to recruit businesses to the Programme through marketing activities, check eligibility, carry out diagnostic assessments with businesses and assess claims for funding. While their contractual remit sits within the above locational boundaries, Delivery Partners also carry out assessments with businesses outside their regions.</p>
<b>Enterprise Nation</b>	Enterprise Nation designed, and manages the Online Marketplace. They are an organisation geared towards supporting businesses with publications, events and through developing business communities.
<b>Growth Accelerator Programme</b>	Another Government funded business support Programme that is separate and distinct from the Growth Vouchers Programme.
<b>Growth Hubs</b>	A single place for businesses to go for local advice and support.
<b>Growth Vouchers Programme</b>	The Growth Vouchers Programme was launched in January 2014 and ends in March 2015. It is intended to benefit around 20,000 businesses most of which will be offered a voucher worth £2000 to buy business advice. Each voucher covers half the cost of advice in one of five advice themes.
<b>Logic model</b>	Logic models are used as a visual tool to help evaluate the effectiveness of programmes. A logic model has been used to set out the goals of the Growth Vouchers Programme, and the intended pathway to these goals.
<b>Online Marketplace</b>	The Online Marketplace, managed by Enterprise Nation, contains hundreds of Advice Suppliers in each of the five advice themes. Businesses can search this online list of Advice Suppliers, based on their experience, qualifications and membership of a professional body. Suppliers who are not Growth Vouchers accredited are also listed. The Marketplace can be accessed here <a href="https://Marketplace.enterprisenation.com/">https://Marketplace.enterprisenation.com/</a>
<b>Small business</b>	A small business is an enterprise employing between 0 and 49 employees.
<b>Randomised Controlled Trial (RCT)</b>	Randomised Controlled Trials are a research method used to establish impact. They involve a control group who does not receive an intervention / treatment and effects are compared with those who do. Participants are randomly allocated to each group.

# Executive Summary

The Growth Vouchers Programme is pioneering research into how external advice can help businesses overcome barriers to growth and what role Government should play in this space. In order to collect robust evidence of additional impact on business performance it is operating as a Randomised Controlled Trial (RCT).

The Programme started in January 2014 and would run until March 2015. It aims to attract up to 20,000 businesses that normally do not use business advice. Majority of these businesses will receive a Growth Voucher worth £2,000 to subsidise the purchase of business advice, with businesses required to pay at least half of the cost of the advice. In additions to subsidising business advice for thousands of businesses the Programme aims to answer the following key policy questions:

1. Do businesses that are given a Growth Voucher perform better or worse than those not given one?
2. Do businesses assessed online perform better or worse than those assessed face-to-face?
3. Which of the five themes of subsidised advice creates the greatest return?

This report presents results from the first stage of independent evaluation and evaluates programme delivery. Over the next five years evaluation will assess whether the participating businesses received positive impacts and to what extent barriers to use business advice have been removed. The report draws on evidence gathered in 120 interviews with programme's early applicants, 42 interviews and observations with Delivery Partner staff and 22 interviews with Advice Suppliers, all conducted during March and April 2014. In order to keep the assessment impartial two independent research agencies, IFF research and NatCen Social Research, carried out the research.

## Programme design and policy aims

There is widespread support for the main aim of the Programme: to make it easier for small businesses to access expert advice. Delivery Partners and Advice Suppliers strongly support the principle of match funding, feeling that it encourages businesses to take the advice seriously.

Delivery Partner staff show a good understanding of the research aims and support the necessary random allocation of vouchers for robust estimation of programme impact. By design, Advice Suppliers role is limited to provide advice to businesses on the Online Marketplace, so they have limited awareness of the research aims. However, they are keen to promote the Programme and want to receive more information and promotion material.

## Accessing the Programme

The Programme appears to be well publicised and through multiple channels. Businesses receive programme information from a variety of sources, including articles in trade press, online searches, through Advice Suppliers' and words-of-mouth from colleagues, friends and business contacts. Though the overall message is clear, some aspects of the

Programme, such as match-funding and random allocation of vouchers are less well understood by businesses, as some realised these conditions only during the interviews for this report.

Applications to the Programme have been slower than expected. Delivery Partners suggest applications have been slowing down since the national marketing campaign abated after the Programme launch and renewed marketing efforts are required to meet the sample targets set for research.

Though, fewer than expected in numbers majority of the applicants didn't use business advice in the past and nearly all the businesses report ambitions to grow, in some cases the ambitions are moderate however. Around half of the businesses reported they were actively looking for and pricing up advice, this points out possible programme deadweight (i.e. businesses may have used advice in the absence of the Programme), However, further probe shows that even for these businesses the Programme has provided the required nudge to progress from looking for advice to buying it.

## **Business advice assessments and voucher allocation**

As mentioned, the Programme wants to compare effectiveness of business advice assessment completed online with assessment carried out with an advisor. Both the assessment routes are working well. Businesses are satisfied with the assessments and do not report any major problems with assessments.

Businesses consider online assessment quick and straightforward. It appeals to time-poor small businesses. Those who completed assessment with advisors appreciate the opportunity to step outside the day-to-day process issues of their business and discuss long-term aims of their business with a knowledgeable advisor. Most businesses however do not change the type of advice they need after discussion with advisor but they report the conversation helps them to clarify what they already knew about their advice needs.

A particularly important finding is variation in the length, style and content of personal diagnostics. This suggests that personal diagnostics cannot be taken as a single consistent treatment option and could potentially make it difficult to measure relative impact of a consistent online assessment with a highly variable personal assessment.

## **Using the voucher**

Around half of businesses already booked an appointment with an adviser at the Online Marketplace or had definite plan to contact an advisor. The remaining half was divided between those who were indecisive about spending or not spending the voucher and those who were sure of not spending it. Three main reasons for not spending or for being unsure were given:

- a. Lack of available funds within the business to match the subsidy,
- b. Lack of available time to properly engage with the task of selecting an adviser, and
- c. Lack of available suppliers on the Online Marketplace and patchy geographical presence.



## Performance and operational issues

Because this evaluation focuses on effectiveness of delivery, it assesses the extent to which Delivery Partners implement the Programme effectively. Most Delivery Partners appear to have put sufficient resource in place to promote and deliver the Programme (though for some the increased resource required is a key challenge). Working relationships with BIS and other Delivery Partners were effective with good sharing of information and a pragmatic and responsive programme management approach.

Nevertheless, Delivery Partners and Advice Suppliers cited challenges. Some Advice Suppliers experienced lengthy delays or technical problems when trying to register online, such as difficulty in uploading company logo and photographs. Some Delivery Partners report challenges in meeting overall targets, as well as the two 'key performance indicators': the proportion of face-to-face and telephone diagnostics, and delivering assessments within two weeks of submitting applications.

During the interviews, the Delivery Partners made a few suggestions to improve programme delivery: a) more guidance and training for advisers on managing programme tasks on the back-office IT system, b) clarity on the eligibility criteria for businesses, c) extending the time limit for using vouchers. Advice Suppliers also expressed desire to get more information on the Programme, so they can promote it to eligible businesses.

## Conclusions

In concluding this stage of the evaluation, we consider a number of issues and questions that are relevant for programme delivery. The overall numbers of businesses applying for the Programme are below expectation, but Delivery Partners are intensifying their marketing activities. The challenge remains to attract more businesses and especially those which most likely to benefit from advice. It is useful to identify new ways of encouraging more businesses to apply and use the vouchers.

Operationally, the Programme is working well and sufficient capacity exists to handle more applications. The key issue is making programmes messages and eligibility conditions clearer to businesses, like match-funding and random allocation of vouchers. Similarly, more suppliers on the Online Marketplace can motivate more businesses to spend their vouchers.

Finally, the report also highlights a few concerns about the research objectives of the Programme. These include, unequal take up of the five themes, achieving the sample target, the moderate level of growth ambition among applicants, low percentage of vouchers use, and variation in the quality of personal diagnostics. It therefore would be prudent to review the type of comparisons that will be possible through the statistical analysis (i.e. question 3), and consider how element of the research could best support impact evaluation.

## What next for the Growth Vouchers evaluation?

The results of this report are intended to inform the evolution of the Programme both in terms of the design of the intervention and the way the Programme is delivered. It will be important to ascertain whether these changes address the key challenges raised in this

report. Future evaluation reports will present findings of programme impact and further qualitative research with businesses, Delivery Partners and Advice Suppliers will explore the on going delivery of the Programme.

# Introduction

## Background

Evidence points to a link between strategic business advice and growth amongst small businesses. The Growth Vouchers Programme, which was launched in January 2014 and ends in March 2015, is intended to help small businesses to grow by contributing towards the costs of buying strategic business advice. The Programme aims to attract thousands of businesses that do not normally use advice and the majority of them will be given a voucher of up to £2,000 to help them with half the costs of the advice they select.

Businesses can spend their voucher in one of the areas: finance and cash flow; recruiting and developing staff; improving leadership and management skills; marketing, attracting and keeping customers; and making the most of digital technology.

The Growth Vouchers Programme incorporates a pioneering impact assessment methodology that will test which types of business advice are most effective by implementing a Randomised Controlled Trial (RCT) design. Businesses that take part will be monitored over the next five years to assess the impact of using business advice. The RCT has been designed to answer the following key questions:

- Do businesses that are given a Growth Voucher perform better or worse than those not given one?
- Do businesses assessed online perform better or worse than those assessed face-to-face?
- Which of the five themes of subsidised advice creates the greatest return?

## Evaluation aims and objectives

This report presents findings from a formative evaluation of the Growth Vouchers Programme. This is the first stage of the wider evaluation and aims to understand how the Programme is being implemented and how participating businesses, Delivery Partners and Advice Suppliers view the effectiveness of delivery. The objectives of the formative evaluation, as set out in the invitation to tender, are to:

- a. To monitor that the growth vouchers are delivered and the programme is implemented according to the RCT protocol. This will also identify factors and areas of the programme implementation that are working well and those that need to be improved.
- b. To document the customer journey from voucher applicants' point of view and assess how various elements of the customer journey are working in practice. Also, how any barriers could be removed (this is expected to cover the business recruitment process, interaction with Delivery Partners, Programme landing page, online application, online filtering, face to face diagnostic, finding an Advice Supplier etc).

This formative evaluation acts as a precursor to the evaluation of the Growth Voucher Programme as a whole. The Growth Voucher Programme (GVP) will test a wide range of business support interventions including the use of a subsidy to identify what has the greatest impact in terms of business growth.

The Programme itself has a complex structure, designed to answer three research questions. Figure 2.1 illustrate the key features of the design. Businesses are assigned at random to one of two forms of advice assessment - either an online assessment, or an assessment carried out personally (either face to face or via the telephone). The assessment establishes how proficient the business is in each of five specific areas (Sales and Marketing, Raising Finance, etc...) and then suggests the area in which the business may best benefit from advice. The business then ultimately decides what type of advice they feel will be most useful to their business. After businesses have made this choice, they are then randomly allocated to one of two groups – the ‘voucher’ group or the ‘control’ group. Those in the voucher group are given a Growth Voucher which they can redeem for business advice, and those in the control group are informed that they will not receive this support. Regardless of which group businesses are assigned to, they are sent a link via email to the Online Marketplace and provided with guidance on choosing an Advice Supplier.

The core evaluation method for the GVP is a Randomised Controlled Trial (RCT) which compares the performance of businesses who receive support in the form of a voucher, against those that applied for it but did not receive it. The evaluation also compares the performance of businesses across each of the five types of business advice, and compares the performance of those businesses whose initial assessment is carried out online to those whose assessment was carried out in person (either face to face or via telephone). Further qualitative research will be conducted alongside quantitative data collection to explore ongoing implementation and how business advice might help small businesses to grow. Results from the programme will be used to feed into future Government policy on business advice.

## Research methodology

The formative evaluation is based on in depth qualitative interviews and was conducted in March to May 2014. Its three component include:

- Semi-structured interviews with 120 businesses;
- In-depth interviews or observations with 42 Delivery Partner staff; and
- In-depth interviews with 22 Advice Suppliers.

### Interviews with businesses

All 120 businesses interviewed had completed a Business Advice Assessment, and were spread across each of the five advice themes. Interviews were conducted with both those who had been allocated a voucher and those that had not..

The structure of the interview can be seen in Appendix A3; interviews first gathered basic details about the business such as the business’s main activity, length of time trading, number of staff, etc (section A), and then went on to explore how the business heard about and became involved with the GVP (section B), their views of the online application

process and the Business Advice Assessment they received (sections C and D), their understanding of the process of voucher allocation (section E), their experience of the Online Marketplace (section F), and the business's overall views on the GVP (section G) and on business advice in general (section H).

### Interviews with Delivery Partners

Interviews with Delivery Partners (organisations that have been commissioned to deliver specific aspects of the Programme) involved senior personnel, operational managers, advisers, administrators and customer service staff at the different organisations delivering the Growth Vouchers Programme. The topic guide used to steer interviews can be found in Appendix A3. Interviews first explored individual participants' professional background, the nature of Delivery Partner organisations and their Growth Vouchers delivery models (section A). They then examined participants' views of the policy aims and design of the Growth Vouchers Programme (section B). This was followed by Delivery Partners' approaches to recruiting businesses to the Programme and of confirming their eligibility (section C). Following this, interviews examined the delivery of business advice assessments, including how they were being resourced, how they had been designed, the structure and content of assessments and the action plan and voucher outcome process (section D). Finally interviews captured operational experiences of delivering the Programme, such as partnership working and communications, and of meeting key performance indicators (section E). Interviews concluded by asking Delivery Partners for overall views and experiences of Programme design and delivery. Researchers also observed business advice assessments, with consent from businesses and advisers, to contextualise interview data and understand how assessments were being conducted in practice.

### Interviews with Advice Suppliers

The Advice Suppliers that took part in the research were all registered as Growth Voucher Suppliers on the Online Marketplace. A minimum of four Suppliers registered under each of the five themes took part. Interviews with Suppliers were conducted using a topic guide, (see Appendix A3). In interviews Suppliers were first asked basic information about their organisation such as the kind of advice they provide, how long they have been trading, the number of staff they employ and the number of sites and branches (section A). They were then asked about their understanding and views of the Growth Vouchers Programme policy aims and programme design (section B). Following this, interviews explored how Advice Suppliers had heard of the Programme, their experiences of registering with the Online Marketplace and how they were resourcing the Programme (section C). The next section of the topic guides explored experiences of engaging with businesses coming through the Programme (section D) and the nature of advice supplied to them (section E). Interviews then explored operational experiences of delivering the advice for the Growth Vouchers Programme including partnership working and communications (section F) and the final section of topic guides gathered Suppliers' overall views about the Programme (section E). Only five Suppliers had as yet been approached by businesses through the Programme and these Suppliers gave their accounts of these interactions.

Further details about the research methodology and interview topic guides can be found in the Technical Appendix for this report in section A2 and A3.

### Research parameters

This report is focused on the early delivery of the Programme. Future evaluation reports will cover the impact assessment of the Programme.

Interviews with Delivery Partners and Advice Suppliers used a face-to-face, in-depth interviewing approach where interviews are based around an open discussion of the respondents' experiences, allowing plenty of time for the interviewer to probe and gather further detail. The number and type of respondents were selected purposively to encompass the range and diversity of views and experiences rather than to be statistically representative, as is appropriate when carrying out longer, in-depth interviews such as this. This means the prevalence of particular views and experiences within the population cannot be estimated on the basis of these interviews, and the reporting of these findings deliberately avoids giving numerical values.

In the case of businesses, of whom we spoke to 120, we report approximate proportions with particular views or reported behaviours. These are not intended to be statistically representative and should be seen as indicative only.

## **Structure of the report**

Integrated findings from the three elements of the evaluation are presented in the following chapters:

- Chapter 2 Programme aims and design
- Chapter 3 Accessing the Programme
- Chapter 4 The Business Advice Assessments and Voucher Allocation
- Chapter 5 Using the Voucher
- Chapter 6 Programme Performance and Operational Experiences
- Chapter 7 Conclusions

# Programme aims and design

## Chapter summary

- **General support for the programme:** Delivery Partner staff and Advice Suppliers understand and support the aims of the Programme: making it easier for small businesses to access expert advice, and testing which types of advice are most effective. As would be expected, Advice Suppliers are generally less aware of the research element but are interested in knowing more about it.
- **Programme design praised:** The Programme design is seen as straightforward compared with other business support schemes. Participants praised the eligibility criteria for targeting small businesses, which are considered most likely to use and benefit from a voucher and the requirement for match funding is expected to encourage businesses to take advice more seriously. The value of the voucher and the five advice themes are felt appropriate for small businesses and participants like the Online Marketplace concept, particularly the reviews function.
- **Some concerns regarding exclusion of businesses that have previously received strategic advice:** There are however concerns about some elements. For example the criterion for having already received strategic advice is viewed by some as too long and to potentially exclude businesses who could otherwise benefit from the Programme. In addition it was argued that the level of match funding could be lowered to make it more affordable for micro-businesses and that some of the overlapping advice themes could be merged,
- **Some concerns about discouraging businesses who do not receive a voucher:** While Delivery Partner staff were generally supportive of using research methods to understand the impacts of the Programme, a few interviews raised concerns that not receiving a voucher may discourage businesses from seeking strategic advice in the future and could harm the reputation of the Programme.
- **Improved communication suggested:** Some of these businesses were not aware of the randomised element of the Programme until participating in an interview. A sizeable minority of businesses expressed doubts over whether the website made it sufficiently clear that participants would be part of a Randomised Controlled Trial (RCT). In the interests of transparency, it is perhaps worth considering how the randomised element of the trial could be made more obvious to businesses.
- **Concerns from the control group:** Businesses in the control group are much less understanding about the process of random allocation. Some of these businesses felt aggrieved that they had invested time in the Programme for little or no perceived benefit.

## Policy context

Small and medium sized enterprises (SMEs) account for the vast majority of all private sector businesses, almost 60 per cent of private sector employment and close to half of all private sector turnover (BIS, 2013d) and therefore these businesses have a key role to play in bringing about economic recovery through job creation and innovation (Roper, 2013). As such, stimulating growth among SMEs forms an important part of the Coalition Government's plans for improving the UK economy.

To stimulate growth amongst this specific group of businesses it is important to understand the constraints on and barriers to growth that SMEs and microbusinesses are facing. Recent research by IFF Research and Durham Business School (2013), suggests that many of the barriers fall into the categories of **vision constraints** (i.e. a lack of ambition amongst owners to grow their business) and **internal constraints** (i.e. limited capacity to deal with obstacles within to the business such as cash flow, access to finance, complying with regulations and employing staff).

Despite the problems that small businesses have in these areas, the take-up of relevant business advice is very low amongst small business, however according to recent evidence, small businesses which grow are more likely to have sought and obtained strategic business advice (BMG Research, 2012; BIS, 2013b).

This section will first explore the kinds of barriers that small businesses are facing, then will go on to explore the government's plans going forward to provide much needed advice and support for small businesses to enable them to better overcome these barriers to growth.

### Vision constraints

There is evidence to suggest that the internal mind-set or vision of the business owner is as important as external factors, and the study by Durham Business School confirmed this to be the case, in that the mind set of business owners is explicitly linked to their propensity for growth.

However, a BIS study of growth ambition (2012) found only 22 per cent of SMEs overall had a substantive ambition to grow. The reasons for a lack of growth ambition are varied, but IFF's previous research on micro-businesses (2013) shows that many businesses have an innate, often unconscious, set of beliefs that tend to resist growth for a variety of reasons, including:

- I am not a business
- I can't grow in a recession
- The market is too limited in my area
- There's no point in networking or seeking external advice
- If I grow any larger, the regulatory burden would be too heavy for me to cope with.

Some other businesses say they are simply happy with their current size, and as they are comfortably making a living they see no need to expand further.

The key here is changing the focus and perspective of the owner, so that they become open to devoting time and effort to working **on** the business, rather than **in** the business.



Fundamentally, changing the business owners' mind sets is the gateway to opening up further aspects of engagement and developing capacity.

### **Internal constraints**

Literature on the barriers that small businesses face include several issues related to day-to-day issues around the running of the business, for instance cash flow, raising finance, regulation and employing staff (University of Durham Business School and IFF Research, 2013).

One of the most common reported challenges is cash flow, often due to the business having fluctuating income but steady outgoings, as well as late payment by customers. Those reporting cash flow as an obstacle tended to be those who have low levels of self-reported confidence and competence in dealing with this area.

A similar pattern was seen with regard to raising finance, in that those businesses with higher levels of competence in this area were less likely to see this as a barrier to their growth. Specific concerns in this area included the opinion that banks are not lending at all and that the cost of this finance would be too expensive, as well as a simple lack of knowledge about where to obtain finance and a lack of a necessary track record as a business.

Other research also found that small businesses find complying with regulations an obstacle to growth, in particular Health and Safety, tax-related and employment regulations (Better Regulation Executive, 2010). The main issues facing businesses here are: the time and effort required in deciding how to comply, the costs of making changes within the business to ensure compliance, the paperwork and administration required, and general worry and uncertainty about whether or how regulations apply to their business. Crucially, small businesses also express the view that they imagined these issues would be exacerbated if the business were to grow further.

The literature suggests that the idea of taking on staff is also something that small businesses (particularly those with little or no experience of employing staff) find concerning, which can prevent them growing in this area. Specifically, small businesses mention uncertainty about what the process of recruitment actually involves, as well as worries about finding the right person for the job (and what action to take if the person does not turn out to be 'right'), increased legal risks and regulations, as well as the costs and time involved with recruitment, interviewing and getting a new employee 'up to speed'. That said, small businesses accustomed to taking on staff did not have the same concerns, and in fact described the processes involved as easy and the outcome generally satisfactory.

Considering these barriers to growth, and the finding that businesses with a higher level of self-reported competence in these areas consider them less concerning, it is important to ensure that all businesses have access to advice on these, and other, areas that can seem initially very concerning but can be overcome with support and increased knowledge.

### **Business advice provision**

Long-standing market failures in the business advice market for micro and small businesses mean that the needs of these businesses have gone largely unmet, or partially

met, in terms of support and advice provision to help them overcome the aforementioned barriers to growth (Atherton et al, 2002).

Where this has been provided, take up of this external support, and strategic advice in particular, remains low amongst small businesses. This is in part explained by a range of concerns experienced by businesses such as doubts about whether the benefits will outweigh the time and expense involved in obtaining advice; lack of trust and confidence in advice providers and concerns about being able to find appropriate support (CEEDR et al, 2011).

A particular Issue relating to the provision of advice to SMEs, therefore, is that it is not only an issue of making available such support services, it is also a matter of ensuring that the appropriate form of service (and service provider) is made available on appropriate terms.

In this context, BIS (and partner bodies such as UKTI) seek to influence more SMEs to engage with growth ambitions, and to take up formal business support when they need it.

In September 2011, the 'GREAT' campaign was launched, seeking to capitalise on the high profile of Great Britain following hosting of the 2012 Olympic and Paralympic Games, using a single banner to showcase Britain is a place to invest in, study in and visit. BIS now leads on all communications to SMEs, and has adapted the 'GREAT Britain' brand as a centrepiece of its communications activity. The resulting 'GREAT Business' campaign seeks to build SME confidence in order to trigger a change of mindset, so that they strive to grow.

As well as promoting attitudinal shifts, the campaign also acts as a 'shop window' for a raft of support services (accessible via the campaign website, <http://www.greatbusiness.gov.uk>) that seek to assist businesses with various practicalities involved in growth, such as planning, accessing external finance, recruiting and upskilling staff.

In 2012 the Prime Minister's enterprise adviser, Lord Young, published *Making Business Your Business*, the first comprehensive report on SMEs since the Bolton Report on Small Firms of 1971 (Young, 2012). The report focused on six key areas:

- Supporting young entrepreneurs;
- Facilitating space for SMEs;
- Accessing finance;
- Opening up government business;
- Opening up public service delivery; and
- Advice and information provision.

A follow-up report in 2013, *Growing Your Business*, highlighted a range of activity underway, including the Cabinet Office's Mystery Shopper Programme whereby SMEs can report poor government procurement practice, and SME growth loans (Young, 2013). Young also made a number of recommendations, including the removal of the age cap of 30 on Start-Up Loans.

The Prime Minister announced in summer 2013 that all of the recommendations in *Growing Your Business* would be accepted. Particular note was taken of the report's assertion that:

*“The evidence is unequivocal: businesses that seek and engage external help are more likely to grow. But much more needs to be done to encourage firms to invest in their capability” (Young, 2013, p.3).*

Recommendations from Growing Your Business underpinned the government’s recent publication, Small Business: GREAT Ambition, which contains a commitment to addressing the long-standing market failures in the business advice market for small and micro businesses, and make it easier for businesses to get help by simplifying the landscape for business support, creating a healthy private and third-sector Marketplace, and improving the signposting and awareness of Government support (BIS, 2013a).

Business support initiatives set out in the document include:

- Launching a competition for the private sector to develop a single ‘shop window’ for business support by the end of 2014;
- Reviewing government business support services and implementing reforms by march 2015;
- Rolling out growth hubs during 2014 and 2015 to provide a single place for businesses to go for local advice and support;
- Working with enterprise nation to develop a new Online Marketplace for private and third sector support by January 2014; and
- The £30m Growth Vouchers Programme.

## The Growth Vouchers Programme

The Growth Vouchers Programme is one of the initiatives set out in the government’s recent publication, Small Business: GREAT Ambition. It is one of many initiatives set out in this document, with the collective aim of making it easier for small businesses to get the support they need in order to overcome the barriers they face to growing their business.

In particular, the Growth Vouchers Programme aims to make strategic business advice accessible and affordable to the UK’s smallest businesses, and aims to change the focus of small business owners, so they become more motivated to think about their business strategically and to seek the advice they need to do this.

The Growth Vouchers Programme was launched in January 2014 and ends in March 2015. It is intended to provide subsidised strategic business advice to thousands of businesses through randomly allocated vouchers. Each voucher is worth up to £2,000 excluding VAT. It can be used to cover half the cost of advice in one of five areas:

- Raising finance and managing cash flow;
- Recruiting and developing staff;
- Improving leadership and management skills;
- Marketing, attracting and keeping customers; and
- Making the most of digital technology.

To be eligible for the Programme, a business must have been trading for at least one year; have fewer than 50 employees; be registered in England; have a turnover or balance sheet of at most Euro10 million; not have paid for strategic business advice in the last three years and not have exceeded the limit for state aid of €200,000 over the previous

three financial years. In addition, businesses must be registered in England (at Companies House, or registered with Her Majesties Revenue & Customs (HMRC) if self-employed).<sup>1</sup>

## Aims and rationale

The Growth Vouchers Programme has two main aims: to make it easier for small businesses to access expert advice to help them grow, and to test which types of business advice are most effective (BIS, 2014).

### Making it easier for small businesses to access expert advice

Formal business support is underused by businesses. Recent research for BIS found that an estimated 28 per cent of SME employers had an unmet need for formal business support over the last three years. Half of them did not recognise their need for support, despite experiencing unresolved problems (CEEDR, 2011). Others did recognise their need for support but had not received it, or had received some support but still had other unmet needs. The Growth Vouchers Programme is targeted at small businesses which do not normally use formal business support.

### Testing which types of business advice are most effective

As stated in *Growing Your Business*, there is indeed evidence that small businesses which grow are more likely to have sought and obtained strategic business advice (BMG Research, 2012; BIS, 2013b). The majority of businesses that take advice say that it adds value (CEEDR, 2011). But the causal link is not certain. In other words, it is not clear whether the advice helps businesses to grow or they would have grown in any case, because use of advice and business growth could be consequences of something else, such as the owners' mind set. The Growth Vouchers Programme is intended to help settle the issue by testing the impact of different types of advice in a randomised controlled trial (RCT).

## The customer journey

The customer journey for the Growth Vouchers Programme has six main stages, the first four of which are illustrated in the high-level customer journey shown in Figure 2.1. A more detailed customer journey can be found in the Technical Appendix for this report in section A4. The six steps to the process are as follows:

- **Stage 1:** Businesses apply to the Programme online at [www.gov.uk/apply-growth-vouchers](http://www.gov.uk/apply-growth-vouchers). At this stage businesses are assessed for their eligibility to the Programme.
- **Stage 2:** Eligible businesses are randomly allocated to either an online or personal assessment of their business advice needs. Personal assessments are carried out by the Delivery Partners – usually face to face but in some cases over the telephone.
- **Stage 3:** Businesses receive a non-binding recommendation for advice in one of the five areas and choose their preferred area of advice. Businesses are then told whether they have been allocated a voucher or not. This allocation is random.
- **Stage 4:** Businesses select a Supplier from the list of approved providers on the Online Marketplace hosted by Enterprise Nation. The Marketplace contains

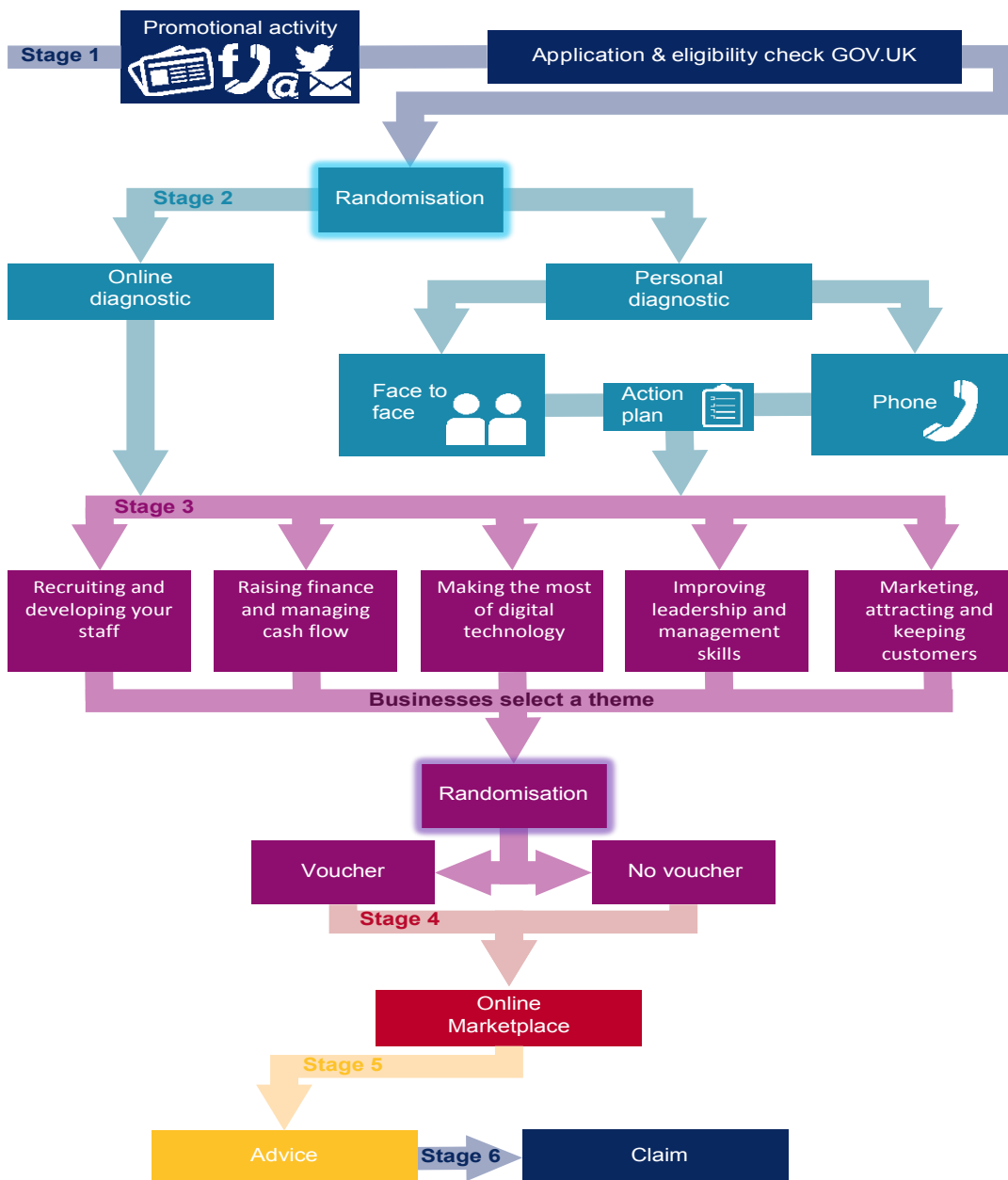
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<sup>1</sup> In late August 2014 the eligibility criteria were widened and now more businesses can benefit from vouchers. See Programme website for more details.

thousands of Suppliers of advice in each of the five areas. Suppliers are selected based on their experience, qualifications and membership of professional bodies.

- **Stage 5:** Businesses arrange to receive their advice. They agree a price and check that it can be subsidised using a voucher. Vouchers cover up to half of the cost of advice, up to a maximum of £2,000 excluding VAT. Businesses may pay more than £2,000 if they choose, but the maximum they can claim back is £2,000.
- **Stage 6:** Businesses claim the subsidy. They have to provide evidence that the invoice has been paid and details of the advice they received. BIS pays back the claimed amount within 10 days if all the required documents are submitted.

Figure 2.1



### The research element

The Programme has been designed as a randomised controlled trial to test the impact of different types of advice on businesses participating in the Programme. RCTs are

considered by some to be the gold standard in establishing whether causal relationships exist between an intervention and outcomes. They are widely used in medicine, there has been significant growth in their use in international development (with the establishment of organisations such as 3ie and others), and in recent years there has been an appreciable emphasis on their application in domestic economic and social policymaking (Haynes, et al, 2012). More specifically, there has been some application of RCTs in evaluating welfare and employment policies. Their use in education research is also growing with the establishment of the Education Endowment Foundation in the UK, whose objectives include to secure the evidence of what works in addressing under-performance among disadvantaged children at school. These developments in education have been emerged alongside the work of the Behavioural Insights Team (BIT), initially based in the Cabinet Office. BIT have used RCT in a number of fields addressing issues as diverse as operational procedures within JobCentres and the impact of providing householders instruction in how to operate their home heating systems more effectively.

This present study, however, represents one of the few RCTs<sup>2</sup> testing means of offering business support, and the first on this scale. As such it represents a significant step forward. It has to be said, however, that the use of RCTs within the social policy landscape has its critics. Commentators suggest that the understanding of causation that underpins RCTs does not take sufficient account of context and its importance in determining the effectiveness of programmes (Pawson and Tilly, 1997; and more recently Befani, 2013, among others). Furthermore, other commentators note as the inability of RCTs to take into account what they refer to as ‘supporting factors’ that are essential to facilitating success (Cartwright and Hardie, 2012). These critiques point to the need for mixed-method approaches to understanding impact, potentially combining RCTs with other methods in order to promote both learning and accountability in evaluation. RCTs on their own, it is claimed, do little to provide an explanation of the impact of programmes – they merely provide a statistical description of a programme’s effectiveness. This is useful evidence in terms of making resource allocation decisions and in determining whether public funds have been spent wisely. However, in terms of learning more about what works, for whom and in what circumstances, RCTs should be part of a wider programme of research. It is these considerations that have informed the mixed methods approached adopted for the GVP.

As shown in the customer journey in Figure 2.1, two elements of the Growth Vouchers Programme are randomised:

- After completing the application on GOV.UK, eligible businesses are randomly allocated to either an online or personal business advice assessment. Initially, 25 per cent of businesses are allocated to an online assessment and 75 per cent to a personal assessment; and
- After completing the needs assessment and selecting an advice area, businesses are randomly allocated a voucher or to the control group. Initially, 75 per cent of businesses receive a voucher and 25 per cent do not.

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<sup>2</sup> Others include NESTA’s 2013 Creative Credits A randomized controlled industrial policy experiment, the World Bank’s 2012 paper What are we Learning from Business Training and Entrepreneurship Evaluations around the Developing World? and Calderon et al’s 2013 Business Literacy and Development: Evidence from a Randomized Controlled Trial in Rural Mexico

Every business participating in the Programme will be monitored over five years, using multiple data sources. These sources include the Inter-Departmental Business Register, a randomly drawn sub-sample of Programme participants and business surveys taken at 6, 12 and 24 month points. The core outcomes of interest are turnover, number of employees and exports as well as intermediate outcomes on growth ambitions and capability captured in the baseline data. The data will be analysed with a view to answering the following research questions:

- Do businesses that are given a Growth Voucher perform better or worse than those not given one?
- Do businesses assessed online perform better or worse than those assessed face to face?
- Which of the five themes of subsidised advice creates the greatest return?

The findings will be used to help decide future business support policy.

### The delivery model

The Department for Business, Innovation and Skills (BIS) and the Behavioural Insights Team (BIT) at the Cabinet Office, has overall responsibility for the Growth Vouchers Programme.

BIS has commissioned a number of organisations (Delivery Partners) to deliver the Programme. The Delivery Partners operate in five geographical locations across England: Greater Manchester and the North West, London, the South East, the East of England and the West Midlands though they accept businesses outside their region as long as they are registered in England. Their role is to recruit businesses to the Programme through marketing activities, validate their applications, carry out business advice assessments with businesses and to assess voucher claims. Eligible businesses outside these regions can apply for vouchers but will have a telephone or Skype assessment if it is not practical for them to see an adviser face to face. The lead Delivery Partner is responsible for managing the customer journey on the online route (but not personal assessments) but is not obliged to recruit businesses to the Programme. It serves as the main contact for businesses with questions about the Programme via a helpline and co-ordinates with the other Delivery Partners.

The Online Marketplace has been designed and is hosted by Enterprise Nation, an organisation geared towards supporting businesses with publications, events and through building business communities. Advice Suppliers, organisations who can provide strategic business advice under the five themes are registered and advertise their services on the Online Marketplace. Those who are Growth Vouchers approved, which requires professional accreditation will supply advice to businesses who receive a Growth Voucher in Stage 5 of the process.

### The logic model

The specification for the evaluation contains a draft logic model for the Growth Vouchers Programme (BIS, 2013c). The logic model sets out the goals of the Programme and the intended pathway to these goals. It makes explicit six key steps in the pathway (inputs, activities, outputs, immediate outcomes, interim outcomes, ultimate outcomes) and the causal links between them. The draft logic model can be found in the Technical Appendix for this report in section A3.

## Participants' views of the policy aims

### Making it easier for small businesses to access expert advice

The Delivery Partners and Advice Suppliers who were interviewed for the evaluation understood that the Growth Vouchers Programme is intended to encourage small businesses to take strategic advice, and that it is focused on businesses which might not otherwise do so. This aim was almost universally supported, on the grounds that many small businesses would benefit from strategic advice but are reluctant or unable to obtain it. Delivery Partners and Advice Suppliers believe that the Programme would help to address three main barriers to obtaining advice:

- **No perceived need for strategic advice.** Delivery Partners and Advice Suppliers believed that many small business owners do not know what strategic advice is or, if they did know, do not think they need it. They hoped that the Growth Vouchers Programme would raise awareness and understanding of the topic;
- **Uncertainty about where to get advice.** The business support field is seen as fragmented and confusing, with different pots of money available in different areas. The lack of a well-recognised source of information following the end of Business Link is felt to be a problem. It is believed that the Growth Vouchers Programme, and the Online Marketplace associated with it, will help fill this gap; and
- **Cost.** Delivery Partners and Advice Suppliers felt that small businesses are wary of paying for strategic advice. This might be because they feel they can't afford it or because they don't know what would be a reasonable price to pay for it. These participants believed that subsidised advice would help to overcome the cost barrier.

Businesses were not questioned on their thoughts about the policy aims, although they did cite barriers to getting advice that mirrored those mentioned above by Delivery Partners and Advice Suppliers:

- **Uncertainty about where to get advice.** Despite businesses generally feeling positive about the concept of getting business advice, many cited that they did not know where to turn to find out about their options; even those businesses who were actively considering business advice were unsure how to find the right advice for them, with little time to investigate a crowded Marketplace.
- **Cost.** Problems with cash flow were one of the most common issues cited by small business, and one of the main reasons given (along with a lack of available time to investigate the options) for a business not to have sought paid-for advice in the past.

More exceptionally, less enthusiastic views were expressed about making strategic advice easier to access for small businesses by means of a voucher. One Delivery Partner adviser opposed public money being spent on supporting small businesses with limited growth potential, such as newsagents and corner shops. Businesses themselves did not



tend to express these views, and were more generally positive towards receiving ‘any kind of advice’ that could help improve their business.

### Testing which types of business advice are most effective

The key aims of the Growth Vouchers Programme are widely understood among Delivery Partners, including testing the difference between receiving a business needs assessment in person as opposed to online. Participants used terms such as “research project”, “academic trial” and “social experiment” to describe the research aim of the Programme. Advice Suppliers were less likely to mention this aim, which is less salient to them as they tended to deal only with businesses which have already been allocated a voucher.

Nearly all participants who mentioned the research aim and objectives support it. In many cases this is because they are convinced of the value of strategic advice (or of personal as opposed to online needs assessments) and are confident that the Growth Vouchers Programme will produce hard evidence of this, which in turn will lead the Government to invest more in strategic advice. There is however some confusion and discomfort about the use of random allocation of vouchers to meet the research aims (see below).

## Participants’ views of the Programme design

Delivery Partners and Advice Suppliers were generally positive about the design of the Growth Vouchers Programme. It was seen as less complicated and easier to access than other business support Programmes such as Growth Accelerator.

### Eligibility criteria

The eligibility criteria are generally seen as appropriate and refreshingly broad compared with those of other Programmes. Participants mostly like the fact that the Programme is restricted to businesses which have not received strategic advice during the last three years. Some noted that this might exclude some deserving businesses but generally felt that it is important to reach beyond those who routinely take up whatever Government support is available (a phenomenon described by one Delivery Partner as “business on benefits”). Participants welcomed the focus on small businesses (those with fewer than 50 employees) as these businesses are seen to be most likely to use and benefit from a voucher.

### Match funding

The principle of match funding had overwhelming support among Delivery Partners and Advice Suppliers. They felt that advice is taken more seriously if businesses have to pay for it, and that people tend not to value things which are given away for free. The 50 per cent Government contribution was generally felt to be about right, although some participants thought the contribution should be higher as some small businesses might not be able to afford the level of advice they need.

### Value of voucher

The value of the voucher (£2,000) was widely seen to be about right, on the basis that it is a strong incentive for smaller businesses, although less attractive to those with closer to 50 employees. £4,000 (the total sum) was said to pay for a substantial amount of advice.

### Advice themes

The five advice themes were generally said to represent the main areas of advice which a small business is likely to need. They are also seen as clearly defined, except that there is uncertainty among Delivery Partners about the boundary between the marketing and digital technology themes. It was pointed out that websites, social media and other kinds of digital technology are often used for marketing purposes, so Delivery Partner staff conducting advice assessments were sometimes unsure about which advice theme to recommend. A number of Advice Suppliers were frustrated that the Programme required businesses to choose one theme only.

## Online Marketplace

The concept of the Online Marketplace was supported by Delivery Partners and Advice Suppliers. Advice Suppliers see it as an opportunity to advertise their services to holders of Growth Vouchers as well as other businesses. There was however some disappointment among Advice Suppliers that they are not allowed to provide support under the Programme to existing clients, or to potential clients with whom they had discussed a package of support. On the whole Suppliers welcomed the customer feedback facility, although some worried about the potential for false recommendations and unjustified criticisms.

The requirement for Suppliers to be members of a relevant professional body to supply advice to Growth Vouchers holders was criticised by some. It was argued that this could exclude expert Suppliers who happen not to be members of the right bodies, such as social media specialists who might be well placed to advise on marketing but are not members of the Chartered Institute of Marketing. This requirement was also criticised by those who did not consider membership of a professional body to guarantee proficiency in giving advice. Conversely some Advice Suppliers questioned why non-accredited Suppliers can advertise their services to non-Growth Vouchers holders on the Marketplace, feeling that they should not be allowed to list their services on the Marketplace at all.

## The research element

### **Delivery Partners and Advice Supplier views**

Delivery Partners and Advice Suppliers raised the following views with regard to the RCT.

#### ***Understanding and awareness***

Delivery Partners and Advice Suppliers were nearly always aware to some extent of the research element of the Growth Vouchers Programme, with the exception of some Advice Suppliers. As might be expected, senior Delivery Partner staff tended to have a better understanding of the research element than their juniors and Advice Suppliers. These participants knew that vouchers were allocated randomly but some weren't sure why this is necessary, which indicates that they have not grasped the nature of a randomised controlled trial.

#### ***Views of random allocation***

Participants who had a good understanding of the research element were generally in favour of the way it had been designed. They were convinced that random allocation was essential to obtain solid evidence of the value of strategic advice. One view was that it made the job of the Delivery Partner adviser easier because it removes the stress of having to make difficult decisions about which businesses should receive support.

Even among Delivery Partner staff who understood and accepted the logic behind randomisation it was widely recognised that it is disappointing for businesses – and frustrating for Delivery Partner staff conducting assessments – when businesses are not allocated a voucher. Some advisers interviewed found it hard to accept that they have no control over the outcome. They disliked having to tell a business that after going to the effort of attending a needs assessment they might be refused a voucher because the “computer says no”.

Other Delivery Partner staff were worried that being turned down for a voucher might deter businesses from applying for other forms of support in future. There were also concerns about the impact of randomisation on the reputation of the Growth Vouchers Programme among potential applicants. Even those who strongly supported randomisation recognised these concerns, although some felt that they could be managed if the nature of the random allocation and the reasons for it are explained to applicants.

### **Concerns about the research itself**

Some participants questioned the quality of the research element on the grounds that the control group (the businesses which are not allocated vouchers) might go on to take strategic advice from another source. They said that in this respect it is not like a clinical trial in which the control group is known not to have received the treatment in question.

### **Businesses’ views**

A sizeable minority of businesses expressed some doubts over whether the website made it sufficiently clear that participants would be part of a randomised controlled trial. In most cases businesses assumed that it was their responses during the diagnostic process that determined whether or not they were allocated a voucher (rather than a randomised process). When these businesses became aware of the randomised element many felt negatively about it, with some citing the time taken for small businesses to fill out the necessary forms or attend a diagnostic session, and others suggesting this could mean ‘undeserving’ businesses are granted a voucher instead of those who are, for instance, actively planning to grow.

*“I wasn’t clear about it being a randomised trial, but as it turned out it didn’t really matter because my application was selected to move forward. But I have to say it would be a bit annoying for people to put all that time and effort into it and then to be told it was a randomised trial.”*

### **Management consultancy, telephone diagnostic**

*“No, I didn’t know [it was randomised] . . . Really random? So, if you deserve it or you don’t deserve it, it doesn’t really matter . . . it’s just random?”*

### **Builder, online diagnostic**

That said, some businesses acknowledged the benefit of the evaluation in itself (rather than simply as a means to help small businesses) and as a result felt that a randomised element was appropriate.

*“The information said: ‘your application will be evaluated. And you’ll be selected at random’ I didn’t know that, but I completely agree with it. Because if the*

*government are putting money into a business they've got a right to find out whether it's successful or not ... to evaluate it"*

### **Accountancy services, face to face diagnostic**

There was also confusion amongst some business as to at which stage of the process they continued to be able to claim a voucher. A small minority of businesses commented that as they were progressing through the application they were unaware of whether they continued to be eligible for the voucher or not – possibly unaware of where in the process this randomisation occurs.

*"I was aware that not everyone would get one but it wasn't made clear to me till afterwards that it was a randomised process. I wouldn't have bothered applying if I'd known it was randomised I would have had no interest in that."*

### **Marketing Specialists, face to face diagnostic**

As might be expected, businesses in the control group are much less understanding about the process of random allocation. Some of these businesses felt aggrieved that they had invested time in the Programme for little or no perceived benefit. Some of these businesses were not aware of the randomised element of the Programme until participating in interview. The relatively small numbers of businesses in the control group make it difficult to establish any difference here in opinion by diagnostic type. However it does seem that businesses who were allocated the face to face diagnostic route appeared more likely to be aware of the randomised element than those allocated to the online route.

In the interests of transparency, it is perhaps worth considering how the randomised element of the trial could be made more obvious to businesses. However, it is clear that the concept of random allocation is less palatable to some businesses than the idea that they have just been considered to be less suitable candidates than other businesses (which is the assumption of those unaware of the randomisation process). Hence there is a risk that greater clarity over randomisation might result in fewer businesses applying for the Growth Vouchers Programme.

### **The independent research evaluation**

There is evidence to suggest that more could be done to inform participating businesses of the research evaluation. Around two-thirds of businesses who completed an online diagnostic and half of those receiving a face to face session said they did not recall being given any information at the time of the diagnostic about the research and evaluation element. Where they recall being told, businesses struggled to give any kind of detail about the structure of the research element. Currently, business knowledge of this process appears to be vague and in some cases incorrect. Nevertheless, businesses do not seem reluctant to take part.

*"He did make me aware that I would need to be involved. He didn't actually break down what would happen but he did say that in order to qualify for the funding I would need to be involved in some sort of evaluation."*

### **Funeral directors, telephone diagnostic**

*“I cannot remember if I was told about the evaluation during the discussion, although I am happy to take part in this process.”*

**Cycle hire shop, telephone diagnostic**

# Accessing the Programme

## Chapter Summary

- Nearly all businesses accessing the Programme have ambitions for growth, though in some cases these are relatively modest. This modesty suggests that effects on outcomes around employment, exports and the like, might be quite small, making them difficult to detect through the evaluation.
- Around half of businesses were actively looking for and pricing up advice; this potentially means there is some deadweight, but even those businesses actively looking still cited barriers around cost, time and knowledge of where to find advice. It seems that even for some of these businesses already on the path to finding advice, the Growth Vouchers Programme has provided the push needed.
- Around a third of businesses had sought some kind of business advice in the last three years, and just under a tenth reported paying for some form of 'strategic' advice in the last three years. This is potentially at odds with the objective of targeting those who do not have a track record of seeking advice, and points again to the possibility of deadweight.
- Delivery Partners are marketing the Programme using social media, networking, by distributing literature and promoting the Programme at business events. Business reported hearing about the Programme through a wide variety of sources, from colleagues and friends to trade press and online searches.
- Advice Suppliers are also taking an active role in promoting the Programme. A little over a tenth of businesses were approached by a Supplier registered on the Online Marketplace. There was originally a potential concern that Suppliers would be referring existing customers or potential customers who were expecting to pay full market price to the Programme (and hence introducing a substitution effect). However, at this initial evaluation stage there is no strong evidence to suggest that this is the case.
- According to Delivery Partners, the national campaign and launch was successful in attracting a large number of businesses. However applications have since slowed down and they are now intensifying activities to raise take-up. Lower take-up increases the possibility that a meaningful impact from a policy perspective might be missed due to low statistical power.
- Overall, from a Delivery Partner perspective the online application process is working well and earlier technical issues have been resolved. However Delivery Partners are experiencing difficulty getting hold of businesses, particularly micro businesses, to book in business advice assessments within the two week deadline.

This chapter describes the characteristics of businesses that have engaged with the Growth Vouchers Programme. It explains the ways in which these businesses have heard about the Programme and the strategies used to attract businesses to the Programme by Delivery Partners. It then goes on to discuss businesses' experiences of the application process and the staff perspective of managing applications and validating eligibility.

## Characteristics of participating businesses

The Growth Vouchers online eligibility check establishes that businesses meet a number of key criteria to ensure they are suitable for the Programme. Depth interviews with businesses presented an opportunity to establish more about the characteristics of businesses participating in the Programme, in particular relating to their:

- Growth ambitions;
- Their readiness to benefit from business advice; and
- Their access to advice in the past.

### Growth ambitions

Most businesses interviewed were able to articulate ambitions for growth at some level indicating that at this very high level the Programme is reaching those that it was designed for. There are however a small number of engaged businesses whose focus is primarily on exit strategies or succession planning who are perhaps not the primary target for the Programme (but it is still possible that these plans could ultimately result in employment for others).

Businesses were asked about the desired benefits of participating in the Programme. As may be expected, the desired impact of the Programme for most businesses is growth, with around two fifths mentioning this. For the most part, this means increased turnover but also includes more staff and an increased client base. A handful of businesses say that, first and foremost, they need to raise funds in order to facilitate growth while others mention support in sustaining growth; including improved skills, better marketing and improved internal processes.

*"I need to implement processes into the business that allow me to grow."*

### Chartered surveyor, Online diagnostic

In terms of their growth ambitions, some businesses were able to cite a very specific goal; for example having a new product they wanted to release to the market or a geographical expansion that they were considering. Some, however, are really focussing on recovering from the impact of the recession and hence the growth that they are looking for is more about returning to previous levels of profit / turnover. For the majority of businesses, the way in which they were hoping to achieve growth was less specific and rooted in a conviction of the potential of their business rather than a concrete plan for how growth could be achieved.

Overall, these findings seem to be in line with the positioning of the Growth Vouchers Programme as a relatively 'mainstream' offer and not one looking just to target very niche high growth businesses. However it is worth bearing in mind that the modest growth ambitions of some businesses may impact on the ability of the Programme to prove impact on hard measures such as turnover or employment. Moreover, effects of a modest scale

may not justify the public resources devoted to the scheme. Ultimately, however, it will be the role of cost-benefit analysis to assess this.

When asked about the challenges that they were facing, businesses mentioned a range of different factors which are, in their view, impeding further growth. Foremost of these are cash flow, finding the right staff, raising finance and exploiting new technologies. These challenges align well with the themes of advice that the Growth Vouchers Programme offers. However, there is perhaps a slight mismatch between the frequency with which the challenges of cash flow and finding staff were mentioned, compared to the frequency with which businesses choose the 'raising finance' and 'expanding workforce' themes following their Business Advice Assessment.

### Advice readiness

In terms of readiness to benefit from strategic advice, recruits to the Programme at this stage represent a relatively even balance between those who were already planning to get advice and those who were open to the idea but were not actually actively in the market for it at the time that they were recruited to the Programme. Around half of the businesses applying for the Programme said they were actively considering taking advice before their involvement with the Programme. It is possible that some of these would have taken advice without participating in the Growth Vouchers Programme (and hence represent some deadweight) but in this group there was still a large proportion that cited having experienced problems in seeking advice in the past which had deterred them from taking their intentions any further. The two main reasons given were that the cost of advice is prohibitively expensive (mirroring the cash-flow concerns of many of these small businesses) and the lack of any particular knowledge in who were the right companies to approach. These are two of the established market failures in relation to advice for small businesses that the Growth Vouchers Programme is specifically looking to tackle.

Around half of businesses had not actively considered seeking advice prior to their engagement with the Programme but were open to the idea of seeking some to stimulate growth. Previously these businesses had tended to assume that the cost would be prohibitive, that they would not be able to secure the right type of advice for their business (sometimes believing that advice would be too generic) or had simply not known where to start in order to find strategic advice. For these businesses, the Growth Vouchers Programme appears to have at least made them consider an approach that they may well not have got around to taking seriously otherwise.

There were only a handful of respondents who did not appear to be particularly engaged with the idea of seeking strategic advice and who admitted that the reason for accessing the Programme was largely just to see how the Programme worked and how much money they might be able to secure.

*“Money. It’s as simple as that. The Growth Vouchers provide match funding and I thought OK I want to grow the business and the possibility of getting funding would be very useful for the business.”*

**IT Service Company, online diagnostic**



## History of advice seeking

In order to qualify for the Programme businesses must tick ‘no’ when asked on the early webpage that checks their eligibility “Have you paid for strategic<sup>3</sup>, <sup>4</sup> business advice in the last three years”. By the time of interview few businesses recalled that this was one of the eligibility criteria and some of those who did recall it were unsure about what advice they had to disclose (and had opted simply to assume that any advice they had received did not impact on their eligibility).

*“They need to clarify that if you’re a business you’re going to get day to day advice and year end accounts from an accountant, so it needs to be advice over and above what you would normally constitute day to day advice from [an] accountancy professional.”*

### Vehicle finance business, F2F diagnostic

When asked in the depth interview, around a third of businesses said they had received some kind of business advice in the past three years. Of these, a little under half had received advice for which they incurred a cost to the business. Where the business had not paid for the advice this was largely sourced from government-based support or delivered on an informal basis by peers.

*“We’re looking to possibly develop one or two extra roles and also moving into some different areas. I just wanted to see what support was out there, advice wise and also cost because I didn’t want to put myself into further debt in order to grow the business, so I wanted to see if there was any help out there to do it. I was looking for free advice or subsidised advice.”*

### Graphic design agency, online diagnostic

Fewer than a tenth of businesses interviewed appeared to have accessed advice that might be described as strategic advice i.e. tailored advice about business planning, marketing approaches or management techniques. By rights, these businesses should have screened themselves out of the Programme but they were in a relatively small minority and it would appear that the majority of businesses that are being engaged are suitable in terms of their previous access to advice.

## Introduction to the Programme

### Promotional activities of Delivery Partners and Advice Suppliers

Delivery Partners are employing several different strategies to attract businesses. These vary between organisations and can be grouped into two main approaches. One approach

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<sup>3</sup> By ‘strategic business’ advice we mean advice such as developing a financial, marketing or growth strategy, exploring how digital technologies can be used to improve productivity, and undertaking a skills audit.

<sup>4</sup> If a business has received day to day advice from an accountant, book keeper, and solicitor or as a member of a business organisation on completing your annual business accounts, or understanding the legal / regulatory requirements of running your business, they would be eligible for the Programme.

involves a large marketing budget and with a dedicated marketing team, newly employed specifically to market the Programme. Within this approach, business advisers delivering business advice assessments are not directly responsible for marketing activities but promote the Programme where appropriate, for example by networking, signposting and distributing marketing materials.

The contrasting approach uses a relatively small budget spent mainly on marketing materials such as leaflets and postcards. Within this approach, responsibility for marketing the Programme is spread across staff including senior personnel and advisers. The Programme is being promoted at events, seminars and talks on other business related issues. At the time of interview some Delivery Partners appeared to have made less progress on their marketing strategies than others and were making plans to develop their campaigns.

Promotional activities common across both approaches include:

- Active social media campaigns including Twitter, Facebook and LinkedIn;
- Talks and networking at events, business shows, seminars and conferences;
- Dissemination through organisations such Chambers of Commerce, Federation of Small Businesses and banks as well as Advice Suppliers;
- Distribution of brochures, leaflets, postcards and posters;
- Press releases and articles through the local media;
- Communications in newsletters, trade magazines and e-bulletins; and
- Active email campaigns to networks including potential businesses and Suppliers.

Not all Delivery Partners have contractual responsibility for marketing the Programme. In the absence of this obligation marketing activities are being performed in-kind to help support the Programme. They include; a central social media campaign, mail-outs and press releases.

Interviews with Advice Suppliers indicate they are also playing a role in recruiting businesses to the Programme. Their activities include using social media, blogging on websites and business forums, featuring the Programme on their websites, speaking about the Programme at events and signposting eligible clients or small businesses they know to the Programme.

However a number of barriers are preventing some Suppliers from promoting the Programme. Firstly, Suppliers reported that their existing clients are mostly ineligible (having already received advice), nor have they come across any other businesses that might be eligible. Some are held back by a perceived lack of information about the Programme or about how to promote it. Suppliers are also concerned about losing clients to other Suppliers or that the possibility of not getting a voucher may be too off-putting for businesses. Suppliers who felt that gaining approval as a Supplier is too easy also lack confidence in the quality of other Suppliers.

### **How businesses have heard about the Programme**

Businesses have heard about the Programme through a number of channels. Word of mouth is a common way of discovering the Programme, with a large proportion hearing about it in passing through their colleagues, friends and business contacts; often who are participants themselves. The Programme is also being highlighted in the written press, including trade publications. Small business forums and informal networking events for

small businesses are also mentioned as ways in which businesses were being introduced to the Programme.

Another common route into the Programme comes through a general internet search by businesses for sources of advice, either through a search engine or through the GOV.UK portal. A handful of respondents mentioned that they had been made aware of the Programme through interaction with other government departments, particularly HM Revenue and Customs.

Around 1 in 8 businesses were approached by a Supplier or adviser that was already registered on the Online Marketplace. In these cases, there could perhaps be a concern that Suppliers were referring existing customers or potential customers who were expecting to pay full market price for advice to the Programme (and hence introducing a substitution effect). However, there is no strong evidence to suggest that this was the case and most businesses hearing about the Programme in this way did not appear to have had a history of paying for advice with the Supplier or to have approached them concretely about purchasing advice.

The marketing channels mentioned by participating businesses did not appear to show much evidence of direct activities by Delivery Partners. However, those interviewed were very early participants in the Programme (at which point many Delivery Partners had not had time to get their marketing fully underway) and it is also possible that some of the routes mentioned (for example an approach by a small business forum) represent the indirect involvement of a Delivery Partner.

## Experiences of promoting the Programme

Delivery Partners reported a number of factors influencing their ability to recruit businesses to the Programme.

- **Match funding:** the financial contribution was raised as a barrier to participation for some businesses. While £2,000 is viewed positively as the upper limit of affordability for many small businesses, there are concerns that micro businesses consider themselves unable to raise these funds and automatically assume the need to contribute the full £2,000. One Delivery Partner gave an example of a business that withdrew from the Programme just before their diagnostic assessment until they could afford the cost of the advice. Some advisers are now emphasising that good quality advice can be purchased for much less than £2,000 and that this is simply the maximum needed. It may be useful for this message to be spread more widely;
- **Communications:** participants have observed that businesses are confusing the Growth Vouchers Programme with other similarly-named Programmes (such as the Growth Accelerator scheme) and are finding themselves ineligible for the wrong Programme or put off by the complexity of the other Programme. Delivery Partners also reported misunderstanding amongst businesses about the purpose of vouchers, for example buying equipment. The term 'voucher' is also thought to be being misinterpreted to mean that the Programme is free. Delivery Partners are now emphasising the requirement for match funding via additional materials such as the website and emails. These misconceptions indicate a need to communicate information about these aspects of the Programme more effectively; and

- **Randomised Controlled trial:** the RCT aspect of the project is seen as a potential barrier by some Delivery Partners and Advice Suppliers, as mentioned above. Delivery Partners felt the Programme is a ‘hard sell’ owing to the potential for not getting a voucher, particularly considering the requirement for some businesses to attend a personal diagnostic. In contrast, some businesses view the RCT positively for its potential to contribute evidence that advice is beneficial for businesses.

### **Effectiveness of engagement strategies**

Delivery Partners reported that the numbers of applicants to the Programme is slowing down after an initial surge that resulted mainly from the Programme launch and national campaign. This has led to a higher proportion of non-local businesses needing telephone diagnostics than expected and presenting a challenge with meeting the higher target for seeing businesses face to face. Delivery Partners stated that attracting more businesses to the Programme through local marketing activities is a major priority in terms of meeting their targets and making the trial a success. Plans to intensify local marketing activities were being made and are discussed in the next section.

On the whole it is difficult for Delivery Partners to identify the effectiveness of individual activities due to the limited amount of data they hold. They would like more detailed data to analyse the effectiveness of individual marketing activities. Delivery Partners reported that the categories on the BIS website about how businesses have heard about the Programme are too broad to measure the success of specific activities. In addition the majority of businesses reportedly select the “other” category which again creates ambiguity. One Delivery Partner reported that BIS have instructed against asking businesses how they had heard of the Programme, although other Delivery Partners do.

### **Strategies to increase engagement**

Delivery Partners are focusing efforts on marketing activities to increase uptake of the Programme and of face to face diagnostics. Reaching eligible businesses was felt to be a challenging task.

Case studies of success stories are a widely anticipated marketing strategy and will be possible once businesses have navigated their way through the Programme and are seeing impacts. Case studies are expected to help to personalise the Programme and Delivery Partners hope that using interesting and wide ranging businesses will attract more businesses to the Programme.

In addition, adding impressive statistics to marketing materials was suggested as a way to help stir up interest, for example showcasing the amount of money allocated to the vouchers or the number of businesses signed up. Other suggestions include local as well as national marketing using large media platforms like television and radio.

## **Applying for the Programme**

### **The online application process**

The following section describes how businesses apply for the Growth Vouchers Programme; this involves a short eligibility check undertaken by all businesses, and then businesses’ experience one of two ‘diagnostic routes’ assess their advice needs.

The first stage of applying for a Growth Voucher is completed online by all businesses. Beginning on the landing page [www.gov.uk/apply-growth-vouchers](http://www.gov.uk/apply-growth-vouchers), businesses are first taken through five short (yes / no) questions that ascertain their eligibility for the Programme.

Answer the questions below to find out

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Eligibility      Application Form      Confirmation      Outcome      You're Done!

Is your business registered in England?  Yes  No  
(Either registered with Companies House or HMRC if self-employed)

Do you have 249 FTE employees or less in your business?  Yes  No

Are you actively selling goods and/or services?  Yes  No

Do you have a turnover of less than £45 million?  Yes  No

Is your business independent (i.e. less than 25% owned by one or more external organisations)?  Yes  No

**Next >**

[I do not want to proceed](#)

All eligible businesses then immediately go on to complete an online application form, which gathers additional details on the business's growth ambitions and general capabilities, as well as their contact and company registration details. Businesses then accept a disclaimer and submit their application.

The business is then randomly allocated to have their advice needs assessed via either an online or a personal route.

The Programme appears to be working well in informing businesses as to whether or not they would be eligible to participate. Businesses felt the criteria for inclusion were very clearly displayed on the landing page of the system and often acted as a quick checklist for them to decide whether or not they should take it further.

*“There was a list of criteria for eligibility displayed. I mentally checked them off and thought “Yes, I’ve got a chance at this”*

#### Healthcare IT company, telephone diagnostic

As mentioned earlier, the one criterion businesses struggled to recall was that eligibility was dependent on not having received strategic advice in the last 3 years. In addition some cited difficulties in understanding what types of advice would qualify as “strategic”

Overall, from the Delivery Partner perspective the online application process is working well and is relatively straightforward. However, it was commented that there had been some minor teething problems with this process. For example the design of a webpage meant that in the first couple of days some applicants were unaware they had to scroll down the page and select a Delivery Partner before completing the process. This affected around 50-60 businesses and since then the webpage has been adapted. There were also problems with the inputting of details whereby applications were not accepted if applicants' details were entered inaccurately for example "Limited" instead of "ltd".

### The validation process

Online applications are checked by advisers to ensure that businesses that apply are in fact genuine companies and eligible for the Programme. Advisers validate eligibility using a form developed by BIS and the process is felt to be working well. Validation checks involve looking up company websites, checking directories such as 'Companies House' the registrar of companies in the UK, and Yellow Pages. To confirm that companies have fewer than fifty employees advisers also use online databases such as Mint UK and Fame which provide detailed information about UK businesses. This information is not always available and if in doubt advisers call or email businesses to ask for proof. Advisers also check turnover and VAT numbers and in cases where the stated turnover is particularly low businesses are contacted to ensure they are trading. All of the details checked are then confirmed in a telephone call with businesses.

Validation is reportedly more complicated for sole traders. In these instances applicants are asked to provide an HMRC letter showing a unique tax reference. In the meantime applications could go ahead so as not to hold things up.

### Booking personal diagnostics

Diagnostics are arranged either by administrative staff or business advisers. Administrators or advisers make initial contact with applicants, explaining the Programme and booking appointments. They can experience considerable difficulties getting hold of businesses within the two week timeframe to arrange an appointment and in some situations businesses do not recall submitting an application. Micro businesses, particularly sole traders, are found to be particularly hard to reach.

Administrators and advisers responsible for initial contact with businesses and booking diagnostic appointments reported that some businesses are put off by the prospect of a face to face appointment. Often, businesses were observed to be confused about why they were being asked to attend a face to face appointment when they had completed a detailed application which suggests they are unaware of the diagnostic aspect of the customer journey. While telephone diagnostics are offered to businesses that are located out of the area administrators sometimes offer telephone assessments to businesses that are particularly resistant to meeting face to face to help avoid drop-out. While it is not possible to report exact numbers, some applicants were said to have withdrawn from the process at the initial contact stage because they either do not have the time to participate, do not want to pay for the Programme or are ineligible, for example because they have already received strategic advice.

Businesses report that Delivery Partners generally got in touch to instigate making an appointment for the assessment. In terms of whether a face to face or telephone discussion was chosen, some businesses say they were offered a choice, and some businesses state they were not, and did not realise it was possible to choose the channel.

Of those that recalled being offered a choice, a similar proportion chose face to face and telephone.

The choice of channel seems largely driven by personal preference, time available and location of the Delivery Partner. Some businesses said they simply prefer speaking to someone face to face, or feel less comfortable using the telephone. As discussed later, a small number of businesses were under the impression that the diagnostic required them to make a 'business case' for a voucher and so favoured face to face thinking this would enable them to communicate the merits of their business more effectively.

Others report being particularly busy and not wishing to take time out of their schedule for travelling to a face to face meeting. In some cases, the location of the Delivery Partner made a face to face meeting untenable.

*"It was over the phone – we are based in Cornwall and would have had to travel 6 hours to the Midlands for a face to face meeting!"*

#### **Manufacturer of corporate clothing, Telephone diagnostic**

That said, some Delivery Partners visit the business to provide the face to face diagnostic, cutting out the considerable travel issue, though it was not obvious that any of the businesses involved in this formative evaluation had experienced this.

# The Business Advice Assessments and Voucher Allocation

## Chapter summary

- In general, the business advice assessment (or diagnostic) routes are working well, in that businesses do not report major problems accessing either the online or personal diagnostic routes, and are generally satisfied regardless of diagnostic channel.
- BIS has given Delivery Partners a broad remit in the design of personal diagnostic assessments. As a result, the nature of assessments varies greatly between and within Delivery Partners in terms of style, length and content. This variation suggests that currently this can not necessarily be considered a single consistent treatment option.
- Evidence points to more discussion based or less structured approaches adding more value for businesses, and representing less of a 'tick box' approach that is similar to the online route. However more structured approaches allow advisers flexibility to probe and objectively assess businesses' responses if needed.
- The online route is considered quick and simple, while the personal route adds value because businesses appreciate the opportunity to step outside the day-to-day issues of their business and talk about their long-term aims with someone knowledgeable. The value added is perhaps 'softer' than originally envisaged, with few businesses reporting that their personal diagnostic caused them to re-evaluate or reassess their business.
- Within the personal route, advisers generally prefer face to face diagnostics over telephone because they enable a more detailed understanding of businesses' advice needs. However telephone diagnostics are less demanding on time and travel. There is little evidence that businesses get a different level of service from the telephone or face to face routes.
- Advisers have mixed views about whether or not they should challenge businesses on their preferred advice theme. Advisers using more and less structured approaches challenge businesses if they feel their preferred theme is unsuitable and feel businesses are generally receptive to being challenged.
- MI data showed that amongst all businesses, the theme most often opted for following the diagnostic (be it via the online or personal route) is Sales and Marketing, with Raising Finance or Expanding Workforce least likely to be suggested.

This chapter focuses on business advice (or diagnostic) assessments, for which 2,673 have been completed to date. It draws on interviews with Delivery Partners and



businesses to describe the design and delivery of the personal and then online routes. It then explores how useful and effective these routes are in assessing advice needs.

## Business advice assessments

If a business is randomly allocated to the personal route, this means their advice needs are assessed by an adviser, either via telephone or in person. The steps to the personal diagnostic route are as follows:

1. The business is asked to pick a region, after which a Delivery Partner is selected.
2. The Delivery Partner contacts the business to arrange an appointment.
3. Businesses are offered either a face to face or telephone assessment.
4. Based on the assessment, the business is recommended an advice theme. The business can accept the theme or select an alternative.
5. Once the theme is confirmed the business is randomly allocated to either the treatment group (awarded a Growth Voucher) or the control group (not awarded a Growth Voucher).
6. All businesses are sent an email confirming their voucher outcome with a link to the Online Marketplace and a guide to choosing and managing a business adviser.

## Design of the personal diagnostic

BIS has given Delivery Partners a broad remit regarding the way they conduct personal diagnostic assessments. Delivery Partners have used their own experience and expertise to tailor their approach and in some cases have adapted diagnostic tools used in the past. The tools in use are diverse, ranging from structured to unstructured in design.

### Structured approaches

On the more structured end, one Delivery Partner has developed a diagnostic tool using Microsoft Excel for use by all advisers carrying out Growth Vouchers diagnostics. This involves a script which introduces the Programme and the randomisation process, before asking for demographic details. It then requires businesses to self-score themselves from 0-10, on six statements under the five advice themes. The system then calculates the scores to identify an advice theme and produces an action plan which flags up weaknesses and suggested actions. Other structured approaches include a business assessment questionnaire or a balance score card.

### Unstructured approaches

Unstructured approaches use templates of questions and lists of key issues to address. Although advisers cover all of the necessary topic areas, their approach is not fixed and they can probe and steer the line of questioning as they see fit. Flexibility to probe, question and follow up on responses is considered key to determining the fundamental issues affecting businesses and to uncovering underlying issues that businesses may not have realised are restricting their growth. This is felt to add value compared to the online approach because it allows businesses to focus on advice themes based on their needs rather than their wants. One adviser commented,

*"I think where you get more value than on the online is you just have the set questions. Now we provide the online questions to our advisers as a tool so we've got some commonality across the advisers as the kinds of questions you might want to ask but as you get an answer you then challenge them on that*

*answer to then get what's coming out of it and because we're using experienced advisers, we're relaxed because we know we'll respond to the client in the session and give them quality advice, that's how the value gets added."*

### **Delivery Partner, Operational Lead**

The way advisers approach less structured diagnostics and the tools they use vary from one adviser to the other even within the same Delivery Partner organisation. In some cases advisers have simply been told the purpose of the assessment and have been encouraged to adopt an approach they see as appropriate as experienced advisers.

Approaches have evolved since the beginning of the Programme. Delivery Partners have tweaked and improved the design of their diagnostic tools after trialling them. For example, one Delivery Partner using a more structured approach has created a more tailored version for micro-businesses to accommodate their more specific needs. Another Delivery Partner using a structured approach is now allowing more scope for probing underlying issues and using the tool flexibly, as a guide to ensure everything is covered. Others have simplified their tools or clarified questions that were being misunderstood by businesses.

### **Delivery of the personal diagnostic**

Personal diagnostic assessments either take place in person or via telephone. While Skype is an available option, none of the advisers or businesses interviewed for the evaluation have used it. This section describes the step by step customer journey that personal diagnostics tend to follow, drawing on both interviews with Delivery Partners and businesses as appropriate.

Face to face diagnostics are generally reported to last longer than telephone interviews. Additionally, structured approaches are generally shorter than unstructured approaches; structured approaches can last between 15 minutes for a telephone session and 45 minutes for a face to face assessment. Unstructured approaches can last between 20 and 45 minutes over the telephone and one to two hours in person. Advisers explained that face to face diagnostics tend to be more interactive and therefore last longer. Moreover businesses can get weary over the phone so these sessions are sometimes condensed. That said, some telephone assessments have lasted longer due to the absence of body language and non-verbal cues causing advisers to ask more questions.

Face to face assessments are either held in Delivery Partners' offices, at businesses' premises or in public spaces such as cafés. Diagnostics take place on the phone if businesses and advisers are not located within reasonable distances from each other. Advisers had observed a recent rise in cancellations and unannounced non-attendances, prompting some to make reminder phone calls to businesses.

### **The introduction**

All diagnostics start with a basic introduction to the Programme. Some advisers however begin their assessments before meeting businesses by looking at company websites or Growth Voucher applications in order to get a better sense of the business and help them conduct more effective assessments. In contrast, some advisers avoid researching businesses in advance feeling this could result in preconceived ideas about what theme the business wants and limit their ability to identify the correct theme.

Advisers then start their sessions with an introduction to the Programme, with those delivering more structured approaches using scripts. These introductions are seen as an opportunity to clear up any confusion or misconceptions about the Programme which advisers remarked are common among businesses many of whom have not read the Programme terms and conditions. The extensiveness of this introduction varies, with advisers covering any of the following areas:

- **What the Programme offers:** this includes the use of vouchers for strategic advice. Businesses are not always aware of what 'strategic advice' means and in these instances advisers explain this to them and describe the five advice themes. Businesses that reported receiving an explanation of the advice themes by the adviser felt more aware of the types of advice that were available and the distinction between the themes.
- **The research element:** advisers reported that businesses are not always aware of the research element and explain the possibility of not getting a voucher so that businesses know what they are signing up to before proceeding. Some advisers also emphasise that the diagnostic and action plan is worthwhile even without a voucher. One explained,

*"The point we're really trying to get across to them is they may not get a voucher and it's completely random, nothing we say or do will change it, but actually forget that, take benefit from this session anyway and grow your business"*

#### **Delivery Partner, Operational Manager**

- **Match funding:** awareness of match funding and the requirement for businesses to pay full advice fees before reclaiming half the costs within the three months is also reportedly patchy. Some businesses are also unaware they are expected to make any contribution at all so advisers explained they emphasise these rules.
- **The Online Marketplace:** Advisers inform businesses that they should use the Online Marketplace to source Advice Suppliers and clarify that only accredited Suppliers can be used with a Growth Voucher.
- **Eligibility criteria:** advisers using structured approaches routinely check eligibility while others do so at their discretion. Some businesses have been identified as ineligible at this stage due for example to businesses having accessed the Growth Accelerator Programme or intending to use the voucher for practical support.

The introduction is then followed by the main part of the diagnostic process; a discussion of themes.

### **Deciding on an advice theme**

#### **Theme assessment formats**

The way in which advice themes are agreed in personal diagnostics varies considerably and reflects how structured the assessment approach is, although there is evidence of variation even within the two approaches. Businesses that experienced the less structured

approach with more time to discuss the specifics of the business tended to feel particularly positive towards the session.

This variation within the personal diagnostic route suggests that currently this can not necessarily be considered a single consistent treatment option when it comes to analysing the after effects of the different diagnostic channels. This could potentially create some difficulties at the analysis stage as when drawing comparisons just between the online and the personal channels we will be comparing a very consistent online treatment with a highly variable personal treatment. It is also important to consider what businesses are getting out of this personal approach, and whether it is sufficiently different from the online approach in terms of value added for businesses.

- **Structured approaches:** as described above, more structured approaches are based on scoring systems through which themes are generated. Advisers indicated that theme outcomes reflect the desired theme in most cases. Where businesses disagree with the theme, advisers using automated tools sometimes reflect on scored statements and possibly alter them so that a different theme is produced.

Many businesses report their personal diagnostic session and discussion of advice themes was largely structured around a questionnaire (much like the online diagnostic) though with plenty of room for discussion about the business's specific circumstances.

*“There was a questionnaire as well. It was absolutely fine I thought it was a good mix so ascertaining information and having a discussion at the same time.”*

#### **Manufacturing of skincare products, Telephone diagnostic**

Amongst businesses interviewed smaller numbers cited a more rigidly structured session, likened to a ‘tick-box’ exercise,

*“There could have been a bit more “Tell me about your business. What do you do?” as opposed to “I’ve got questions to ask you”. That sounds harsh ... but it would have been better for me to tell them how we do it, where we are and say we’re not the same (as others) and have a niche product.”*

#### **Manufacturing of accessibility equipment, Telephone diagnostic**

- **Unstructured approaches:** advisers using more open approaches tend to explore advice needs either by discussing each theme systematically or by discussing businesses’ aims, priorities, challenges and ideas for growth. These approaches range from being semi-structured to completely open. Coaching techniques appear to be common amongst advisers using unstructured approaches. Coaching allows businesses to come to their own conclusions about their desired theme but based on a guided and objective analysis of their needs.

In line with this approach some businesses described an open and flowing discussion, such that they were not aware of any questionnaire element at all.

*“We had an open discussion. The guy told me what it was all about. He asked me to go through what this business was about and I was about, and we just had a good open conversation and went through all the options.”*

### **Telecommunications, Telephone diagnostic**

Advisers sometimes find it difficult to select just one theme, particularly because some advice areas are felt to be interlinked with overlaps frequently found with the marketing and digital technology themes. In these situations advisers select the most appropriate theme of the two but suggested that some themes could be collapsed.

#### **Challenging theme preferences**

While some advisers ask which theme businesses prefer outright, advisers using both open and structured approaches argued against this because of the belief that the themes businesses are interested in do not always reflect their real needs. Advisers also explained that some businesses do not already have a theme in mind and decisions come about after detailed discussions of ambitions and growth plans, and which advice theme represents the best value for the business.

Of the businesses following the personal diagnostic route, a little over half had a firm idea of the type of advice that would benefit their business most, and told the adviser up-front what advice they feel would be most suitable. Three quarters of these businesses say the adviser agreed with this suggestion and did not challenge their views (perhaps raising the question of whether there should be more challenge in the personal diagnostic to create a greater difference between this and the online route).

*“I did go into the session with a good idea about what I wanted but he helped me confirm that that was what I needed. It was a whole conversation and he backed up my thinking really. We didn’t discuss any alternatives.”*

### **Funeral directors, Telephone diagnostic**

In some of these cases (around a quarter), the adviser would challenge the business and ask further questions to double check that the advice was the most appropriate for the business.

*“I think I’m lucky in that I’m relatively focussed so I knew what we were looking for and she put the icing on the cake for that. She did challenge my thinking because she asked me about other areas of my business.”*

### **Data management, Telephone diagnostic**

A little under half of businesses following the personal diagnostic route were not as sure of the type of advice that they wanted. These businesses appear to have had a more ‘open-minded’ discussion with the adviser, with the most suitable theme emerging naturally through this discussion, to the satisfaction of both business and adviser.

Advisers reported that businesses are generally receptive to being challenged; however, they felt there is little that can be done if a business is adamant about a particular theme.

In addition there were mixed views among advisers about whether they should challenge businesses on their preferred themes. Advisers who are against doing so stated feeling it was not their place because they do not know businesses well enough to challenge them or that it should be up to the Advice Suppliers to challenge businesses.

Other advisers saw challenging businesses when appropriate as a fundamental part of their role with one adviser stating that she was not doing her job properly if she did not. Some advisers only felt it was appropriate to challenge businesses if their request was unsuitable in the extreme.

Advisers stressed the importance of challenging businesses in the right way. Several techniques are employed to do this, which include offering an alternative view for businesses to consider, encouraging them to reconsider their scores or asking businesses to justify their reasons for the theme. In asking for a rationale, or pros and cons, advisers stated that they are guiding rather than challenging businesses to come to their own conclusions. This approach is seen to lead businesses to be more satisfied with their choice and more likely to take the related advice on board.

## Action plans

About half of businesses following the personal diagnostic route recall receiving an action plan afterwards. There does seem to be some variation here by Delivery Partner; in terms of businesses recalling receiving an action plan after the session. Businesses also seem more likely to receive an action plan after a face to face diagnostic than a diagnostic over the telephone.

### Delivery Partner views of action plans

As with personal diagnostic sessions, the content of action plans, and therefore their usefulness to businesses, appears to vary and the nature of action plans seems to depend largely on the type of diagnostic tool used. Automated diagnostic tools for example automatically produce action plans detailing scores for each theme with a list of generic actions. Although advisers can add free text or tailor actions to businesses they questioned whether these actions plans are specific or meaningful enough for businesses.

Advisers using less structured diagnostic tools tend to write action plans themselves. They summarise the discussion and chosen theme and write action points for the business or Advice Supplier. One adviser felt it necessary to agree action plans with businesses before submission in case of dispute later on, in some cases allowing a few days for reflection.

Advisers questioned the level of detail needed and the extent to which they should tailor the plan to individual businesses. There was a general view that action plans need to be sufficiently comprehensive and detailed to be useful, and some advisers felt they are not currently meeting this aim.

### Business views of action plans

Around two thirds of the businesses that remember receiving an action plan feel it was a useful document. These businesses tend to say that their action plan highlighted their business priorities and specified the next steps to be taken (some detailing who should take each step, and by when), and sign-posted the business to advice providers.

*“Yes. A breakdown of what needs to be done, and who should be doing it, to look further into growing the business you need to get more customers. I’ve worked off it - I’ve found it very useful.”*

#### **Event catering, Telephone diagnostic**

Indeed, a small number feel the action plan was akin to a ‘strategy’ or business advice in itself.

*“Yes, the action plan was a strategy: how to market my company better or alternatively, better use of social media and some ideas for my website. He was very good, very useful.”*

#### **Book keepers, Face to face diagnostic**

Some businesses also actively acknowledge that the action plan is a useful document regardless of whether they are allocated the voucher, suggesting that even without a voucher this personal diagnostic element coupled with a subsequent action plan is an effective way of encouraging businesses to seek strategic advice.

*“It was an email – regardless of whether I got the Growth Voucher or not it showed me who I should talk to and what action to take. It was pretty clear and useful.”*

#### **Imaging Software, Face to face diagnostic.**

The third of businesses that report the action plan was less useful tended to feel the plan was sparse (some citing it was just a summary of the diagnostic discussion), or not relevant to the business, or not very useful because the business felt they ‘knew what to do anyway’.

*“He said that he would write them up and I just got a document that was the outcome of the lottery draw and not with recommendations of where to go for help, so I don’t know what happened with that really. It was a little bit useful but not worth the two hours. I mean I probably could have Googled it and got the answers.”*

#### **Software design, Face to face diagnostic**

### **Voucher allocation**

Across Delivery Partners the sessions generally end with advisers informing businesses that they will write up the action plan after the meeting and submit it to BIS. They then explain that BIS will email them with their action plan, voucher outcome and information about the next steps, including how to access the Online Marketplace. Some give more detailed guidance about using the Online Marketplace and selecting a Supplier while others feel the information provided by BIS is sufficient.

In some cases, the action plan is written up and submitted at the meeting and the voucher outcome is delivered instantly so that businesses are spared the wait. Where this is not possible or desirable the action plan is submitted shortly after the meeting. In some cases this is because action plans are first passed onto administrative colleagues who are

responsible for uploading the forms. Elsewhere advisers prefer to write up action plans afterwards so that they can concentrate fully on the advice assessment. One Delivery Partner has been trialling a short delay in submitting the action plan to allow businesses to confirm that the session has been useful before receiving their voucher outcome. This is intended to protect advisers from complaints from businesses who are dissatisfied because they have not received a voucher.

Due to spam filters and incorrect email addresses some businesses had not received voucher outcome emails. This means businesses awarded a voucher have less time to use it. Some advisers therefore contact businesses to confirm their outcome.

### **Businesses' responses to receiving a voucher**

For the most part, businesses that were allocated a voucher were pleasantly surprised at the speed at which a decision was reached. This may, in part, be a function of a lack of awareness among businesses that the allocation of vouchers is random.

*"Within a day, I think, I had been told that we had that funding. That was cool – very quick."*

#### **Accounting firm, Face to face diagnostic**

Some of the businesses that were allocated vouchers struggled to recall the content of the email informing them that they had been successful, and a handful had not looked at it in any detail at the time of interview. However, there is no sense among these firms that there are any issues in how the email conveys the message, with most businesses saying that it is clear and that they understood from it what the next steps in the process are and how the voucher could be redeemed.

*"It was as I expected and no surprises. Everything was pretty clear."*

#### **Software business, Face to face diagnostic**

The one exception to this is the requirement for businesses to match the funding for advice. Despite the guidance informing businesses of this at the start of the process, approximately a fifth of those who were allocated a voucher say that they were not aware of the need to provide half the funding until they read the confirmation email. As we will go on to discuss, this creates a barrier for some businesses' participation in the Programme, particularly the smallest firms, for whom cash flow presents a particular challenge.

*"I wasn't aware I had to pay 50%. If I had known that beforehand I would never have even filled in the application as I don't see how it can benefit a small company like me."*

#### **Children's home, Face to face diagnostic**

### **Control group responses to not receiving a voucher**

As part of the formative evaluation phase, we also spoke to businesses that formed part of the control group i.e. those that applied and undertook the diagnostic but that were not allocated a voucher. Almost all of those we spoke to understood that they may not receive a voucher – this is not felt to be a problem. However, around half were not aware that the allocation of vouchers takes place on a random basis.



For these businesses, it is a difficult message to accept; those we spoke to prefer to think that diagnostics are an opportunity to “pitch” their business as an appropriate candidate for a voucher that is then either accepted or declined on merit. These businesses are clear that they would not have participated in the scheme had they known this at the start.

### ***Impact on further advice seeking***

The numbers of businesses interviewed from the control group is not large (around 20) so caution should be advised in extrapolating conclusions, but for the most part participation in the scheme does not appear to have significantly impacted on their future behaviour or attitudes towards business advice. Of those business who received a face to face diagnostic, around half say that they were suggested alternative schemes; although they struggle to recall what these were, and have not so far acted on this. A handful of businesses feel put off applying for similar government schemes as a result of feeling their time has been wasted. For the most part, however, businesses’ experience of the Growth Vouchers Programme does not appear to have discouraged their interest in seeking advice more generally.

*“I think the reality is that you want advice all of the time. I mean no one stops listening.”*

### **Web design agency, Face to face diagnostic**

Advisers could be grouped into two main categories in relation to their attitudes to providing help and support to businesses who do not receive a Growth Voucher. First, advisers who believe that they are not allowed to provide continued assistance or signpost businesses to other programmes because this would conflict with the interests of the Programme and therefore avoid doing so. Second, advisers who understand their role should end after allocation but are open to helping businesses that ask for assistance, particularly previous clients or members. To these businesses they describe signposting to knowledge transfers and recommending networking and industry trade fairs.

## **Online diagnostic assessments**

This section discusses businesses’ and Delivery Partners views of the online route.

The overall structure of the online diagnostic is as follows:

1. The business is sent an email that directs them to the online diagnostic. The online diagnostic is a series of scale / ratings-style questions that the business completes online; the questions cover each of the five advice themes that are available via the Growth Vouchers Programme.
2. The business then works through the online diagnostic, answering questions about their businesses’ capabilities within five specific theme areas. Based on the answers given, the business is recommended an advice ‘theme’ (the area in which their answers suggested the business is weakest). The business has the option to accept the theme or select an alternative. The business can return to this screen at a later date if more time is needed to make the decision, as the theme decision once made is final.

3. Once the theme has been confirmed, the business is then randomly allocated to either the treatment group (awarded Growth Voucher) or the control group (not awarded a Growth Voucher).
4. Businesses are sent an email confirming their voucher outcome. Regardless of whether businesses are awarded a voucher, this follow-up email provides a link to the Online Marketplace and a guide to choosing and managing a consultant.

### Business views of the online diagnostic

Overall, businesses are positive about the online diagnostic. Crucially for time-poor small businesses, the process is seen as quick and simple with most completing it in one sitting of around 10-15 minutes. Questions are felt to be relevant, with none standing out as difficult to answer. Businesses did not feel there were any 'gaps' in the questioning, i.e. all relevant areas are felt to be covered.

Businesses tended to understand that the online diagnostic was an assessment tool to explore what kind of advice would be most beneficial to their business. That said, businesses who were allocated the online route did appear less aware of some of the key aspects of the Programme than those allocated the personal route, for example:

- The five distinct advice themes;
- The concept of matched funding; and
- The genuinely random element of allocation.

As the report will go on to explore, many businesses do not take in this information upfront, and only fully understand these aspects (or understand them to a greater extent) if they are explained in person during the business advice assessment.

Looking at businesses following the online diagnostic route, around six in seven agreed with the theme suggested. It seems that these businesses are either genuinely in agreement that this type of advice will be the most beneficial for their business, or they are open minded but trust the diagnostic to suggest the right theme. It seems that in the absence of any strong views of their own, they are happy to accept the suggestion. It does not seem to be the case that businesses are unaware of the option to choose an alternative.

Looking at the minority following the online route that chose an alternative, it does not seem to be the case that the suggestion is at odds with their needs, rather that they perceive a different type of advice would be more beneficial to the business (or, in a small number of cases, that the area suggested by the diagnostic was already being addressed and so the business wanted to use the voucher in another area).

*"I changed to that area because I felt the marketing side of things was already being worked on in one way or another and I'm already putting money into that, and the whole purpose of being able to have this external matched funding was to be able to put money into something that I wouldn't normally have been able to do."*

### Event organisation, Online diagnostic

## Delivery Partner views of the online diagnostic

The Delivery Partner overseeing the online route reported having minimal contact with businesses while they complete the online diagnostic assessment. Keeping contact to a minimum is believed to be necessary for the trial to work.

*“The more contact we have with them the more in theory, it can affect the trial, because if they’re going down the online route they really shouldn’t be speaking to anybody. The ideal customer is the customer who goes on to the computer and follows the process all the way through and never really even has to interact with anybody.”*

### Delivery Partner, Operational Lead

Businesses experiencing problems can however call a helpline for light touch assistance in navigating the website and reaching the next stage of the process, rather for support related to theme selection.

Overall staff managing the online process feel it is working well. The only area of concern is that it is not possible to alter advice themes after allocation. This has meant that businesses who completed the online questionnaire incorrectly, by for example mistakenly answering scales in reverse, have received a voucher for the wrong theme. Staff have been logging such errors in the system to be taken into account when assessing claims and are working with BIS to find a long term solution. One suggestion is to allow a 24 hour cooling off period for businesses to revise their choice.

## What the different assessment channels are offering

This section discusses the perceived advantages and disadvantages of the different diagnostic channels.

### The personal diagnostic assessment

Most businesses (around three quarters) that followed the personal diagnostic route felt their session was useful, even if a voucher was not awarded. Among those who found it useful, a small number report the discussion had given them a new perspective on their business, in that the conversation with the adviser had caused them to think about things that they would not have done otherwise.

*“He was very helpful and I think he did challenge my thinking. I suppose he made me think about things that perhaps normally I wouldn’t have thought about so I was able to raise questions and considerations that perhaps I hadn’t even considered.”*

### Funeral Directors, Telephone diagnostic

For most however, the personal diagnostic allowed them to clarify, through the discussion with the adviser, what they felt they knew to be true about their business, such that the adviser acted as a sounding board to check they were aiming for the right course of action.

*“I understood the needs and she helped me confirm them in my mind perhaps, but there was no earth shattering blinding light ‘Oh! I hadn’t thought of that’”*

### **Mobile technology, Face to face diagnostic**

Businesses described the advantage of the 'human' element of the diagnostic; simply having a discussion about the business with an engaged and knowledgeable individual who nevertheless sits 'outside' the business appears to feel very useful. Several acknowledge a hectic workload day to day and little time to stop and think about where the business is going in the longer term.

*"You can get too close to a problem, we've been so busy operationally we knew we needed someone to help us with a helicopter view of the business, a strategic view to help us move on to the next stage and get the business developed."*

### **Retail, Telephone diagnostic**

As mentioned previously, some businesses do not find the personal diagnostic session useful. In the main, this is due to the business misunderstanding the aim of the diagnostic. It was not uncommon for businesses to feel the diagnostic session was a check of their business's eligibility and suitability for the Growth Vouchers Programme, meaning they were not expecting the session to be useful in its own right, and where the voucher was not allocated, did not understand why. Even by the end of the session, some businesses were still under the impression that they were simply not considered suitable for the Programme.

A small number of businesses are under the impression that the aim of the diagnostic session is to provide business advice, and so feel that the session did not go into the detail that it 'should' have and that the adviser was not sufficiently expert.

Some businesses cite a particularly 'tick box' orientated session with little discussion about the specific issues or challenges facing the business. These businesses tended to resent the time (and if applicable, the travel) that the session had necessitated, feeling that this type of session could have been carried out more quickly online. It may well be the case that arranging an appointment to speak to an adviser in person creates an expectation of a more open discussion, resulting in dissatisfaction where this does not happen. For the personal diagnostic to add value therefore, it should be sufficiently different from the more rigidly structured online session.

In a small number of cases, businesses are very firmly decided on the type of advice that they need, and feel the diagnostic session is simply time-consuming and 'jumping through hoops' in order to get it.

As would be expected, personal assessments were widely felt by Delivery Partner staff to be better at accessing the level of depth required to correctly identify the right advice theme and if necessary to challenge businesses views compared to the online route. One adviser commented,

*"[You] cannot understand a business through documentation, if it was that much easier, computers would be running businesses."*

**Delivery Partner, Strategic Lead**

As discussed previously in this chapter, the majority of businesses feel that the personal diagnostic is a useful and positive experience. However most businesses report that the personal diagnostic did not result in a new perspective, and so it seems that the advantages of the personal approach are perhaps 'softer' than at first envisaged. The ongoing research will explore further whether these softer, 'human' advantages to the personal diagnostic are sufficient to differentiate the personal and online routes.

### Face to face assessment versus telephone

This section will explore to what extent the face to face and telephone diagnostic routes deliver a different service to businesses.

As mentioned previously, there is little difference in the perceived usefulness of the diagnostic whether it was carried out over the telephone or face to face – in general, businesses are happy with the channel experienced. Some businesses say they have a general preference for in person meetings over telephone communication, and so enjoy the face to face option, citing the particular ease of speaking to someone in this way and the advantage of non-verbal communication.

*“Face to face. I always prefer face to face. These days everything is online or on the phone and by e-mail. A face to face meeting is always very effective and we must keep this up. It's not all the time that we should go and see them but at least we should know who we are talking to.”*

#### Exporter of IT equipment, Face to face diagnostic

*“I feel that you interact better face to face. Over the phone I think it's not as clear and sometimes you get frustrated talking on the phone – at least I do.”*

#### Online retail, Face to face diagnostic

A small number of businesses explained that a face to face meeting is much better than over the telephone for making a 'business case' for the voucher, showing a lack of awareness that allocation of the voucher is random. When these businesses understood that making a business case was not necessary, they felt a telephone discussion would have been sufficient and less time-consuming than meeting face to face.

*“We did it over the telephone because we're in the North East and they didn't have anybody local. It wasn't ideal – face to face is always better if you're trying to get your point across, especially as it was quite important that we got the voucher. If it had been face to face I could have shown them the products as well. To be fair the lady I spoke to on the telephone clued herself up on our product through the website what we do, was quite aware of what we were doing and had done her homework and that really helped.”*

#### Coffee flavouring, Telephone diagnostic

This issue of timing is an important one; some businesses that meet an adviser in person and find the diagnostic a useful one, still comment on the time it took to get to the session, sometimes citing insufficient directions or a location that was further away than they had

thought. Some therefore feel a telephone diagnostic would have been better in hindsight, particularly those who experienced a more structured diagnostic.

*“It was face to face - it was a bit of a trip for me, it was a morning out of my week, and if I hadn’t been eligible for the voucher I would have been pretty disappointed.”*

### **Economic consultancy, Face to face diagnostic**

That said, face to face sessions tend to be longer than those carried out over the telephone and so allow more time for exploration of the business’s individual issues, if the diagnostic is of that more ‘open’ type.

However, most of those who had a telephone diagnostic tended to be perfectly satisfied, and the semi-structured nature of the diagnostic means these businesses feel the face to face element is not generally necessary. Some of those who had a face to face diagnostic later felt they would have preferred to save the travelling time and have the discussion over the phone instead.

*“It was by telephone. I think telephone is better because the type of information it is I don’t think there is any need for any visual contact.”*

### **Interior design, Telephone diagnostic**

*“I had to travel to London to do it. Whether it was worth the trip from Milton Keynes or whether it could be done by phone or Skype... probably yes, it could.”*

### **Imagine software, Face to face diagnostic**

Overall, the value of the face to face assessment is largely driven by the personal preferences of the business, the particular style of the adviser and the travelling distances involved. Where the diagnostic is less structured and more open, with time to explore the specific issues of the business, where travelling distances are short and where businesses simply prefer face to face contact, businesses do generally feel particularly positively towards the diagnostic.

However, those businesses that experience the telephone route are generally very satisfied with the treatment received and do not highlight the lack of face to face contact as a problem. There is little evidence that those who experience the face to face diagnostic get a higher level of service than those following the telephone route.

In spite of this, the preference for face to face diagnostics is fairly widespread among advisers. Meeting in person is said to enable a greater depth of understanding of businesses’ advice needs and leads to more effective assessments. Advisers reported that the ability to read body language and non-verbal cues in face to face interactions helps them to understand the commitment and motivations of businesses and to probe businesses on areas of visible confusion or hesitation. In addition, advisers observed more trust, rapport and transparency among businesses, making them more open about their

challenges and needs. Difficulties were also raised in relation to using the computer-based questionnaire over the phone because the screen has to be explained verbally.

There were advisers who did not consider face to face assessments to add more value than telephone diagnostics. They include advisers who said their approach did not vary either way and advisers who had only conducted telephone assessments.

Advisers who prefer conducting face to face diagnostics feel the travel, time and cost is a worthwhile exchange for a free business assessment. However telephone diagnostics are widely accepted to offer more flexibility in appointment times and savings in time and money particularly for smaller business and businesses allocated to the control group. Advisers see the potential of Skype as a 'second best' to face to face assessments, however due to low take up of this option none of the advisers interviewed had used it .

# Using the voucher

## Chapter Summary

- Around two in ten businesses that were allocated a voucher had already booked an appointment, with a further three in ten saying they intend to do so (hence around five in ten, or half, of businesses who were allocated a voucher, had booked an appointment or intended to). A further three in ten decided not to use the voucher, with the remainder (two in ten) undecided. Securing as many as possible redeemed vouchers among those businesses with positive intentions and those who are unsure will be central to the success of the scheme.
- Barriers to businesses using their vouchers include the availability of funds to match the voucher contribution, time, and finding the right adviser. A lack of funds is particularly prevalent as a barrier among those who have already decided not to proceed; these could perhaps have been screened out of the process earlier – around half of those citing funds as an issue were not aware of the matched funding when they applied for the Programme.
- The Marketplace is seen to be functioning well and there do not appear to be significant or unresolved usability issues. There are concerns across businesses (and Delivery Partners) that the range of Advice Suppliers is currently inadequate with patchy geographical coverage. For businesses to progress within the Programme, it is crucial that they are able to find the right advice and the Online Marketplace is currently acting as a barrier in some cases.
- Among those businesses which have made an appointment with an adviser, there does appear to be some degree of “deadweight” in the Programme – i.e. those business who would have sought advice anyway – but not concerning levels; around a third say that they would have sought the same advice and paid for it, albeit potentially at a later point in time, with the same proportion looking for a way of obtaining free or subsidised advice.
- It will be interesting to compare this proportion to the proportion in the control group (those without vouchers) who access advice, or intend to do so. It could be that the Programme is optimising the timing of advice seeking for businesses, removing a financial impediment that might otherwise delay advice seeking to a point when it is needed less or less decisive in terms of its impact.

This chapter starts by discussing businesses’ intentions around the use of their Growth Voucher and then explores businesses’ experiences of using the Online Marketplace. At this early stage of the Programme few advice sessions have taken place or claims entered therefore little evidence about these steps have been collected to date. The chapter however concludes by briefly outlining the advice provided so far and experiences of making and assessing claims.



## Use of vouchers

### Intended use of the voucher

We interviewed businesses as part of the formative evaluation between one and two months after the vouchers had been allocated; so before the three-month expiry date. Most of the businesses interviewed have positive intentions of continuing with the Growth Vouchers Programme.

Figure 5.1

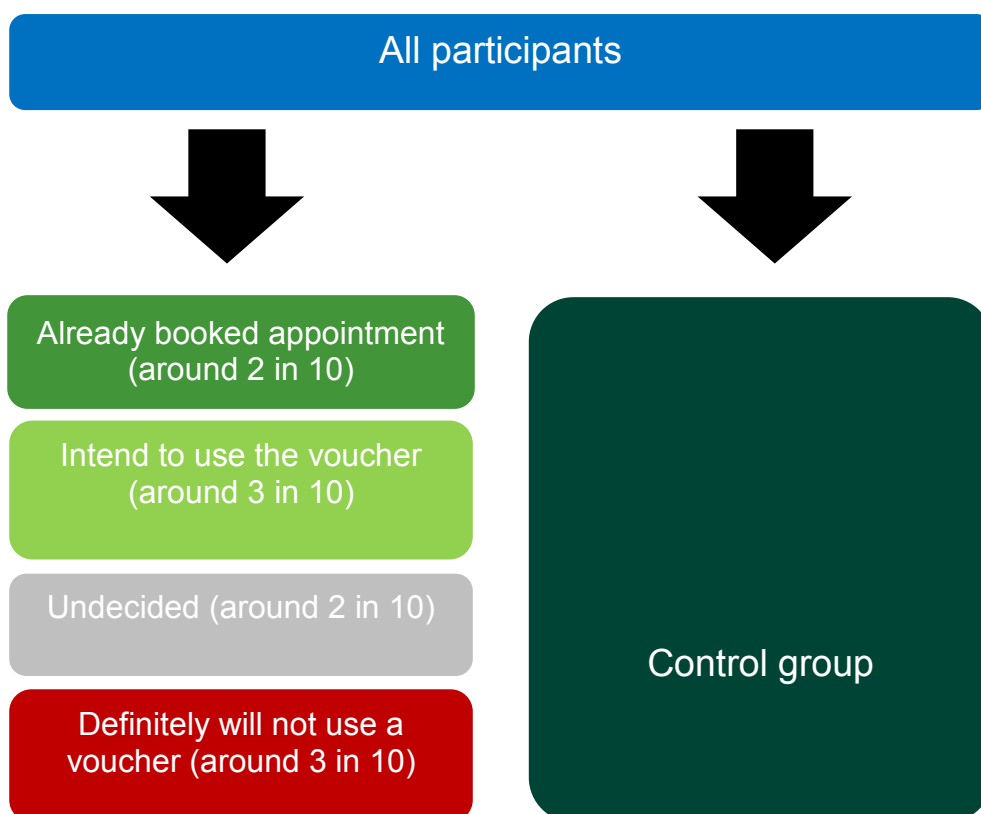


Figure 5.1 shows the different voucher ‘outcomes’ **amongst those who were awarded a voucher**. Each outcome is explored in more depth below.

- Already booked an appointment:** Around two in ten of those allocated a voucher have already made an appointment with an adviser, so we can be almost certain that they will proceed through the scheme. There is some “deadweight” among this group though this does not appear to be very widespread, - with around a third of this group saying that they would have sought paid advice anyway, even if they hadn’t been part of the Growth Vouchers Programme. However, the Programme does appear to have influenced the approach of some businesses, who have either considered purchasing advice they would not have otherwise obtained, or brought forward the decision to do so.

*“It was already on our radar. It was fortuitous that these vouchers came along at a time that we were already thinking about it.”*

**Branding and design agency, Online diagnostic**

- **Intend to use the voucher:** A further three in ten say that they plan to make use of the voucher, as depicted in the case illustration below. Combining this ‘outcome’ category with one described above shows that five in ten, or around a half, of businesses have either already booked an appointment or intend to do so. Converting these positive intentions to the stage of redeeming the funding will be key to the success of the Programme; if most of these businesses progress then this will produce a reasonable number of businesses exposed to the full intervention from the initial waves of applicants, but if drop-out rates are high then it will be more challenging to assess the impact of the Programme. Businesses across all groups cite a number of barriers to progressing with the Programme, namely time, money and finding the right adviser. Businesses that intend to use the voucher are the most likely of these businesses to say that time is a key factor; specifically, whether they can find the time to take it forward before the voucher expires. For some, the three-month timeframe is felt to be quite short, and competing pressures on their time would be the most likely barrier to redeeming the voucher.

*“I’m hoping to but it depends if I have any time to actually get round to doing it.”*

#### **Furniture retailer, Face to face diagnostic**

- **Undecided whether they will use the voucher:** Around two in ten are less sure about whether they will take it forward. The barriers for these businesses are similar for those who have positive intentions, but their situation is more precarious. In particular, this group includes those who feel that their financial situation is uncertain in the timeframe for redeeming the voucher.

*“It’s not something we’ve budgeted for so it’d be a case of seeing if we have redundant cash that we could put into something.”*

#### **Café, Online diagnostic**

- **Will definitely not use the voucher:** Around three in ten of businesses have already decided that the Programme is not for them. These businesses fall into two broad categories – those who definitely do not have the money to put up for advice, and those who do not believe the Programme will be able to meet their needs in terms of the advice available. Cash flow is a particular issue for smaller businesses, some of which say that the financial support for advice would need to be either non-matched or a loan in order for this scheme to be feasible for them. Most of the businesses that say this were not aware of the need to match the funding when they signed up to the Programme. The ability to obtain the right advice, from the right adviser, in the right place is the other key enabler, or barrier, to proceeding with the Growth Vouchers Programme; around a third of those who have decided not to use the voucher say that the Programme was not able to meet their needs in this respect.

*“At the moment it doesn’t look as if I can afford to do anything much.”*

#### **Café, Online diagnostic**

*“It’s not the area I want to spend money on at the moment”*

### Engineering consultancy, online diagnostic

*“I would like to [use the voucher] but the voucher expires at the end of April. My business is seasonal, it’s a summer-based business, so I need the advice before the summer but I can’t pay for it until the summer- I would need to have the advice now and pay for it later.”*

### Event organisation, Online diagnostic

The findings also raise a question about whether some of those who were already in the ‘definitely will not use’ group could have been screened out of the process earlier. In particular, if those who decided immediately that they would not be able to participate further as soon as they became aware that match funding was required could have been alerted to this message earlier then this would have reduced unnecessary resource consumption (particularly in the case of those receiving personal diagnostics) and could raise the overall ‘conversion’ rate.

#### CASE ILLUSTRATION: Small environmental consultancy

##### Diagnostic type: Personal (face to face)

The research team spoke to a small environmental consultancy that has been trading for fifteen years with eight staff and one director. The business’s long term plan is to grow by taking advantage of the current trend for renewable technology, though they can be hampered by issues with cash flow (which they say is their main business challenge).



The company first heard about the Growth Vouchers Programme through a friend who is also a business consultant, and they felt that the Programme was presented in a way that did not suggest it would be overly complicated to apply.

*“It seemed quite easy to apply for and it was presented in quite an inviting way. I almost felt a bit like “Oh, is this it?” as I thought I’d have to jump through some hoops.”*

The company had considered getting business advice before but it was something that was ‘on the periphery’ and not a priority, though when they realised they would be able to get financial help, decided to try.

The business is impressed that a Delivery Partner contacted them the very next day to arrange a diagnostic session. Going into the meeting, the business felt they had some idea of what sort of advice they would like (finance-related) though was open to other suggestions, and agreed with the Delivery Partner’s suggestion of the Raising Finance theme. The business was pleased with the meeting, feeling that it clarified what the business really needed. The business described the session as structured but informal and 30 minutes was ‘about right.’

At the end of the session the business was provided with an action plan and directed to the Online Marketplace. The business felt the action plan was useful as

**CASE ILLUSTRATION: Small environmental consultancy**

it formed the 'next step' and a useful reminder to get it done. The business has not yet made an appointment with an Advice Supplier but plans to over the next few weeks – they are keen to make use of this opportunity, as without the matched-funding element the idea of advice would have stayed on the 'back burner' and may not have happened.

*“We’d not have just left it, but would have put it off for longer, making it not such an important thing. Now we’ve got the growth vouchers it’s allowed us to really go for it and get the help and get it done. Before, it probably wouldn’t have happened.”*

## Using the Online Marketplace

Given the importance placed by businesses on having access to a good range of advisers, the Online Marketplace has a crucial role in ensuring that as many as possible of those businesses allocated a voucher go on to redeem it.

Around three quarters of those allocated a voucher have so far looked at the Online Marketplace, although many of these have only managed a quick glance with the intention of returning later. Issues reported on the functionality and usability of the Marketplace do not point to significant or widespread concerns. A handful of businesses say that the site is difficult to search, and a few more feel that there could be more standardised information on individual Suppliers on the site itself (rather than having to look on companies' websites).

However, there are some significant concerns expressed about the range of Advice Suppliers available on the Marketplace. Businesses say that they had real difficulties finding a Supplier that they felt met their specific needs. Several commented that their business was quite 'niche' and they did not have sufficient faith that the Advice Suppliers listed on the Marketplace would be sufficiently expert.

*“We do CPD ourselves ... and we’re aware that there’s probably better service elsewhere ... I was looking forward to see some of those names up there”*

### **Architect, face to face diagnostic**

*“I must have looked at fifty providers through that Marketplace ... and, of the fifty I’ve probably only found two or three that I felt could do what we wanted doing.”*

### **Online mortgage brokerage, online diagnostic**

Other businesses have a trusted or recommended Supplier in mind and are disappointed to discover that they are not listed as an accredited Supplier. This personal recommendation is felt to be important, as this represents a significant investment for many of the businesses involved in the Programme.

*“If you’re getting your bathroom tiled you don’t tend to go through the Yellow Pages; you tend to go with someone who’s recommended to you, that same attitude applies here because it’s quite a personal thing.”*

#### **Furniture retailer, Face to face diagnostic**

Furthermore, the geographical spread of Advice Suppliers is not felt to be adequate. Businesses want to use Advice Suppliers local to them; this is partly for logistical and cost reasons – some businesses express concerns about being charged for travelling time - but also because they want advisers to understand the local market. Businesses report not being able to find any suitable Advice Suppliers in their region – this does not seem to be limited to any particular region.

*“The location of the advisers is so far away that it makes me think that it’s just not really worth it.”*

#### **Environmental consultancy, Online diagnostic**

Because of the limited range of Advice Suppliers, it is likely that the Online Marketplace is not meeting its potential and is currently operating as more of a barrier than an enabler of progress through the Growth Vouchers Programme. However, interviews with business took place at a relatively early stage of the Programme, and building the numbers of Advice Suppliers on the Marketplace has been identified as a priority by Delivery Partners and Department for Business, Innovation and Skills. Addressing this issue has the potential to have a significant positive impact on participation in the Programme.

### **Advice provided**

Of the Advice Suppliers who took part in the formative evaluation a relatively small number had been contacted by businesses with a Growth Voucher. When interviews took place they were in early stages of establishing relationships with businesses. Therefore, the data available on these businesses is limited.

Advice Suppliers have seen a total of 13 clients from the online market place, which include businesses that provided services in educational training, relationship buying and change management. This includes businesses of a variety of sizes from multiple employees to sole traders.

Businesses range from those that have only just received their vouchers and are making preliminary enquiries, to those who had finished receiving advice and were due to claim their vouchers. Advice Suppliers reported beginning their service by doing their own diagnostics, even if they had the information from the Growth Vouchers diagnostic session. Advice Suppliers that did not have access to this information noted that it could have been useful to have. Advice supplied so far covers issues such as how to grow and exit a business and how to produce marketing reviews. The case illustration below shows how one Supplier structured advice given for a client in receipt of a Growth Voucher.

**CASE ILLUSTRATION: Educational training business****Advice theme: Marketing, attracting and keeping customers**

The Advice Supplier is a marketing consultant who works alone, but has associates specialising in other disciplines to which they can refer clients. He focuses mostly on small businesses and provides advice on developing marketing approaches, strategies and plans. The Supplier was approached by an educational training business looking to double turnover in the next year. To help with this, they wanted guidance on using social media and blogs. This business used their Growth Voucher to buy support from the 'marketing, attracting and keeping customers' theme. The process of getting advice is summarised below.

- **Information gathering:** the Supplier reviews key information about the business and conducts further research such as looking at its website, analytics, key competitors, target markets, commercial objectives, key challenges, budget and available resources.
- **Meeting to agree outputs:** the Supplier and business then have a meeting, over half a day – or longer. This is an opportunity for the Supplier to ask follow-up questions based on their research, and for the business to ask questions. The Supplier then commits to producing an output, within a defined time period. In this instance, a marketing plan within a week including revisiting branding, logo and visual identity.
- **Follow up and review:** the Supplier books in a 30-minute telephone call for a later date to review the output.

# Programme performance and operational issues

## Chapter summary

- The Programme is delivered by a set of externally contracted Delivery Partners. They are specialists in business and enterprise support and deliver a range of other publically funded and privately sponsored business support services.
- Delivery Partners generally have sufficient resource to deliver diagnostics but some were recruiting additional staff. While resourcing is not currently a big challenge it is difficult to predict the need for additional staff due to uncertainties in demand from businesses.
- Although Quality Assurance systems are in development it was felt that all advisers were experienced enough to guarantee high quality assessments. The requirement for Advice Suppliers to be part of a professional body is thought to offer businesses a level of quality and protection but there are concerns about high quality specialists being excluded.
- In general, Programme IT systems are working well, and the BIS 'back office' system is felt to be much better than those typically used on other programmes. While the Online Marketplace is easy to use with good functionality, it is thought to be underused by businesses while technical issues are preventing some Suppliers from promoting the Programme to potentially eligible businesses.
- Working relationships with BIS and between Delivery Partners appear to be effective with good information sharing, responsiveness and pragmatism.
- Delivery Partners are encountering challenges in meeting overall targets, as well as the 'key performance indicators' of the ratio of face to face / telephone diagnostics and processing times. In general, it is felt that more and better marketing is needed both nationally and locally and that the two-week timeframe for booking assessments should be extended.
- Delivery Partners suggested a number of improvements, both operationally and more broadly with the design of the Programme. These include: more guidance and training, greater access to the IT system, clearer communications with businesses about key aspects of the Programme, and relaxing the time limit for redeeming vouchers.
- Advice Suppliers made a number of suggestions for improving their experience and delivery of the Programme: better technical support from Enterprise Nation, guidance about marketing and Programme progress updates from BIS.

This chapter explores operational experiences of delivering the programme from the perspective of Delivery Partners and Advice Suppliers. It starts by describing models of delivery among Delivery Partners followed by experiences of resourcing the Programme and of quality assurance. It then discusses views of how well programme processes and systems are working and how Delivery Partners and Advice Suppliers are finding working relationships. The chapter goes on to explore Delivery Partners' experiences of working toward performance targets, highlighting areas for further work. The chapter ends with a summary of suggestions for improving programme design, delivery and performance.

## Delivery models

The Growth Vouchers Programme is delivered through a set of Delivery Partners, who are specialists in business and enterprise support. They are established organisations who deliver a range of publically funded and other business support schemes around start up and growth including programmes such as the Growth Accelerator scheme, New Enterprise Allowance, the Ready for Business Programme, Virgin Start-Up Loans and activities funded by BIS, UKTI, Local Authorities, Local Enterprise Partnerships and the European Regional Development Fund.

Delivery Partners are responsible for delivery across specific geographical areas as set out below, though they accept businesses from regions not covered by the trial:

- **Online route (national):** BE Group acts as the 'lead' Delivery Partner with responsibility for general Programme management support to BIS and coordinating the activities of the other Delivery Partners. BE Group designed the online application, manages the helpline and oversees the online diagnostic route.
- **London, the South East and the East of England:** the Cavendish Consortium, made up of several enterprise agencies, works in these regions and operates through a consortium model. It is a pre-existing consortium and each partner has a distinct operational role in delivering the Growth Vouchers Programme e.g. validating businesses and arranging appointments or conducting diagnostics. Smaller enterprise consultancies are conducting diagnostic assessments on the consortium's behalf, and they have access to a large number of offices and business advisers, including 'out of area advisers' based in Bristol who carry out diagnostics on the phone or by Skype.
- **West Midlands:** here the contract is delivered by the Coventry and West Midlands Chambers of Commerce. The lead Chamber coordinates the region and carries out marketing and works with other chambers operating across the region in a Limited Liability Partnership (LLP). The head office pays the individual branches for the diagnostics they carry out.
- **Greater Manchester and the North West:** Winning Pitch is a single organisation which covers the North West through a single team and office in Manchester, using a mix of employed and freelance advisers for diagnostics, though they are looking to expand and find a base in Liverpool.

There is, therefore, a fair degree of variation in the way that the Growth Vouchers Programme is delivered at the local level, particularly in terms of partnership configurations



and geographical coverage. As the Programme develops, it will be interesting to look for any links between delivery models and performance levels.

## Resourcing

### Delivery Partners

The Programme requires managerial resources, operational support (for booking appointments, dealing with queries and marketing support and, in some cases, bespoke specialist marketing skills, as described in Chapter 3). While across Delivery Partners there is enough capacity to meet demand for diagnostics, resourcing needs vary.

One Delivery Partner reported that it has sufficient resources within its existing network of partners to cope with the demands of the programme and therefore recruited no additional staff. In contrast another Delivery Partner was in the process of recruiting full-time staff, including a project manager and advisers. It was using associates on an interim basis and reported that resourcing the programme quickly enough to respond to the initial increase in demand had been a key challenge. In other organisations smaller-scale recruitment has served a particular function of the Programme, such as the need for a dedicated Growth Vouchers marketing team in one region. Elsewhere, one or two advisers have been recruited to meet a wider resource need resulting from Growth Vouchers as well as other programmes.

Delivery Partners felt that the delivery and contractual models for the Programme were generally effective and fit for purpose. One issue that came up was that, given the payment structure is partly based on the number of achieved diagnostics, there is a risk in building up delivery capacity because of uncertainties in demand from businesses. In one area it was also felt that capacity for marketing is somewhat constrained as these elements of the budget were reduced during the contracting phase of the project.

### Advice Suppliers

Advice Suppliers are not experiencing difficulties resourcing the Programme. At this stage of the Programme few Advice Suppliers interviewed as part of the evaluation had been approached by businesses seeking advice through the Programme and even fewer had yet reached the stage where advice was being delivered. Suppliers said they currently had the capacity to take on more clients through the Growth Vouchers Programme but some identified a potential need to take on extra staff if any larger projects followed on from the initial work with Growth Vouchers Programme clients. These tended to be small businesses themselves with up to five employees.

## Quality Assurance

### Delivery Partners

Delivery Partners felt that the most important element of quality assurance is the standard of advice given by their advisers during the diagnostic. Most advisers working on the Programme are seen as being very experienced, and involved in delivering equivalent programmes. When recruiting advisers, Delivery Partners look for good private-sector commercial experience and skills in working with businesses face to face, with good

questioning and listening skills. Often they have worked for Business Link delivering diagnostics for small businesses, and are encouraged to have ISO and / or SFEDI<sup>5</sup> accreditation. At least one of the Delivery Partners is a SFEDI Centre of Excellence.

There is limited specific training for advisers on Growth Voucher diagnostics, mainly because it is seen as 'probably the lowest level' of business advice that many of them are used to providing. While none of the Delivery Partners had carried out systematic quality assurance of advisers' work some had conducted 'spot' checks on action plans or sought client feedback and individual advisers said they sometimes conferred with colleagues to seek advice about how to handle certain client problems. Systematic surveys of client satisfaction were on hold with the expectation that such feedback would be integrated into the main business surveys carried out as part of the evaluation. The lead Delivery Partner also has a role in trying to set the core standards across all Delivery Partners in the ways of working. They also plan to reassess claims approved by the other Delivery Partners to make sure they are consistent.

## Advice Suppliers

In terms of Advice Suppliers, membership of a professional body is a requirement for Growth Vouchers Advice Suppliers. Other than this no quality assurance processes are in place. Non-accredited companies that provide strategic business advice can register and advertise their services on the Online Marketplace but cannot provide advice subsidised by a Growth Voucher. All Advice Suppliers that took part in the formative evaluation were accredited Growth Vouchers Suppliers.

Although all participating Advice Suppliers were accredited themselves, the requirement for accreditation received mixed views. It was widely recognised to provide at least some quality assurance because it meant working to a code of conduct and the option of registering complaints with the relevant professional body. However, it was also argued that by exclusively accepting accredited Suppliers the Programme could miss out on non-accredited Suppliers who were specialists and leaders in their fields.

In spite of the need for accreditation some Suppliers still lacked confidence in the quality of other Suppliers.

*"[it's] so easy, I think any Joe Bloggs could become an adviser"*

### **Advice Supplier, Marketing, attracting and keeping customers**

As a result this Supplier decided not to actively promote the Programme to businesses in case they redeemed their voucher with a poor quality Supplier and this in turn reflected badly on their reputation for having made the recommendation to the Programme. There is a chance that other Suppliers also hold this perception, therefore more information about the purpose of accreditation and its role in assuring quality could help instil greater confidence in existing Suppliers and encourage them to promote the Programme more widely.

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<sup>5</sup> SFEDI is the Government recognised UK Standards Setting Body for Business Support and Business Enterprise

## Programme systems and processes

There are a number of Programme systems that underpin the delivery of the Growth Vouchers Programme. In particular, BIS have commissioned an IT system that all Delivery Partners use to manage applicants' progress through the customer journey. This is generally known as the 'back office' IT system, and also produces management information about the Programme. This IT system is linked to the GOV.UK website which acts as the initial landing page for applicants.

The lead Delivery Partner has also set up an IT system that is used by all Delivery Partners to manage communications and project management between partners. This is known as the 'Mango Apps' portal. The Online Marketplace is another important part of the national IT infrastructure that supports the delivery of the Programme.

Beyond this core infrastructure, there are a number of other IT systems that support the delivery of the Programme amongst the individual Delivery Partners. In particular, most Delivery Partners have their own diary booking system and Customer Relationship Management system, or have tracking systems in Excel. One participant in the research reported the need to use six passwords to access all the required information they need to operate the Programme.

### The Back-Office IT system

The main BIS IT system is generally seen as well thought through and easy to use. A number of issues have been resolved to fix errors or improve the system. One of the most important of these was that confirmation emails were not always being sent in the initial stages of the Programme. The key drawback from a Delivery Partner perspective is that it is not designed to meet operational case handling needs by highlighting businesses that require action (e.g. that are getting close to the two-week deadline). In addition, it was mentioned that Delivery Partner staff cannot make changes to data within the system. There was support for greater access rights to enable staff or at least key individuals to amend mistakes, for example inaccurate advice themes. One suggestion was for one person at the lead Delivery Partner to be given rights to make amendments.

Not all advisers had received training on the back-office IT system when the Programme first started and reported being confused about how to access and use it. These advisers would have liked earlier training on the system. They were also uncertain about understanding the full functionality of the system even now and expressed a desire for further guidance or training on this.

### The Online Marketplace

Though the Online Marketplace is widely viewed as easy to use and well-designed Advice Suppliers have experienced technical issues with the registration and approval processes and the customer review function. While these may be teething problems, they have implications for success of the programme because they have resulted in some Suppliers being reluctant to promote the programme to potentially eligible businesses. Suppliers, particularly those who have not yet had any business through the site, are also concerned that the Marketplace is underused by businesses. While this may reflect the Programme being in its early stages it highlights the importance of continuing to market and increase take up of the Programme and the vouchers themselves. It will be important to explore the

usability of the Online Marketplace in future waves of research to understand if issues persist and further affect delivery of the programme.

### **Finding the right Supplier**

Advice Suppliers expressed mixed views about how well the Marketplace is helping businesses to find the right Supplier. In general it is thought to be serving a useful purpose by providing businesses with the means to finding accredited advice providers,

*"[It is] ... a good, useful directory of providers that are regulated by a professional body"*

#### **Business owner, Solicitors firm, Recruiting and Developing Staff**

This is felt to be enhanced by the different search functions which include not only post code but theme and Growth Vouchers accreditation. Appearing via multiple search formats is seen to both increase Suppliers' reach and provide businesses with access to a greater diversity of Suppliers. Suppliers did however report initial problems with postcode searches; with some not appearing in searches of their own post codes. This issue now appears to have been fixed.

Advice Suppliers also identified three features of the Online Marketplace which continue to present issues for businesses using the site and finding Suppliers. Firstly Suppliers can select up to ten different service specialisms on their profiles. This is suggested to present too much choice for businesses, making it difficult for them to identify Suppliers' main specialisms. In a similar vein some Suppliers feel that there might be too many different Advice Suppliers listed on the site, which again could mean businesses are overwhelmed by the choice and find it difficult to identify the most relevant Supplier. Thirdly, the Online Marketplace lists both Suppliers who are accredited and can therefore provide advice under the Programme, and those who can not. Suppliers suggested that the ability to view both could lead to businesses to become interested in a Supplier only to discover they are not accredited.

### **Registration**

For some Advice Suppliers the registration process was quick, straightforward and unproblematic while others experienced technical difficulties uploading photos and logos, setting up multiple accounts for different branches and general delays in pages loading. While Suppliers understood registration could take longer during particularly busy periods, negative experiences sometimes resulted in reluctance to promote the Programme to businesses. Suppliers were anxious that if businesses also experienced difficulties it would reflect badly on them and harm their chances of being selected as an Advice Supplier. Although this perception results from possible confusion amongst Suppliers about the Growth Vouchers application process (which does not happen via the Online Marketplace), it highlights a barrier to the recruitment of businesses to the Programme.

### **Approval**

Experiences of gaining approval also varied. Some Suppliers were approved within 24 hours to a week (and noted that this was quicker than programmes such as the Growth Accelerator) while others waited up to three weeks. There are several reasons for these differences. Firstly, applications were reportedly being processed in batches meaning

some were approved before others. Secondly, some Suppliers did not receive any information about what to do after registering and only found out they needed to provide proof of accreditation to progress after contacting Enterprise Nation about the stand-still in their application. Third, and more exceptionally, some professional bodies were not yet recognised. A solicitors firm for example registered under the Recruiting and Developing your Workforce advice theme, found that legal bodies were not initially recognised though Enterprise Nation / BIS willingly added them.

## Reviews

The customer review function of the Online Marketplace is seen as an innovative and useful feature with Suppliers acknowledging the importance of recommendations for attracting new clients. However, smaller Suppliers feel at a disadvantage compared to larger, better known organisations with larger client bases from which to seek feedback. There are also concerns that not all reviews are genuine and some are unfairly critical. Suppliers feel there should be some sort of safeguard in place to protect against unduly harsh reviews such as editorial control of reviews for Suppliers.

Some Suppliers said their clients had experienced technical difficulties and were unable to leave reviews, but could not ascertain the reason. Advice Suppliers also remarked that the requirement for their clients to register with the Online Marketplace to leave a review acted as a barrier. There was also uncertainty and ambiguity amongst Advice Suppliers about whether previous non Growth Voucher clients would be allowed to provide feedback on the Online Marketplace.

## Working relationships

### Relationships with BIS

Delivery Partners were very complimentary about their working relationships with BIS, describing them as 'responsive', 'approachable' and 'committed to the Programme'. They are also seen as ensuring there is enough central resource, and effectively co-ordinating other inputs such as the Behavioural Insights Team, communications, IT and procurement. There are enough opportunities to meet and for them to explain their requirements, as well as a good flow of information.

*"The BIS team have been particularly good. I think they've been very pragmatic. Whenever there has been an issue its been solved quite quickly and to a sensible conclusion."*

#### Delivery Partner, Strategic Lead

Advice Suppliers did not have direct contact with BIS / BIT. While it was not necessary to have direct contact Advice Suppliers remarked that they would have welcomed having the contact details of individuals at BIS. They also expressed the desire to receive updates from BIS and Enterprise Nation about how the Programme was developing, how many businesses had received vouchers, how many advisers had registered and what feedback had been like. This suggests not all Advice Suppliers receive or recall the regular updates sent to Suppliers by Enterprise Nation.

## Relationships between and with Delivery Partners

On the whole, relationships between Delivery Partners have been good and there is a sense of 'working as a team' despite the fact they are working on separate contracts. This has been helped by meeting early on in the Programme to establish relationships and the use of the project portal to aid communication. The lead partner has a distinct role and other Delivery Partners have valued their support

There was some nervousness among operational managers about openly discussing performance and good practice and sharing commercially sensitive documents, such as marketing plans, with fellow Delivery Partners. This is because they would otherwise be competitors. Despite this, Delivery Partners say they have shared information and engaged in meetings openly. In addition, there was some earlier resentment about the lead partner benefiting from the marketing activity of other Delivery Partners however this appears to have eased since the lead partner has carried out marketing in-kind.

Unless they had heard about the Programme through a Delivery Partner, Advice Suppliers had little awareness of Delivery Partners and their role within the Programme. For example Advice Suppliers had seen tweets from Delivery Partners or had attended local networking events they had organised, and these were perceived to help promote the Programme well locally. One Supplier said that their local Delivery Partner had been a good source of information and advice about the Programme having answered some of their early questions about the Programme

## Working relationships with Enterprise Nation

Advice Supplier's main window to the Programme is the Online Marketplace which is run by Enterprise Nation. Enterprise Nation also sends updates emails, newsletters and organises events and social media groups about the Programme. Advice Suppliers interviewed for the formative evaluation tended to liaise directly with Enterprise Nation if they needed technical support with the Online Marketplace, and their views are discussed below. Suppliers who did not experience technical issues had no reason to proactively communicate with Enterprise Nation and could not comment on their working relationship with them. This was viewed positively by one Advice Supplier who appreciated the 'light touch' approach.

### **Support with the registration and approval process on the Online Marketplace**

Suppliers generally contacted Enterprise Nation with registration or approval problems such as issues uploading profiles or logos. While some Suppliers received the necessary technical support quickly one reported having to raise multiple support tickets before getting a response. Suppliers speculated that Enterprise Nation was slower to respond in the earlier days of the Programme, as it was bedding in, or during particularly busy periods.

As discussed earlier while some Suppliers gained approval within 24 hours to a week, delays of up to three weeks were also common. Delays were reportedly the result of spam filters or applications being processed in batches. While issues were generally resolved quickly once reported by Suppliers, Suppliers wanted more proactive support from Enterprise Nation to resolve issues and for delays in processing registrations to be explained so it would not seem odd when some got approved ahead of others. This suggests Enterprise Nation could communicate more with Suppliers about the status of their application and proactively seek to identify and resolve delays.

### **On going queries or requests for technical support**

Suppliers were prompted to liaise directly with Enterprise Nation if they experienced later technical issues with the Online Marketplace or had more general queries. For example some Suppliers contacted Enterprise Nation because their clients had problems leaving feedback on the Online Marketplace. Questions were also submitted about permission to use Growth Vouchers branding such as the logo in their own marketing materials or a banner at an event. These more general questions appeared to get a slower response from Enterprise Nation compared to specific registration or approval queries with some Suppliers waiting for up to three weeks for a response. Suppliers who found the online support system slow wanted a named individual to contact directly at Enterprise Nation.

Some operational staff at Delivery Partners had received feedback from businesses about difficulty contacting Enterprise Nation. They were therefore fielding calls and questions about the Marketplace that they found difficult to answer.

### **Update emails and newsletters about the Programme**

Advice Suppliers valued the regular email updates and events organised by Enterprise Nation such as talks and networking opportunities. They praised the amount, content and frequency of communications for creating a sense of community. However Suppliers wanted more information on the progress of the Programme (such as how many Suppliers and businesses had signed up), more information and guidance on how to market the Programme and Supplier events in more localities. It was however evident that not all Suppliers were aware of the email updates, events, webinars and social media platforms that Enterprise Nation were running for the Programme and it may be useful for Enterprise Nation to look into the reasons for this and promote their activities more widely.

## **Performance**

Delivery Partners are working towards a set of Key Performance Indicators (KPIs), which are discussed in turn below. Although they are making good progress in meeting them concerns were raised about achieving expected targets as the Programme progresses.

### **Overall sample targets**

As highlighted in previous sections of the report, the overall numbers of businesses participating in the Programme is slightly below profile. This is related to both the number of initial applications and level of drop-out in the rest of the customer journey.

It was felt that to raise numbers generally and to engage hard to reach groups; those who haven't received advice in the last three years was a big challenge and that it was dependent on stronger marketing. Strategies suggested by Delivery Partners to increase demand included amplifying marketing both locally and nationally through high-level marketing on TV and radio platforms. The use of case studies was a popular suggestion for engaging businesses. Case studies were expected to personalise and bring life to the Programme and it was thought that showcasing different types of businesses with different demographics would mean more businesses would relate to the Programme. Another suggestion was to use attention-grabbing statistics, such as the total amount of money allocated to the vouchers, to help stir up interest.

## In-person and telephone assessment targets

For the personal assessment route targets for assessments conducted in person are set at 60 per cent while those carried out by telephone are at 40 per cent. This KPI is based on the premise that face to face assessments allow for more open and detailed discussion and therefore help to more effectively identify needs, thus adding value.

All Delivery Partners were to some extent finding this KPI challenging. A key reason for this being that the Programme has been promoted nationally but is delivered in five regions meaning Delivery Partners are receiving businesses from outside their regions who cannot travel for a face to face assessment. One Delivery Partner felt that they are unlikely to hit their face to face target because as many as 50 per cent of businesses reside outside the region. It has also been explained that some businesses are not specifying a Delivery Partner and are therefore not being counted against the KPI.

## Processing time targets

Delivery Partners must aim to process 80 per cent of applications and arrange diagnostics within two weeks. This is in order to ensure timely delivery of the programme as well as accurate Management Information. However the challenge has been getting hold of businesses, particularly micro-businesses and sole traders and finding a time they are available. One Delivery Partner explained that some businesses do not want a meeting for another month making it difficult to meet the two week target. This participant thought it should be taken into account that there are good reasons for why it might go over the two-week limit. In one case they have suspended people they are unable to contact so that it does not count against their KPI.

## Customer service

The target for customer satisfaction is 85 per cent. Businesses' perceptions will be collected and published in forthcoming evaluation surveys. Additional activity such as customer satisfaction surveys are being planned by the lead Delivery Partner.

## Data accuracy

Delivery Partners are required to obtain and maintain accurate details about businesses with a data accuracy target of 98 per cent. At this time, this target appears to be being met, as evidenced by the quality of data received by the evaluation team at the time of the formative evaluation. Delivery Partners themselves reported no issues around gaining accurate data but are concerned that maintaining accurate contact details in the future may be challenging, particularly for businesses not allocated a voucher. Future waves will explore experiences of meeting this target.

Overall, it was felt that analysis of performance could be improved and some Delivery Partners highlighted ways in which they were approaching performance reporting in a more sophisticated way. For example, one was looking into the reasons for the variation in in-person vs telephone diagnostics by for instance, investigating whether businesses are choosing telephone diagnostics because they are a long way from their offices or for other reasons. Another had done their own review of businesses and had estimated about 30 per cent will or may not use the allocated voucher. There is also scope for more geographical analysis as there was speculation that some cities would be seeing higher numbers of applicants due to the strength of the business networks.



## Suggested improvements

Delivery Partners were asked about what improvements or changes they would like to see made to help increase the level of performance for the Programme. Some of these are related to operational challenges discussed in this chapter whilst others are related to accessing the Programme and the customer journey. These are grouped and summarised in the table below:

<b>Table 6.1 Suggestions for improvement</b>	
<b>Aspect of programme</b>	<b>Suggested improvement</b>
Programme design	<ul style="list-style-type: none"> <li>• Increase the three-month limit for using the voucher to six months and / or communicate more clearly the time elapsed for businesses.</li> <li>• Relax the match funding rules, if possible, as not all businesses can afford the required level of funding.</li> <li>• Remove or otherwise relax the eligibility criteria around 'not having had strategic businesses advice' in the last three years.</li> </ul>
Marketing and communications	<ul style="list-style-type: none"> <li>• BIS to undertake more national marketing, including using other Business Support programmes to publicise Growth Vouchers and encouraging other parts of government, such as local authorities to promote the Programme.</li> <li>• More information to help monitor and refine marketing plans, to learn what works and what doesn't. In particular, Delivery Partners would like more detailed information about how businesses heard about the Programme.</li> <li>• The use of case studies and testimonials about impact (when possible).</li> <li>• More direct funding for Delivery Partners to help with marketing capacity.</li> <li>• Guidance for Suppliers on promoting the Programme to businesses.</li> <li>• Provide clearer messages to businesses, particularly for topics where there is low awareness or confusion, including: the requirement for match funding, their participation in an RCT, the definition of 'strategic business advice' and important terms and conditions.</li> </ul>
Improving Programme systems	<ul style="list-style-type: none"> <li>• Improving the 'back office' IT system to support Delivery Partners with their case handling and tracking activities. For example: <ul style="list-style-type: none"> <li>○ Revisit the definition and use of 'suspended' cases</li> </ul> </li> </ul>

**Table 6.1 Suggestions for improvement**

	<p>because the current definition is seen as too wide and is affecting the reporting of KPIs, or</p> <ul style="list-style-type: none"> <li>○ Provide a further breakdown of the ‘suspended’ category as it would be useful to see why a certain business’s application has been suspended.</li> <li>● Enable a greater degree of access to the back-office IT system to amend mistakes, for example the wrong advice theme. Currently it is not possible for Delivery Partners to make such changes. One suggestion was for one person in the lead Delivery Partner to be given rights to make amendments.</li> <li>● Provide more guidance and training to advisers on how to use the back-office IT system.</li> </ul>
Diagnostics and advice themes	<ul style="list-style-type: none"> <li>● Introduce more guidance to provide greater consistency amongst advisers.</li> <li>● Review whether all diagnostic questions are working as intended. Some are felt to be redundant and others could be more specific.</li> <li>● Allow, businesses, if possible, to choose more than one thematic area because the themes are interlinked or add a ‘general’ category.</li> <li>● As above, make it easier for applicants to change their theme if they make a mistake in completing the on-line diagnostics.</li> </ul>
Online Marketplace	<ul style="list-style-type: none"> <li>● Improve the way choices are selected and presented.</li> <li>● Continue recruitment and increase the number, range and geographical coverage of Suppliers on the Marketplace.</li> <li>● Provide a greater sense of a Suppliers’ ‘community’ which would help promote the Programme, for example by building on the LinkedIn group and producing case studies.</li> </ul>

# Conclusions

The Growth Vouchers Programme, which runs from January 2014 to March 2015, is a pioneering government research project that aims to make it easier for small businesses to access expert advice to help them grow. It does this by providing matched-contribution funding of up to £2,000 to small businesses that do not normally use advice, a business advice assessment, and access to an online “Marketplace” of Advice Suppliers. In order to collect robust evidence on how large an impact the Programme really has on businesses, the Programme is operating as a Randomised Controlled Trial (RCT). In particular, the Programme aims to answer the following key questions:

1. Do businesses that are given a Growth Voucher perform better or worse than those not given one?
2. Do businesses assessed online perform better or worse than those assessed face-to-face?
3. Which of the five themes of subsidised advice creates the greatest return?

This report presents findings from the formative evaluation, the first stage of the independent evaluation of the Programme. Over the next five years we will assess whether the Programme results in positive impacts for participating businesses and understand to what extent it removes barriers for small businesses to access business advice. This chapter draws together the conclusions from the formative evaluation. It is organised around a set of core questions for stages 1-4 of the Programme, identifying both areas that are going well and areas of concern, highlighting lessons learnt from each step.

## ***Stage 1: Awareness-raising, take-up and eligibility: Is the Programme reaching the target group, and in sufficient numbers?***

The Programme aims to recruit under 20,000 small businesses, to test Programme effectiveness and to allow for statistically robust comparisons to be made. Since the launch of the Programme, which successfully attracted large numbers of businesses, applications to the Programme have slowed down. In response Delivery Partners have been intensifying their promotional activities to find and recruit eligible businesses. They also highlight a number of ways in which they could be supported to increase take-up such as more detailed data about the effectiveness of each promotional activity to identify what works best and for a national campaign to complement local efforts. It will be important for the evaluation to continue to explore experiences of recruiting businesses both to identify good practice for the on going delivery of the Programme as well as to contribute to wider lessons around take up of similar forms of government support.

It is difficult to establish definitively from qualitative research but the indications appear to be that the businesses so far engaged in the Programme reflect those that it was aiming to reach. Nearly all businesses cite growth ambitions and the fact that often these are relatively unfocussed indicates the potential benefits that they might realise from the right type of business advice. It is also in keeping with the fact that this is a mainstream Programme rather than one targeted exclusively at businesses with high growth potential. That said, a subset of the businesses who have been involved so far were already in the process of looking to secure business advice (and some by their own admission would have paid full market price for this advice in the absence of the Programme). These

businesses are potential deadweight in the Programme but they do not currently appear to represent a very high proportion of participants.

Even among businesses who have a clearer idea about their advice needs, we cannot necessarily assume that their involvement in the Programme implies deadweight loss. For many businesses, investment in strategic business advice is very much about timing and it could be that the Programme enables businesses to access the advice at a more optimal time.

***Stage 2 Diagnostic assessments: Do businesses value the diagnostic and does it effectively identify business needs?***

Feedback from businesses and Delivery Partners suggest that in general, both diagnostic routes are working well and businesses are generally satisfied regardless of the diagnostic channel. The online route is considered quick and simple, which is attractive to certain businesses. However, businesses did also appreciate to step outside the day to day pressures of running an enterprise and talk directly with an expert about their longer term aims and issues.

A closer look at the personal route reveals a significant amount of variation in the way personal diagnostic assessments are being implemented, including the length, level of challenge, format of the action plan and the degree to which advisers follow a structured approach. Evidence from businesses indicates a greater level of satisfaction from more in-depth, unstructured assessments. This raises the question about how prescriptive BIS and Delivery Partners should be in terms of the diagnostic, and the best balance between structure and flexibility.

Personal assessments can follow face to face or telephone formats. Advisers appeared to favour face to face diagnostics over the telephone route because they tended to be more interactive, and they felt they could get a better understanding of businesses' needs. However, difficulties were encountered by both advisers and businesses in accessing and organising meetings, due partly to many applications made from outside areas covered by Delivery Partners. Moreover, it did not appear that businesses experienced a differing level of service between telephone and face to face assessments.

***Stage 3 Choice of theme: do businesses choose the most appropriate area of advice?***

Across both personal and online assessment routes, it is quite common for businesses to accept the theme that is recommended to them. This suggests the diagnostic meets the perceived requirements of businesses. Some Delivery Partner staff did however feel that choosing a theme added a level of complexity, especially as some of the themes are interlinked and because many businesses are looking for more general advice on business planning rather than something more detailed and focussed.

The distribution of participating businesses by theme is currently quite uneven with the 'raising finance' and 'expanding the workforce' themes showing quite low take up. This is despite the fact that these seem to be relatively commonly mentioned among the challenges that businesses state that they are facing (with cash flow in particular being a recurrent issue). It could, however be, that businesses see these as day to day challenges

rather than requiring strategic advice. It might be worth exploring changing the questions in the online diagnostic at least, to produce a more equal distribution by theme.

#### ***Stage 4 Use of vouchers: are they being used as intended by advisers and businesses?***

From our findings from the initial qualitative research, a substantial proportion of businesses have decided not to use their voucher following the diagnostic and a further large proportion have delayed the decision or remain undecided. The key barriers to use are the ability to find match funding, the time limits to use the voucher and finding a suitable Advice Supplier. One option for BIS to encourage more vouchers to be used would be to relax the time limits and the requirements for match funding. In particular, the level of match required could be reduced for some of the very smallest businesses.

There is significant variation in the timing of communicating to businesses about whether they have been allocated a voucher or not. Some advisers inform businesses immediately whilst others delay notification. It would be worth exploring whether those businesses that learn they have been allocated a voucher at a later date are less inclined to use them.

Although the functionality of the Online Marketplace seems good, the perceived lack of Suppliers (within geographical regions) is acting as a deterrent to businesses. Some businesses enter the Programme with the intention of using a particular Advice Supplier and it might therefore be useful to promote to businesses that it is relatively straightforward for a new Supplier to register to the Marketplace. More generally, there may be value in devoting additional resource to encouraging more Suppliers to register with the Marketplace (and / or more of those on the Programme to sign up to be Growth Vouchers Suppliers). It may also be worth considering an alternative approach of showing search results to generate a longer list of potential Suppliers.

Businesses not using the vouchers could be the very ones that really benefit from the Programme. Of businesses taking steps to use their voucher it does appear that some of these businesses would have sought advice in the absence of the Programme. Around 3 in 10 say they would have sought the same advice and paid for it, albeit at a later point in time, with the same proportion looking for a way of obtaining free or subsidised advice. Again, we cannot assume this represents deadweight due to the potential importance of the timing of advice.

#### ***Programme delivery. What changes could be made to improve implementation?***

Delivery systems are generally working well, with Delivery Partners reporting effective resourcing and contractual models and working relationships. Quality Assurance systems are however less developed at this stage. In addition, Suppliers using the Online Marketplace have experienced some technical issues which have put them off promoting the programme to businesses. These issues need further monitoring to identify whether they are simply early teething issues or need further attention.

Delivery Partners are encountering challenges in meeting overall targets, as well as the 'key performance indicators' of the ratio of face to face/telephone diagnostics and processing times. In general, it is felt that more and better marketing is needed, backed up by better analysis of the effectiveness of different approaches.

A number of suggestions were made for improving the operation of the Programme. This included: more guidance and training for advisers on the back-office IT system, extending the two week timeframe for booking assessments with applicants, more guidance on delivering assessments to provide consistency amongst advisers, merging interlinked themes or allowing businesses to choose more than one and more communications with Advice Suppliers about Programme progress and how to promote the programme.

One key theme for improvement has been to provide clearer information to businesses to ensure there is a better understanding of the Programme. There is evidence that businesses are not always clear that use of a Growth Voucher requires match funding. Some businesses are not realising the need for match funding until the point when they receive their voucher (by which time some have used resources of Delivery Partners).

***Impact and evaluation. What are the implications for the analysis of trial data?***

Delivery Partners and businesses are generally supportive of the RCT, particularly where they were aware of it, and understood the process and logic.

A common concern in the operation of an RCT is the reactions that the experiment prompts for the control group (and the potential that this has to distort results). The results from the research so far seem to indicate that, while those in the control group are often disgruntled that they did not receive a voucher, there are no major signs that they are being diverted towards or actively seeking out alternative advice programmes. The lack of awareness of the random allocation among some businesses (who assume simply that there were other more suitable candidates for the Programme) also seems to result in less resentment than would be the case if they had fully understood that the decision not to give them a voucher was made at random. It is possible that BIS might want to make the random allocation element of the Programme more obvious to businesses. If this is the case it will be important to monitor the impact that this has on the reactions of the control group.

The slowdown in the number of applicants joining the trial potentially limits sample sizes in some of the study arms. The implications are that some experimental comparisons may be underpowered statistically. The design of the RCT has been predicated on an assumption that a certain percentage of those who are allocated a voucher will go on to use it. It is too early to know the rates of take-up once the programme delivery has been established but if it falls below this level it has implications for the analysis of impact.

Furthermore, the Programme is currently attracting some very small businesses and some with quite modest growth ambitions. As a result, the programme may have quite limited impacts on outcomes of interest, such as turnover and employment, with consequences for the evaluation.

There is a degree of concern both in the fact that some personal diagnostics appear to be structured very heavily around a questionnaire-style approach (making them very similar to the online diagnostic route) and that, within the personal channel approaches vary from this questionnaire-driven approach to a very open unstructured discussion (potentially making this channel difficult to consider as a single treatment). An argument can be made that this level of variation reflects a 'real life' scenario where individual organisations and advisers chose to deliver diagnostics in very different ways. However, it could also be argued that it would be more appropriate for the RCT to try to establish differences in

outcomes between a 'best practice' personal diagnostic and online diagnostic in order to inform decisions about the maximum potential value of investing in this channel.

Further developments of the Programme logic model could enhance our understanding of impact through providing a fuller account of the different elements of the Programme, and their effectiveness. This may also have implications for the approach to sampling and data collection in further stages of the research, for example including more research to understand non take-up and to understand pathways to impact in more detail.

### ***How could these findings inform the design of similar programmes?***

This initial formative evaluation of the Growth Vouchers Programme has shed light on issues that might inform the development of future impact evaluations. One enduring challenge with this and other evaluations is achieving sample sizes that are sufficient. It is possible that the re-doubling of efforts to attract businesses into this programme will bear fruit. However, although it may limit what can be achieved, it is also worth when designing impact evaluations to be conservative with regard to sample sizes and planning for a 'worse case' scenario.

It is also important, particularly in the case of complex trials and interventions that the trial systems and protocols are tested in a Pilot phase. Piloting evaluation procedures and data collection processes enables crucial assumptions to be tested and a design to be adjusted in the light of what appears to be practically feasible. With more complex trials involving multiple experimental contrasts a pilot phase may have to last for some significant period of time.

Finally planning evaluations also requires a realistic assessment of whether the intervention as constituted will plausibly generate effects that are of a sufficient size to be detected statistically. This requires a focus on what is known as the treatment contrast. That is, addressing the question as to whether the intervention relative to what is available to the control group is distinctive enough or whether those assigned to treatment are in a position to make the most of services and support offered to them. Having a well-developed logic model / theory of change can be extremely useful in this regard. The process of developing a theory of change can help policymakers and analysts assess the barriers to the potential successful of an intervention, and thereby whether the programme represents a significant enough contrast to what is available elsewhere.

### ***What next for the Growth Vouchers evaluation?***

The results of this formative report are intended to inform the evolution of the Growth Vouchers Programme both in terms of the design of the intervention and the way the Programme is delivered. It will be important to ascertain whether these changes address the key challenges raised in this report. Future evaluation reports will present findings from an impact assessment of the programme and further qualitative research with businesses, Delivery Partners and Advice Suppliers to explore the ongoing delivery of the Programme. Evaluation activity will conclude in 2017 and the results will feed into future Government policy on business advice.

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# A1 Customer Journey – Key Report Findings

## Programme design

### Key findings

#### Strengths

- Support for the Programme is widespread including the RCT element.
- Awareness and understanding of the RCT is generally good among Delivery Partner staff.
- The Programme has been praised for its simplicity and specific features e.g. the eligibility criteria, match funding, and Online Marketplace concept.

#### Challenges

- Businesses and Advice Suppliers were less aware of the RCT element and random allocation of vouchers.
- Not all businesses were aware of needing to match funding; of the meaning of 'strategic advice'; and that they are ineligible if they have accessed advice in the last three years.

### Suggestions for improvements

- Advice may be more affordable for micro businesses if they can offer a lower level of contribution to the voucher.
- Advice Suppliers and Delivery Partners advisers want more information about the RCT.
- It may be worth considering how to make key Programme information more obvious to businesses to ensure a better understanding of the Programme.

## Stage 1: Awareness raising activities

#### Strengths

- The national launch was thought to be successful in attracting large numbers of businesses. Delivery Partners felt applications to the Programme are on target.
- Business heard about the Programme through a variety of sources, including word-of-mouth, articles in trade press through online searches and through Advice Suppliers.

#### Challenges

- Applications have slowed down since the national campaign and launch. Delivery Partners are therefore intensifying engagement activities to raise take-up.
- Advice Suppliers were either taking an active role in promotion or wanted to do so. They feel they lack guidance about how to market the Programme.

- It is felt that more and better marketing is needed both locally and nationally, backed up by better analysis of the effectiveness of different approaches.
- Advice Suppliers should be further supported in promoting the Programme. This is important because a shortfall in numbers participating in the scheme has implications for the research.

**Stage 1:  
Online  
programme  
information  
, eligibility  
check and  
application  
form**

Key findings	Suggestions for improvements
<p>Strengths</p> <ul style="list-style-type: none"> <li>• Businesses engaged so far appear to reflect the target group. Nearly all cite growth ambitions though in some cases these were relatively modest.</li> <li>• Businesses felt the criteria for inclusion were very clearly displayed on the landing page of the system and was helpful.</li> <li>• The online application process is also felt to be working smoothly and earlier teething problems have been addressed.</li> </ul> <p>Challenges</p> <ul style="list-style-type: none"> <li>• Modest ambition suggests that effects on outcomes might be difficult to detect through the evaluation.</li> <li>• A very small subset of the businesses were already searching for business advice and may represent deadweight in the Programme.</li> <li>• Just under a tenth of businesses reported paying for some form of ‘strategic’ advice in the last three years, pointing again to the possibility of deadweight.</li> <li>• Some businesses cited difficulties understanding what qualifies as “strategic” advice.</li> </ul>	<ul style="list-style-type: none"> <li>• It may be worth reminding businesses about key eligibility criteria and programme information at subsequent points in the customer journey.</li> </ul>

**Stage 2: Random allocation to online and face to face groups**

**Stage 2:  
Contact to  
arrange  
assessment**

<p>Challenges</p> <ul style="list-style-type: none"> <li>• Delivery Partners having difficulty meeting the 60% target of face to face assessments because a high proportion of applicants are based out-of-region.</li> <li>• Difficulties are also being encountered arranging assessments with businesses within two weeks of them applying to the programme.</li> </ul>	<ul style="list-style-type: none"> <li>• Stronger local marketing is needed to help increase the number of face to face assessments.</li> <li>• Delivery Partner staff suggested relaxing the two week timeframe for booking appointments for assessments.</li> </ul>
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	Key findings	Suggestions for improvements
<p><b>Stage 2: Online diagnostic assessment</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Businesses are generally satisfied regardless of the diagnostic channel.</li> <li>• The online diagnostic is seen as quick, simple and comprehensive and the majority of businesses agree with the suggested theme.</li> </ul> <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Businesses allocated to the online route did appear less aware of some of the key aspects of the Programme such as the five advice themes; match funding; and the genuinely random allocation of vouchers.</li> <li>• Currently it is not possible to change advice themes after allocation. Some businesses have accidentally answered the online questionnaire incorrectly and have received a voucher for a theme that does not reflect their needs.</li> </ul>	<ul style="list-style-type: none"> <li>• It may be that messaging about key programme information could be made more obvious during the online application, perhaps through pop-ups.</li> <li>• It may be useful to make it easier for applicants to change their theme after they've chosen it, if they make a mistake in completing the online diagnostic.</li> </ul>
<p><b>Stage 2: Personal diagnostic assessment</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Delivery Partners are satisfied diagnostics are running smoothly. While advisers generally feel meeting face to face helps understand businesses' needs better than telephone diagnostics, businesses did not express strong preferences either way.</li> </ul> <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Personal diagnostics vary significantly between and within Delivery Partners. Some personal diagnostics appear to be very similar to the online diagnostic route. This diversity may cause difficulty in considering this channel as a single treatment.</li> <li>• Within the personal route businesses appear to have more positive views about more open, discussion based diagnostics that represent less of a 'tick box' approach.</li> </ul>	<ul style="list-style-type: none"> <li>• The variation in personal assessments could be argued to reflect the real-life market environment. However, it may be appropriate for the RCT to try to establish differences in outcomes between a 'best practice' personal diagnostic and online diagnostic in order to inform decisions about the maximum potential value of investing in this channel.</li> </ul>
<p><b>Stage 3: Theme decision</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• It is quite common for businesses to accept the theme that is recommended to them, which suggests the diagnostic meets the perceived requirements of businesses.</li> </ul> <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Some advisers can find choosing one theme challenging, particularly themes that are interlinked and when businesses need more general advice on business planning.</li> <li>• The distribution of participating businesses by theme is currently quite uneven with the 'raising finance' and 'expanding the workforce' themes showing quite low take up.</li> </ul>	<ul style="list-style-type: none"> <li>• Advisers suggesting merging some themes or adding a 'general' category.</li> <li>• In the online diagnostic at least, and it might be worth exploring adjusting the questions or the weight given to each by the algorithm to produce a more equal distribution by theme.</li> </ul>

	Key findings	Suggestions for improvements
Stage 3: Action Plan	<ul style="list-style-type: none"> <li>About half of businesses recall receiving an action plan. Businesses seem more likely to receive an action plan after a face to face diagnostic than a telephone diagnostic.</li> <li>The content of the action plans vary considerably. The third of businesses that report the action plan was less useful tended to feel the plan was sparse, not relevant to the business, or did not provide guidance not already known to businesses.</li> </ul>	<ul style="list-style-type: none"> <li>It may be that guidance could be issued about the general level of detail provided in action plans.</li> </ul>
Stage 3: Random allocation to voucher or the control group	<p>Strengths</p> <ul style="list-style-type: none"> <li>The results indicate control group businesses are often disgruntled that they did not receive a voucher but are not put off advice or being diverted towards or actively seeking out alternative advice programmes. That said, some advisers signpost business to sources of additional support if businesses request help.</li> </ul> <p>Challenges</p> <ul style="list-style-type: none"> <li>Key barriers include the ability to find match funding, the time limits to redeeming the voucher and finding a suitable Supplier.</li> </ul>	<ul style="list-style-type: none"> <li>A lack of funds is particularly prevalent as a barrier among those who have already decided not to proceed; these could perhaps have been screened out of the process earlier.</li> <li>One option for BIS to encourage more vouchers to be used would be to relax the time limits and reduce the level of match funding for some of the very smallest businesses. BIS could also relax the eligibility criteria around 'not having had strategic advice' in the last three years.</li> </ul>
Stage 4: The Online Marketplace	<p>Strengths</p> <ul style="list-style-type: none"> <li>Businesses, Delivery Partners and Advice Suppliers like the Online Marketplace concept. The review process is considered particularly innovative. The functionality and usability of the Marketplace is good.</li> </ul> <p>Challenges</p> <ul style="list-style-type: none"> <li>A perceived lack of Suppliers (within geographical regions) is acting as a deterrent to businesses allocated a voucher going onto redeeming it.</li> <li>Some Advice Suppliers have experienced technical issues registering with and using the Online Marketplace. Though this is not a widespread experience, these issues have put Suppliers off promoting the programme to businesses.</li> </ul>	<ul style="list-style-type: none"> <li>It may be worth devoting additional resource to encouraging more Suppliers to register with the Marketplace. It may also be worth considering an alternative approach of showing search results to generate a longer list of potential Suppliers.</li> </ul>
Stage 5: Advice delivered and invoice produced	<ul style="list-style-type: none"> <li>Currently few advice sessions have taken place or claims entered. Advice supplied so far covers issues such as how to grow and exit a business and how to produce marketing reviews.</li> <li>Around a fifth of businesses that allocated a voucher had booked an appointment, with a further third saying they intend to do so. A quarter decided not to use the voucher, with the remainder undecided. Barriers to vouchers use include the availability of funds to match the voucher contribution, time and finding the right adviser.</li> </ul>	<ul style="list-style-type: none"> <li>Securing as many as possible redeemed vouchers among those businesses with positive intentions and those who are unsure will be central to the success of the scheme and ability to analyse impact.</li> </ul>

# A2 Methodology

This report presents findings from a formative evaluation of the Growth Vouchers Programme. This is the first stage of the wider evaluation which aims to understand how the Programme is being implemented early in its life and how participating businesses, Delivery Partners and Advice Suppliers view the effectiveness of delivery.

The objectives of the formative evaluation, as set out in the invitation to tender, are to:

- a. Monitor that the growth vouchers are delivered and the programme is implemented according to the RCT protocol. This will also identify factors and areas of the programme implementation that are working well and those that need to be improved.
- b. Document the customer journey from voucher applicants' point of view and assess how various elements of the customer journey are working in practice. Also, how any barriers could be removed.

The formative evaluation for the Growth Vouchers programme used qualitative methodologies to address these research objectives. This included:

- Semi-structured interviews with 120 businesses
- In-depth interviews and observations with 42 Delivery Partner staff
- In-depth interviews with 22 Advice Suppliers

This appendix provides technical details about the way in which the research was conducted. Topic guides are provided in Annex A3.

## Interviews with businesses

Business's contact details (provided by businesses as part of their application to the Growth Vouchers programme) were supplied by BIS.

Businesses were recruited via a short telephone call that double checked they had completed a diagnostic session either online or by telephone, and established a convenient time to conduct the interview.

Fieldwork took place between 10th March and 11th April 2014. The majority of businesses (108) were then interviewed over the telephone, and 12 businesses were interviewed face to face. Interviews lasted in length between 30 and 60 minutes.

The 108 telephone interviews were structured as in the tables below, to ensure businesses were interviewed across the whole range of advice themes, Delivery Partners and regions. This structure also included those allocated and not allocated a voucher and ensured that the businesses interviewed had experienced both the online and personal diagnostic routes, and within the personal route, face to face and telephone diagnostics.

Table A1 summarises how many businesses were contacted, refused to take part at both the recruitment and interview stage and how many were interviewed altogether.

## A1 Summary of interview recruitment for businesses

	Teledepths	Face to Face interviews
How many contacted	246	38
How many refused / unavailable at recruitment stage	106	27
How many refused / unavailable at interview stage	31	0
<b>Total interviews achieved</b>	<b>109</b>	<b>11</b>

## Completed telephone interviews

## A2 Theme by voucher allocation

Theme	Allocated a voucher		Not allocated a voucher		Total
	Face to face diagnostic	Online diagnostic	Face to face diagnostic	Online diagnostic	
Recruiting and developing your staff	8	1	3	0	12
Making the most of digital technology	8	10	1	2	21
Improving leadership and management skills	11	10	1	2	24
Raising finance and managing cashflow	11	10	2	0	23
Marketing, attracting and keeping customers	12	12	2	2	28
<b>Total</b>	<b>50</b>	<b>43</b>	<b>9</b>	<b>6</b>	<b>108</b>

## A3 Delivery partner by voucher allocation

Delivery Partner	Allocated a voucher		Not allocated a voucher		Total
	Face to face diagnostic	Online diagnostic	Face to face diagnostic	Online diagnostic	
<b>BE Group</b>		43		6	49
<b>Cavendish Consortium (EoE)</b>	9		4		13
<b>Cavendish Consortium (London)</b>	9		1		10
<b>Cavendish Consortium (SE)</b>	15		1		16
<b>West Midlands Chambers of Commerce LLP</b>	10		0		10
<b>Winning Pitch</b>	7		3		10
<b>Total</b>	<b>50</b>	<b>43</b>	<b>9</b>	<b>6</b>	<b>108</b>

## A4 Theme by personal diagnostic channel

Theme	Face to face diagnostics		Totals
	Face-to-face diagnostic	Telephone / Skype	
<b>Recruiting and developing your staff</b>	2	9	<b>11</b>
<b>Making the most of digital technology</b>	3	6	<b>9</b>
<b>Improving leadership and management skills</b>	4	8	<b>12</b>

<b>Face to face diagnostics</b>			
<b>Raising finance and managing cashflow</b>	5	8	<b>13</b>
<b>Marketing, attracting and keeping customers</b>	6	8	<b>14</b>
<b>Total</b>	<b>20</b>	<b>39</b>	<b>59</b>

### Completed face to face interviews

A5 Voucher allocation by theme and diagnostic channel

<b>Face to face diagnostics</b>			
<b>Theme</b>	<b>Face-to-face diagnostic</b>	<b>Telephone / Skype</b>	<b>Totals</b>
<b>Marketing, attracting and keeping customers</b>	1	1	2
<b>Raising finance and managing cashflow</b>	1	1	1
<b>Improving leadership and management skills</b>	1	1	2
<b>Recruiting and developing your staff</b>	1	1	2
<b>Making the most of digital technology</b>	1	2	3
<b>No voucher</b>	1	1	2
<b>Total</b>	<b>5</b>	<b>7</b>	<b>12</b>

### Interviews with Delivery Partners

Fieldwork with Delivery Partners took place between March and May 2014. The research methodology utilised a case study approach to data collection. At each organisation interviews were conducted with personnel working in the different roles involved in the programme.

Contact details for key contacts at each Delivery Partner organisation were provided by BIS. The key contacts nominated relevant strategic and operational staff and interviews with these individuals were organised. Five staff members were unable to take part in the research due to time constraints.



Key contacts were also asked to provide the details of advisers conducting diagnostic sessions. Advisers were then selected to capture diversity in terms of the number of diagnostic sessions they had conducted to date and the number of years' experience they had working in the business advice field. Interviews with advisers and other personnel lasted between 30 minutes

Observations were organised with advisers delivering diagnostics sessions, where possible, with permission from advisers and businesses. Observation forms were completed by researchers to record the key details of the sessions and these were analysed alongside other interview data.

Staff roles varied between organisations, depending on the delivery model and role of Delivery Partners in the programme. Table A6 provides a breakdown of the number of staff interviewed (as well as observed) as part of the formative evaluation within each Delivery Partner organisation. The fieldwork also included an interview with the organisation running the Online Marketplace, this is not included in the table below.

A6 Delivery Partner personnel interviewed or observed

Numbers of personnel interviewed per DP					
Personnel interviewed / observed	DP1	DP2	DP3	DP4	DP5
Strategic leads	1	1	1	2	1
Operational managers	1	1	1	2	1
Administrative staff	2	1	0	2	0
Advisers	5	4	5	5	2
Observations	2	1	1	0	0
<b>Totals</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>4</b>
<b>Total</b>	<b>41</b>				

### Interviews with Advice Suppliers

A list of Advice Suppliers registered on the Online Marketplace was provided by BIS. Of these emails and information about the research were sent to 100 Growth Vouchers approved Suppliers (20 per theme) to invite them to participate in the research. A total of 11 organisations opted out of the research and those who did not received a follow up phone call to explain the research and arrange interviews.

Interviews were conducted by telephone and followed the topic guide shown at the end of the report. The Advice Suppliers interviews range in terms of the advice theme they were registered under and the area they were located in, as shown in the tables below. Five

Suppliers had been approached by one or more businesses through the Growth Vouchers programme.

#### A7 Advice Suppliers by Advice Theme

Advice theme	Total number of Advice Suppliers interviewed	Total number of opt outs
Recruiting and developing your staff	5	2
Raising finance and managing cashflow	4	3
Making the most of digital technology	4	1
Improving leadership and management skills	4	4
Marketing, attracting and keeping customers	5	1
<b>Total</b>	<b>22</b>	<b>11</b>

#### A8 Advice Suppliers by Region

Region	Total Advice Suppliers interviewed
Greater Manchester, Yorkshire and the North West	5
West Midlands	4
North London, East of England and East Midlands	5
South London and the South East	7
<b>Total</b>	<b>22</b>

# A3 Topic Guides

## Topic Guide: Qualitative Interviews with Businesses

### A About the Business

A1 Could you start by telling me a little bit about your business? What does your business do or make?

A2 How many people do you employ (excluding partners or directors)? And how many partners/directors do you have?

A3 And how long have you been trading?

A4 And what is your turnover? Has this been increasing or decreasing over the last few years? By what sort of margin?

A5 And who do you sell your products or services to? Are your customers in the UK or overseas? Are they consumers, small businesses or big multinationals?

### B Getting involved with the GVP

IF CAME ACROSS IT ON GOV.UK (FROM B1)

B2 What were you looking for on the gov.uk website when you came across the programme?

IF POINTED TOWARDS THE GVP BY ANOTHER ORGANISATION (FROM B1)

B3 How did this organisation approach you?

B4 What did they tell you about the programme?

B5 What contact have you had previously with this organisation? PROBE FOR DETAIL of number of contacts, over what sort of time period, what prior contact had related to, etc.

IF HEARD FROM A FRIEND (FROM B1)

B6 What is the nature of your friendship? Is it a personal friend or a business contact?

A6 Do you make much use of sub-contractors to produce your products / deliver your services? What do you use them for?

A7 What are the key business challenges that you are facing at the moment? How long have these been having an effect? What sort of impact are they having?

A8 What are your aspirations for the business? What are you hoping that the business will achieve in the next couple of years? And how about in the longer term?

A9 What sort of advice or support do you anticipate needing to help you achieve these goals? Is this advice or support you need now or something for further down the line?

Someone you interact with on social media or through other means?

ASK ALL

B7 What type of advice did you think the Growth Voucher Programme was concerned with?

B8 What made you want to apply to the programme?

B9 Have you been involved with anything similar before? PROBE FOR DETAIL.

B10 Were you already thinking about the possibility of getting business advice when you got involved with the Growth Voucher Programme?

IF ALREADY CONTEMPLATED TAKING ADVICE (FROM B10), OTHERS GO TO SECTION C

B11 What sort of advice had you thought of getting? Did you plan to pay for it or were you looking for free advice?

How far had you taken it? Had you looked at advice providers? Spoken to any? Assessed possible costs?

Why hadn't you taken it any further before? PROBE FOR DETAIL [Cost? Suppliers? Trust? Expected benefits?]

## C The online application process / online diagnostic

C1 How did you find the online application process for the Growth Vouchers Programme? This would have involved you answering a few questions about your business on the website?

C2 Were there any 'difficult' questions? Were there any questions that made you feel like quitting the process? How did you handle these?

C3 Did the questions seem relevant or not? IF NOT: Which ones seemed less relevant and why?

C4 Did you complete the questions in one sitting or more? How long did it take you?

C5 How clear were you about who was eligible for the Growth Vouchers Programme

IF HAD ONLINE DIAGNOSTIC (FROM SAMPLE), OTHERS GO TO SECTION D

C6 Do you remember answering some questions about your businesses' capabilities and ambitions in 5 specific areas? What did you think was the point of these questions?

PROMPT ON THE FIVE AREAS IF NECESSARY: a) Raising finance and managing cash flow, b) Marketing Attracting and keep customers, c) Making the Most of Digital Technology, d) Improving Leadership and Management Skills and e) Recruiting and developing staff

C7 Were they questions that you 'knew' the answers to? Did they make you think about your business differently at all?

C8 Were each of the 5 areas or themes equally clear in terms of what they were

asking or equally easy to respond to or were some more difficult? Why?

C9 Do you remember being given a suggestion about which area of advice your business might most benefit from? What did you think of this suggestion? Did you understand why this area of advice was recommended? How did it fit with your views of your business needs?

C10 And in terms of progressing to the next stage, did you agree to go along with this suggestion or did you pick another area of advice that you would be most interested in? Why?

C11 Before you started the application, did you know what types of advice were available through the programme? And did you have a clear idea of which you felt would be most interesting to you?

C12 Were you clear about the definitions of the different areas of advice that were available? PROMPT FOR UNDERSTANDING OF EACH THEME: a) Raising finance and managing cash flow, b) Marketing Attracting and keep customers, c) Making the Most of Digital Technology, d) Improving Leadership and Management Skills and e) Recruiting and developing staff

C13 Do you recall being given any information about the evaluation that is a key part of the Growth Vouchers Programme? What do you remember being told? Did you know that BIS will be looking to track the performance of businesses who take part over time to see what can be learnt to inform new business support policies in the future?

## D The personal diagnostic

IF HAD PERSONAL DIAGNOSTIC (FROM SAMPLE), OTHERS GO TO SECTION E

D1 When you finished answering the questions online, what were you asked to do next?

D2 IF NOT MENTIONED SPONTANEOUSLY – Were you asked to make contact with an organisation to arrange a session to discuss your advice needs in more detail? How did you find the process of making an appointment? Did you contact this organisation or did they get in touch with you?

D3 Did the discussion take place over the telephone or in-person face-to-face or using Skype? Was this your preference? Why?

D4 How long did the discussion take? How did you feel about the length?

D5 What did you understand to be the purpose of the session?

D6 What happened in the session? Did you complete a questionnaire or was it just a discussion? What sort of things did you discuss?

D7 Did the advisor enable you to understand your business needs better? Did they challenge your thinking?

D8 Did you discuss everything you wanted to or were there things that you wanted to talk about that you weren't able to?

D9 Did you get any form of 'action plan' or 'recommendations' to take away at the end? What was included on this? How useful was it?

D10 Before you started the application, did you know what types of advice were available through the programme? And did you have a clear idea of which you felt would be most interesting to you?

D11 Do you remember being given a suggestion about which area of advice your business might benefit from most? What did you think of this suggestion? Did you understand why this area of advice was recommended? How did it fit with your views of your business needs?

D12 Did you go into the session with a firm idea of what type of advice your business needs? IF YES: Did the advisor challenge your views / discuss alternatives?

D13 And in terms of progressing to the next stage, did you agree to go along with this suggestion or did you pick another area of advice that you would be most interested in? Why?

D14 Were you clear about the definitions of the different areas of advice that were available? PROMPT FOR UNDERSTANDING OF EACH THEME: a) Raising finance and managing cash flow, b) Marketing Attracting and keep customers, c) Making the Most of Digital Technology, d) Improving Leadership and Management Skills and e) Recruiting and developing staff

D15 Overall how useful did you find this discussion? Did it give you any new perspectives on your business?

D16 Overall, how satisfied are you with the service that you received from the organisation who conducted this discussion with you? E.g. in terms of the service provided, the premises (if in person) etc.?

D17 Did the adviser tell you about the evaluation that is a key part of the Growth Vouchers Programme? What did they tell you? Did they mention that they will be looking to track the performance of businesses who take part over time to see what can be learnt to inform new business support policies in the future?

## E Voucher allocation

E1 After you had agreed on the area of advice that would be most appropriate to your business, what happened next?

E2 IF NOT ALREADY ESTABLISHED:  
Did you receive a voucher for money towards business advice?

IF DID NOT RECEIVE VOUCHER (FROM E2)

E3 Did you know when you started the process that it might be possible not to be allocated a voucher? How was it explained to you that you had not been given a voucher? What did you think about this? Would there have been a better way of explaining this to you?

E4 Has this had any impact on your likelihood to seek advice? Now or in the future?

E5 Were you clear that the vouchers were allocated 'at random' i.e. the fact that you didn't get a voucher has nothing to do with the merit of your application?

IF DID NOT RECEIVE VOUCHER AND HAD PERSONAL DIAGNOSTIC (FROM SAMPLE AND E2)

E6 Did your advisor suggest any alternative programmes to you? IF YES – What were these? Have/will you investigate them further?

IF DID RECEIVE VOUCHER (FROM E2)

E7 What did you think about the voucher?

E8 What did you think about the amount that it was for? And what did you think about it being a matched contribution? Were you told that you would have to pay 50% of the costs of advice purchased?

E9 Do you think it has made you more likely to seek advice? PROBE FULLY [Is it subsidy that helped, or is it the

information/awareness of options that you have received or both/none of these?]

E10 Have you paid for any advice yet? Or seen an advisor? Or arranged an appointment with an advice provider?

IF NOT YET MADE APPOINTMENT (FROM E10)

E11 Do you plan to make an appointment and go to see an advisor?

IF NOT: Why not? What would make it more compelling to do so?

IF YES: When do you anticipate that you might visit an advisor? (in how many months' time?)?

IF PLAN TO GO TO ADVISOR (FROM E11)

E12 If you hadn't become involved with the Growth Voucher programme, which do you think you would be the most likely scenario?

You would have obtained the same kind of advice (that you are likely to do now) but would have paid for it

You would have looked for another way to get this advice at a free or subsidised rate

You would have bought less advice

You would have used the money that you are now going to use for advice for something else [SPECIFY WHAT]

You'd have taken another course of action

IF PLAN TO GO TO ADVISOR (FROM E11) OR DID NOT RECEIVE VOUCHER BUT STILL PLAN TO SEEK ADVICE (FROM E4)

E13 What sort of benefits are you hoping will result from seeking business advice [Growth in turnover? Increase in number of staff? Addressing a particular problem being experienced at the moment? etc.] Over what sort of time period do you expect to be able

to see these benefits? And how long do you think any positive impact might last?

IF DID RECEIVE VOUCHER (FROM E2)

E14 When you received the e-mail letting you know that you had received a voucher, it should have had some other documents

attached – a claim form for claiming back money spent on advice and some other documents. Did you look at these at all? What did you think of them?

E15 Do you understand how to reclaim the money that you spend on advice? Has this been explained clearly to you?

## F The Online Marketplace / advice sessions

F1 Do you recall being given a link for the online business advice Marketplace? (This is an online listing of Suppliers of advice services that have been approved by the Growth Voucher Programme)

F2 Have you had a look at the Online Marketplace? IF NO: Do you think you will? Why/why not?

IF HAVE LOOKED AT THE ONLINE MARKETPLACE (FROM F2), OTHERS GO TO SECTION G

F3 How did you find it? How user-friendly? Did the types of Suppliers look useful to you?

F4 Have you made an appointment with any of the Suppliers?

IF MADE AN APPOINTMENT (FROM F4)

F5 How did you select who to make an appointment with? How did you compare Suppliers?

F6 Has your bought the advice yet?

IF BOUGHT ADVICE (FROM F6)

F7 How useful did you find the advice?

F8 What sort of topics did you discuss?

F9 How long did it take [days/hours]?

F10 How much did the advice cost? (PROBE TO ESTABLISH TOTAL VALUE OF THE SESSION INCLUDING THE AMOUNT

RECOUPED WITH THE VOUCHER IF RECEIVED ONE)

F11 IF HAD A VOUCHER AND SESSION COST LESS THAN £4K (SO LESS THAN TOTAL VALUE OF VOUCHER WAS USED) Was there any particular reason why you did not spend the full value of your voucher?

F12 Were there any particular outputs from the session or was it just a discussion?

F13 What action do you think you might take on the back of the advice?

F14 Overall, did you find it a positive experience?

F15 Do you have any plans to take further advice in the future? Are you thinking about advice that you would pay for in full or advice that would be subsidised?

IF RECEIVED VOUCHER AND BOUGHT ADVICE (FROM E2 AND F6)

F16 Have you used your voucher to claim for the advice received? IF NO: Why not? IF YES: Did this process go smoothly?

IF BOUGHT ADVICE (FROM F6)

F17 Would you be happy to let us know the name and contact details of the adviser you used? We won't be contacting them about your case, it's just so that we can also contact a couple of advisers later on in the research programme.

## G Overall perspective on the Growth Vouchers programme

ASK ALL

G1 What have you got out of taking part in the Growth Vouchers programme so far? Have there been any benefits for you in terms of:

- Changing your attitudes towards business advice
- Learning more about how your business might benefit from advice

- Learning about new programmes or support networks. Which?
- Making connections with new organisations. Which? How might they help you?

G2 And have you discussed taking part in the Growth Vouchers programme with any other businesses? Did you talk about it positively or negatively? What did you say? Did you recommend that they take part?

## H Overall attitudes towards business advice

ASK ALL

H1 (Other than through the Growth Voucher Programme) have you used any external sources of business advice in the last 3 years?

IF RECEIVED ADVICE IN THE PAST (FROM H1)

H2 What types of advice? What sort of providers? How long ago?

H3 How did you find the advisors to use on these occasions?

H4 Was it advice that you paid for?

H5 How does what the Growth Voucher Programme offers compare to your previous experiences of obtaining business advice?

ASK ALL

H6 How 'open' to the idea of receiving advice from external organisations do you feel your business is at the moment?

H7 And is now a good time for your business to receive advice or do you think it might be more useful at some point in future? Why / why not?



## Topic Guide: Qualitative Interviews with Delivery Partners

### A Contextual information

#### A1 Participant background

- Role and responsibilities
- In organisation
- Specifically in relation to Growth Vouchers programme
- What other schemes they are delivering
- Experience, qualifications and expertise in providing business advice to small businesses

#### A2 Background to the Delivery Partner

- What they do
- Number of years operating
- Size (employees, offices)

- Regional coverage
- Organisational experience/ expertise in providing business advice
- Other schemes being delivered (aside from Growth Vouchers)

#### A3 Overview of Growth Vouchers contract

- Regional coverage
- Consortium/supply chain arrangements
- Terms of contract
- Payment model
- Delivery model/approach
- Description of links with advice providers

### B Understanding and views of the Growth Vouchers programme

#### B1 Understanding and views of policy aims (mainly strategic leads)

- Views of the role of business support/advice in helping small businesses to be successful /achieve better business outcomes
- Views about accessibility of business advice without government subsidy/voucher
  - How easy it is to find good quality business advice
  - How affordable good quality business advice is for small businesses
  - Extent of demand for business advice among small businesses
  - Barriers to seeking business advice for small businesses
- Understanding of the Growth Vouchers programme and what it is trying to achieve

#### B2 Understanding and views of programme design

- Views of the effectiveness of the Growth Vouchers programme design
  - Value of early advice for small businesses
  - Views of eligibility criteria
  - Link between offering subsidised advice and better business outcomes
  - Amount of voucher and motivational value
  - Views of match-funding
  - Effectiveness and value added of:
    - Online diagnostics
    - Face to face diagnostics, including:
      - In-person diagnostics
      - Telephone and Skype diagnostics
  - Likelihood of businesses not offered a voucher seeking and taking up advice
  - Views of the five advice themes
  - Views of the online market place concept
- Key strengths of the programme
- Key weaknesses of the programme

### **B3 Understanding and views of the research element**

- Understanding of the research element
- Understanding of random allocation and rationale for this approach

- Basis of understanding e.g. information materials / sessions from BIS policy team
- How clear / well explained and areas of confusion
- Further support needed to understand research / random allocation process

## **C Engagement of businesses with the programme**

### **C1 Approaches to engaging businesses**

- Approach(es) to promote programme to businesses (probe comparisons with other programmes)
  - Marketing and communications
  - Networking and contacts
  - Social media
- Specific activities undertaken to engage businesses (ask for examples), and for each
  - Geographic coverage / focus (probe whether outside designated region)
  - Resources used (staff, money)
  - Approaches to assessing effectiveness
- Progress towards and plans to meet minimum sample target
- Views on engagement approaches / activities
  - What's worked well (and best)
  - What hasn't
  - Challenges experienced
  - How overcome / plans for improvement in strategies for engaging businesses
  - How process compares to expectations
- Other ways businesses have come across Growth Vouchers
- Nature of contact with businesses at this stage for online DP

### **C2 Early response of businesses to the programme**

- Understanding of the Growth Vouchers programme, probe on each aspect:
  - Eligibility criteria
  - Participation requirements
  - Customer journey
  - Research element and possibility of not being offered a voucher
- Views of programme
- Nature of any complaints / dissatisfaction at this stage (probe online route)
- Types of business more / less open to programme (extent to which these are businesses who would have sought business advice anyway)
- Enablers to businesses engaging with programme
- Barriers to businesses engaging with programme
- Response to direction to GOV.UK page

### **C3 Assessing eligibility to apply for a Growth Voucher**

- How, if at all, do they verify that businesses are eligible e.g. visit company websites, use Mint
- How well process works / views on whether non-eligible businesses are proceeding to the diagnostic stage (and how this may have happened)
- What happens to businesses which are not eligible: whether they sent to other programmes
- Challenges in implementation
- Improvements (clarify implemented / suggested)

### **C4 Application process for Growth Vouchers**

- Description of application process
  - Link with on-line system
  - Help / support provided to businesses to apply
- Views on application process
  - Challenges experienced by businesses in applying
  - How application process supports / deters applications
  - How application process could be improved
- Feedback from businesses about usefulness of GOV.UK in providing information about application stage, areas that are unclear

## D Diagnostic assessment

### D1 Resourcing (mainly operational managers)

- Description of frontline advisers delivering diagnostics
  - Number of advisers working on Growth Vouchers programme
  - Whether full time dedicated staff for the GV programme, if not, which other programmes involved in
  - Experience and qualifications in delivering business advice to small businesses
  - Recruitment and selection for delivering Growth Vouchers programme
  - Key qualities in an adviser to effectively deliver this programme specifically
  - Training provided to advisers in delivering the programme and more generally
  - Quality control and monitoring
- How various points of customer journey are quality assured e.g. diagnostic and action plan
- How they quality control all advisers across the region
- Management structure and nature of involvement of managers including senior staff

### C5 Characteristics in relation to seeking business advice

- Knowledge and awareness of available sources of business advice
- Sources used previously (e.g. over 3 years ago or 'light touch' advice)
- Reasons for not seeking business support previously
- Extent to which businesses applying always intended to buy business advice
- Patterns of take up in terms of types of businesses entering programme
- Types of businesses not applying / engaging

### D2 Description of the diagnostic assessment

- Design of diagnostic assessment
  - Nature of diagnostic approach used by advisers e.g. software / management information / toolkits
  - How diagnostic approach was developed
  - If so, how and why diagnostic approach has developed over time
- Step by step process of diagnostic (probe differences between in-person and face to face)
  - How diagnostic assessments are conducted i.e. in-person and telephone / Skype
  - How long they last (probe differences between different modes)
  - Where they are held
  - Nature of the conversation / what discussed
  - Information gathered about businesses
  - Process of agreeing theme
  - Extent to which businesses have pre-selected a theme
  - How much they challenge businesses on their preferences
  - Discussion of theme

- Discussion of overall business performance
- Variations in approach and reasons for this

### **D3 Early experiences of delivering the diagnostic assessment**

- How diagnostic has been working, early on and now
  - Whether diagnostic process meets business needs
  - Agreeing theme
    - Businesses' views of available themes
    - Businesses' preferences and patterns in demands for themes
    - Extent to which they / process challenges businesses by assessing their needs objectively or gives them what they want as soon as it is possible
    - Business response to this and how managed if unhappy
  - Usefulness of diagnostic as an exercise
    - Benefits of doing a face to face diagnostic (what they think this interaction brings as opposed to it happening online)
    - Differences between in-person and telephone Skype
- What's worked well about the design of the diagnostic assessment
- Challenges and likely impact on programme effectiveness
- Solutions to challenges
- Key learning
- Suggestions for improvement
- Emerging patterns of business need: capabilities in core business skills e.g. leadership, managing cashflow, marketing, using digital technology
- Needs identified that cannot be met by the five themes / gaps in themes

- How businesses deal with the issue of not getting a voucher, how advisors handle it

### **D4 Action plan and referral to business Advice Suppliers website**

- Process of forming and agreeing action plan for businesses (in-person / tel route)
- Description of action plan content, ask for examples (in-person / tel route)
  - Referral / signposting to other business advice services, which ones, local or national
- Usefulness of action plan (in-person / tel route) route
- Response to action plan by businesses (in-person / tel route)
- Process of referral to Suppliers website
- Nature of advice and support provided in selecting advice provider (in-person / tel route) and whether documents sent by BIS tend to be used, if known
- Nature of queries from businesses to online route at this stage
  - Extent to which businesses want support and advice
  - How queries are dealt with
- Business' feedback about Suppliers website
- Nature of any ongoing contact with Delivery Partners after theme allocation and referral to Supplier website

### **D5 Random allocation**

- Views about how random allocation has been working in practice, own and colleagues'
- Strengths / weaknesses (probe on fairness, transparency / clarity, legitimacy)
- Behavioural responses of advisers to random allocation (i.e. effects on practice)
- When the theme is decided / confirmed (at the diagnostic / later and how communicated if so e.g. by email at a later date)
- Business response to random allocation

- Info provided to businesses about random allocation, how prepared businesses
- Businesses' reactions to allocation (positive / negative)
- How these have been handled by DP and response to handling
- Nature of support offered to control group
  - Referral / signposting to other business advice services,
    - Which ones
    - Local or national
    - Take up of these services
  - Ongoing contact, if any and for what reasons

## D6 Control group

## E Early experiences of delivering the programme

### E1 Partnership working

- Working with BIS /BIT
- Effectiveness of Operations Group meetings
- Nature of any interaction and partnership working with other Delivery Partners
- Nature of interaction and partnership working with advice providers

### E2 Communications

- Nature of communications with BIS/BIT about the programme
- Nature of marketing and communications strategies for the programme
  - Management of social media and wider promotional campaigns
  - Direction and support from BIS in managing this
- What's been working well
- Difficulties experienced and how overcome
- Areas for improvement

### E3 Using programme systems and processes

- Nature of back office IT systems used to deliver programme
- Training and support from BIS in using these systems
- How well working
- Issues experienced and implications of these
- How issues have been actioned / responded to by BIS
- Key learning

- For each (BIS, other Delivery Partners, Advice Suppliers)
  - What's working well
  - Challenges/problems
  - How overcome
  - Key learning
  - Suggested improvements

- Suggested improvements

### E4 Performance (mainly strategic and operational managers)

- Views as to regional variation (and if known, office level variation) in
  - Applications
  - Engagement of businesses
  - Diagnostics conducted and processing
  - Ratio of in-person vs telephone/Skype diagnostics
- Businesses' satisfaction
  - Approach to understanding business' satisfaction with services provided
  - Emerging feedback
- Progress towards KPIs
  - Customer satisfaction (85%)
  - Accuracy data (98%)
  - Processing time application and diagnostics (80% within 2 weeks)
  - In-person (60%) and phone diagnostics (40%)
- Expectations for coming months and how may affect targets
- Strategies / plans to improve performance

## **F** Concluding thoughts

- Views of the customer journey
  - Ease difficulty
  - Usefulness
- Whether programme is being administered as envisaged
- Key issues or challenges
- How these early experiences might influence
  - Programme outcomes
  - Ongoing delivery
- Changes or improvements that could improve effectiveness
- Key learning from early implementation
- Early views about the role of the subsidy in changing the motivations of businesses
- Whether intended businesses benefitting so far
- Views about how well random allocation could work on other future programmes

# Topic Guide: Interviews with Advice Suppliers

## A Contextual information

### A1 Participant background

- Role and responsibilities
  - In organisation
  - Specifically in relation to Growth Vouchers programme
- Experience/ expertise in providing business advice

### A2 Background to the Advice Supplier

- What they do
  - What is the range of advice that they offer
  - Extent of coverage of all five GV advice themes
- Number of years operating, and providing advice specifically
- Size

- Number of offices
- Number of (employees, number providing advice as opposed to other functions,)
- Regional coverage, specify whether English or UK-wide
- Types of clients they provide advice to (e.g. micro, small, larger businesses)
- Organisational experience/ expertise in providing advice to small businesses
- Fees and tariffs for business advice (e.g. day rate or scale of complexity)
- Membership to professional bodies
  - Which one/s
  - When started
  - Why started membership (if recently, whether related to GV programme)
- Quality standards and systems

## B Understanding and views of the Growth Vouchers programme

### B1 Understanding and views of policy aims

- Views of the role of business support/advice in helping small businesses to be successful /achieve better business outcomes
- Views about accessibility of business advice without government subsidy/voucher
  - How easy it is to find good quality impartial business advice (and what makes quality)
  - How affordable good quality impartial business advice is for small businesses
  - Extent of demand for business advice among small businesses
  - Barriers to seeking business advice for small businesses
- Availability of advisors / Supplier
- Price
- Quality

- Trust in good advice
- Lack of any experience in the past
- Understanding of the Growth Vouchers programme and what it is trying to achieve

### B2 Understanding and views of programme design

- Understanding of the programme
  - Programme aims
  - Who is eligible
  - Customer journey
  - How is it being delivered
  - What the advice themes are
  - What the online market place is and what it aims to do
  - Research element
  - Where they got this information from
- Views of the likely effectiveness of the programme design
  - Value of early advice for small businesses

- Views of eligibility criteria
- Link between offering subsidised advice and better business outcomes
- Amount of voucher and motivational value
- Views of match-funding
- Views of the five advice themes
- Views of the online market place concept
- Requirement for Suppliers to be accredited
- If and how they think the programme will help overcome businesses' barriers to accessing strategic business advice
- Key strengths of the programme, their own and businesses' perspectives
- Key weaknesses of the programme, their own and businesses' perspectives
- Whether they have applied for the programme (as a business) and how they found the process

## C Becoming involved with the Growth Vouchers Programme

### C1 Hearing about the Growth Vouchers Programme

- How heard of the Growth Vouchers programme
- Information provided / found about acting as an Advice Supplier
  - Information sources used (probe on website)
  - Nature of information provided
  - Quality and clarity of information provided
  - Nature of any queries directed to BIS / Enterprise Nation
    - How raised, how long queries took to be answered
    - Views of customer service and quality of answers
- Decision to become to be an Advice Supplier for the Growth Vouchers programme
  - Factors considered
  - What attracted them
  - What, if anything, put them off
- What they had to do, information / details required (step by step)
- How long it took to complete the registration process
- Problems, challenges experienced and how resolved
- Nature of any queries or support needed around registering and how answered
- Views of the registration process and how it could be improved
- Process of gaining approval
  - What involved
  - How long this took
  - Views of this process
- Overall experience of engaging with the online market place
  - Overall ease of use
  - What's working well
  - Issues / challenges experienced so far (whether resolved and how persistent expect them to be now and in the future)
  - How well the process could work in the future

### C2 Process of becoming an Advice Supplier

- Eligibility requirements to be an Advice Supplier
  - Whether met all of these to begin with, which they didn't meet initially
  - Process and experience of meeting requirements not initially met
- Registering on the online market place

- Aspects that may need to be changed / improved
- Nature of changes that should be made and reasons for these

### C3 Resourcing the programme

- Staff involved in delivering the advice for GVP e.g. managers, advisers etc
  - Roles



- Any differences to usual roles
- Experience / expertise / qualifications of advisers
- Links to professional bodies
- How workload organised, whether extra resources taken on (if capacity affected)
- How resourcing and workloads have changed since the start of the programme, if at all
- Nature of any resourcing issues experienced

## D Early engagement with businesses

### D1 Selection of Advice Suppliers by businesses

- Process of how businesses approach / engage Advice Suppliers and vice versa
- How businesses have heard of Advice Suppliers
  - Online market place
  - Recommendations
  - Other
- Number of businesses they knew before they applied for the GV programme, how
- How are they promoting the programme to businesses
  - Marketing activities and messages they are using
  - Whether sending their current clients to the programme
  - Whether they are sending business that have used their services in the past to the programme
  - Response of businesses to programme / business advice
- Nature and number of queries coming through from businesses before selection
- How queries are dealt with
- Reasons why businesses selected them as an Advice Supplier
  - Expertise
  - Location
  - Cost
  - Recommendations

### D2 Engagement with businesses

- Number of businesses using Growth Vouchers engaged so far
  - Proportion of Growth Voucher compared to overall customer base
  - How compares to expectations

- Expected numbers over the coming months
- Nature of information / data received about businesses
  - Business details
  - Diagnostic assessment from Delivery Partner
  - Action plan from Delivery Partner
- Ease / difficulty / challenges of engaging within businesses
- What's worked well

### D3 Nature of businesses using Supplier services

- Types of business coming through the programme
  - Size (number of staff)
  - Sectors
  - Age
  - Staff turnover
  - Characteristics of ownership
  - Attitudes towards strategic advice and extent of past use
  - Other information about profile of businesses coming through to Supplier
  - How similar / different to average clients
  - Business advice
    - Knowledge and awareness of available sources of business advice
    - Sources used previously (over three years ago or free advice)
    - Reasons for not seeking business support previously
    - Extent to which these are businesses who would have

sought business advice

anyway

## E Delivery of advice

### E1 Introductory contact

- Nature
- Content
- Purpose
- Feedback / experiences of the programme at this point from businesses
- Experiences of the Delivery Partner, diagnostic and action plan, online market place
- Views about advice theme

### E2 Description of advice provision

- Length / duration of interactions
- Number of interactions per business, reasons why more than one
- Format (in person, phone)
- Location (in Supplier offices, at business premises and whether willing to travel outside their location if needed)
- Purpose of (each) interaction
- Nature of advice provided in each interaction
- Content and faithfulness to theme (how strictly they are following the theme boundaries, if covering other themes too why)
- Cost (per day/hour)
- Use of Delivery Partner diagnostic assessment and action plan
- If and how nature of advice provision varies between businesses
- Difference of Growth Voucher advice provision to other client base, if any

### E3 Experience of delivering advice

## F Early experiences of delivering the programme

### F1 Partnership working

- Nature of any interaction and partnership working with Delivery Partners, Enterprise Nation
- For each
  - What's working well

- What's worked well about the provision of advice, added value to businesses
- Views of theme allocated to business, whether reflects business needs
- Views of match-funding arrangements
- Customer feedback, satisfaction and ratings
  - Nature of feedback and description of online ratings
  - What businesses view positively and less positively about their advice provision
  - Complaints, how these are handled and any existing procedures around this
- Challenges and likely impact on programme effectiveness
- Solutions to challenges
- Key learning
- Suggestions for improvement

### E4 Ongoing contact with business

- Nature of any ongoing contact with businesses after advice provision
  - Nature and reasons for general communications and ongoing contact
  - Nature and reasons for further advice or support related to GV programme or advice theme
- Reasons for any ongoing contact
- Whether advice provision has had long term impacts and benefits

- Challenges/problems
- How overcome
- Key learning
- Suggested improvements

### F2 Communications

- Nature of communications with Enterprise Nation
- Nature of marketing and communications strategies for the programme, if relevant
  - Management of social media and wider promotional campaigns
  - Direction and support from Enterprise Nation in managing this
- What's been working well
- Difficulties experienced and how overcome
- Areas for improvement

### **F3 Using programme systems and processes (if applicable)**

- Nature of information technology or other systems used to deliver programme
- Training and support in using these systems, from whom
- Views of the Online Marketplace
  - Ease of use in terms of
  - Understanding eligibility
  - Getting registered
  - Gaining approval
  - Getting customer feedback
  - Offering sufficient detail and functionality
  - How well the online market place is functioning in terms of:

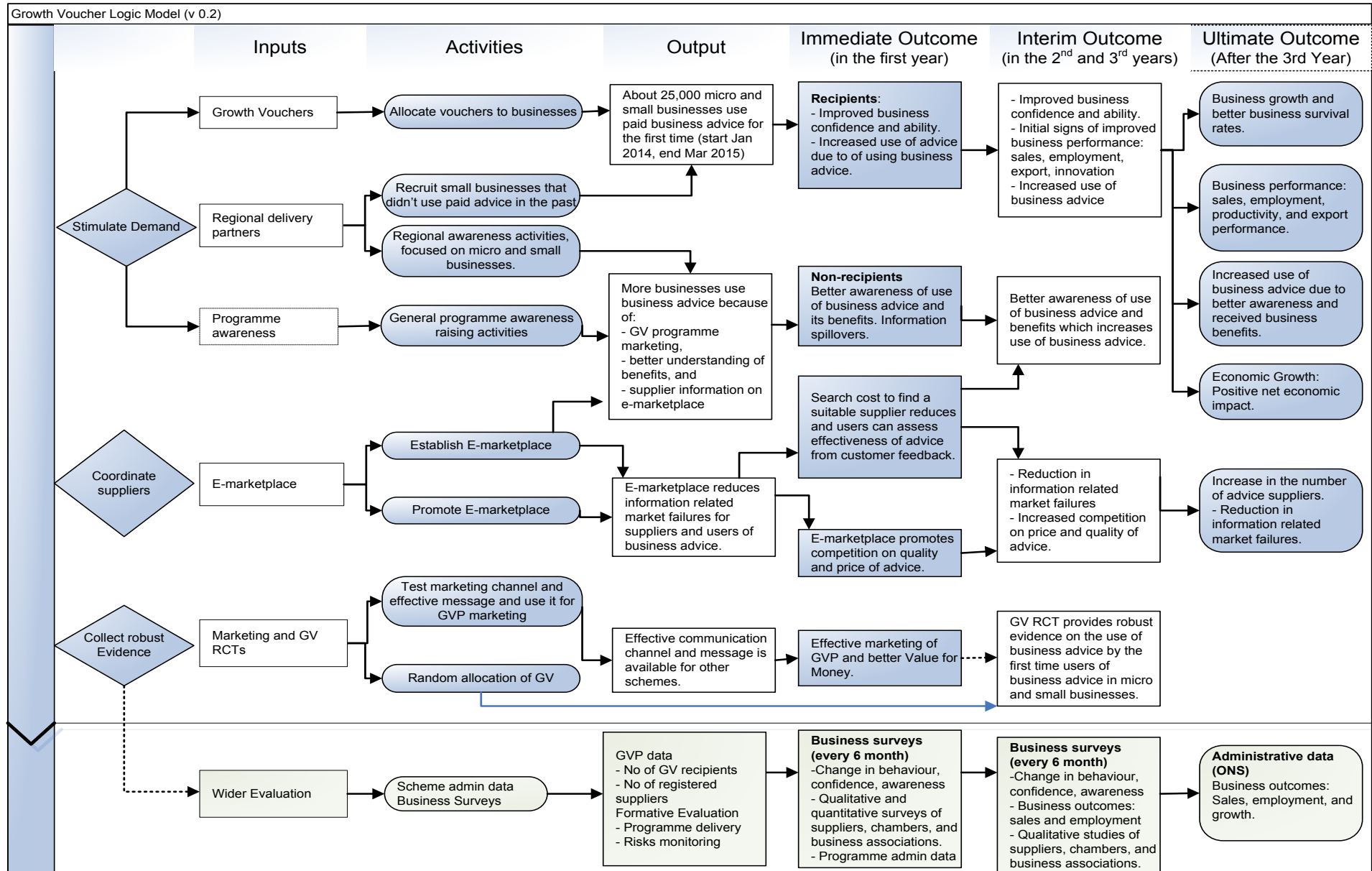
- Identifying groups of good quality business support providers that have been validated against quality criteria set by BIS
- Capturing customer feedback on the quality of advice provided by Suppliers in the form of Trip Adviser style feedback and ratings
- Acting as a free platform for Suppliers to list their services
- Acting as a free platform for businesses to source good quality Suppliers and meeting businesses' needs i.e. ease of use in terms of finding Suppliers (for businesses)
- Being commercially sustainable in the long term
- Listing Suppliers in every region across England and across the advice themes
- Actively promoting the GV programme

- Views and experiences of any other systems used
- How well working
- Issues experienced and implications of these
- Key learning
- Suggested improvements

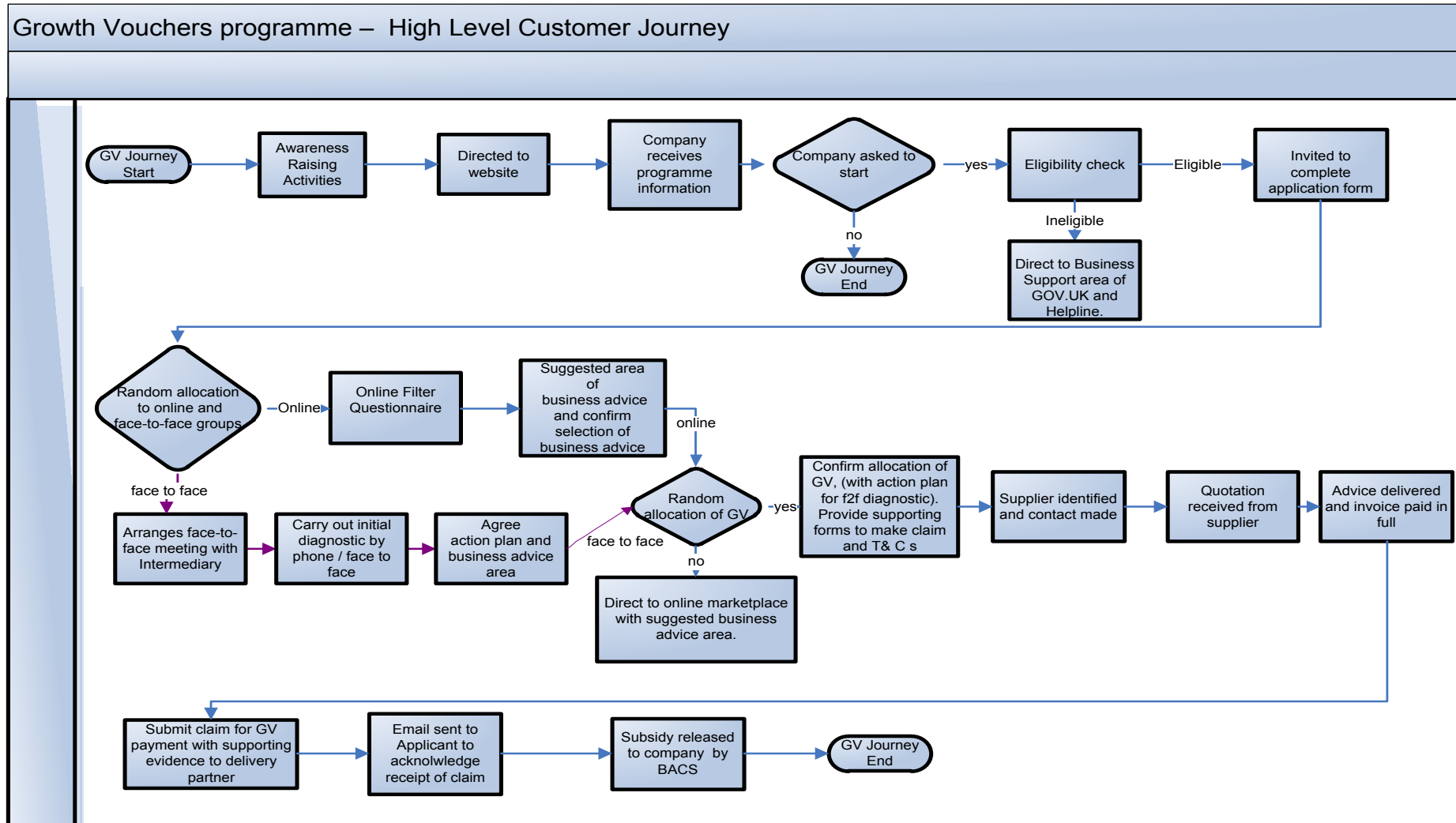
## **G Concluding thoughts**

- Views of the customer journey
  - Ease difficulty
  - Usefulness
- Key issues or challenges
- How these early experiences might influence
  - Programme outcomes
  - Ongoing delivery
- Changes or improvements that could improve effectiveness
- Key learning from early implementation
- Views of impacts and outcomes of the programme - whether intended businesses benefitting so far, to what extent

# A4 Logic Model



# A5 High Level Customer Journey



Growth Vouchers programme team April 2014



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**BIS/15/128**