NEN – Business Support Services

National Research Study 2014

Evaluating the Value of Enterprise Support Services

Report on Main Findings

(Prepared for Kent Invicta Chamber of Commerce)

Date: November 2014

Darwin-research
Market research services in an evolving market

Contents

Background

INTRODUCTION

- National Enterprise Network (NEN) provides business services and support to 78 member organisations throughout the UK.
- This report presents the findings of an independent research exercise seeking the views of the membership's **clients** comprising start-ups and existing businesses.

SURVEY GOALS

Through robust, credible and independent research data, to demonstrate at local and central government level:

- the effectiveness of support provided by NEN members to help businesses 'survive' and 'thrive',
- establish the value of this service to businesses taking the self employed option by choice or otherwise.

APPROACH

- All data was collected via an **on-line self-completion survey** (1st Sept-1st Oct 2014), whereby a national sample of clients was invited by email to complete a confidential 10-15 minute questionnaire by clicking on a survey link embedded in the invitation.

RESPONSE RATES

- Following an initial mail-out to all target clients, two reminder e-mailings (c. 5-7 days apart) were sent to non-responders to boost survey response rates, generating an overall sample base of **2803 interviews** (national response rate of 4.70%).

	North East	North West	Yorkshire & Humberside	East Midlands	West Midlands	East	London	South East	South West
2803	617	150	360	103	124	581	297	229	342

- Taking into account typical bounce-back rates from even the most up-to-date business records, this represents the views of 8-9% of the membership's clients, i.e. around 1 in 12 are represented.
- With any self completion exercise, not all respondents provide an answer for every question. Each question is therefore analysed based on the number of valid responses obtained and can therefore differ by question.

Overview of National Findings 1

WHO ARE OUR CLIENTS?

- The majority (75%) were at the 'start-up' phase when first approaching NEN members for support. 4 out of 10 (41%) were specifically seeking support for a business they were 'about to start' whilst a third (34%) wanted advice about a business idea or business they were 'thinking of starting.'
- A significant proportion of existing businesses also seek advice from NEN members (25% of all clients), with most in their first five years of trading; just over half are in their first 12 months.
- Businesses supported comprise a wide cross-section of retail, manufacturing and services clients as shown by the 60+ sectors responding to the National Client survey.

GETTING INTO BUSINESS – WHAT DRIVES SELF EMPLOYMENT?

- 'Personal employment circumstances' is the main driver for people to consider self-employment (64% of all clients), particularly due to redundancy or a lack of employment opportunities to match their skills.
- Almost all (92%) 'driven' towards self employment like their new status, and would not wish to return to full-time work.
- Those not forced to consider self employment by personal employment circumstances have been motivated by three key drivers: namely, an ambition to start their own business (29%); a desire for greater independence (21%) and seeing a gap in the market (20%).
- Asked to assess the importance of various considerations when first setting up a business, almost all clients rate the Improvement of work/life balance as 'important' (89% of those currently trading, 90% of those not currently trading), although many also agree Providing products to support the community (72% trading, 77% not trading) and Trading in an environmentally sustainable way (63% trading, 71% not trading) are important. That those currently not trading attach more importance to each of these three considerations suggests a difference between the idealised view on business objectives pre versus post trading.
- A quarter (27%) of clients claim to be starting and/or already managing a business with a social, environmental or community objective; the main barrier preventing this is the perceived lack of suitability of their product or service to such objectives.

Overview of National Findings 2

DIFFERENCE MADE BY MEMBERS TO CLIENTS' BUSINESSES/ BUSINESS PLANNING

- Emphasising NEN members' support in helping businesses survive (and thrive), the majority of clients who first approached NEN member organisations as their business was about to start (85%) have now begun trading. Over half of clients (54%) who sought support for a business idea have successfully turned that idea into a trading reality; almost all in business when first seeking support (96%) are still running the same business.

- Underlining the membership's support in helping businesses to think longer term, 'planning' is the main area in which clients recall receiving guidance including Business Planning/drawing up a formal business plan (69%), Marketing planning (53%), Financial Planning and obtaining finance (49%). For many clients (41%), NEN Members are their only source of Business support; 28% consult accountants, 23% building societies and 11% their local authority – about half of these consultations are as a result of advice from their NEN member organisation.

- Almost half (43%) of all businesses describe the cash flow management advice they have received as helping improve the effectiveness of their cash flow either a little or a lot, although almost 1 in 3 (30%) do not recall discussing cash flow management at the time.

- Two thirds of clients (68%) reviewed their business strategy as a result of advice from NEN Member Organisations.

- Most businesses needing business finance (86%) do recall discussing business finance with their advisors and more than half (56%) felt their advisors had been of assistance in terms of obtaining finance for their business.

- Of NEN Member supported businesses, 6 in 10 (59%) have seen an increase in turnover in the past 12 months, and 8 in 10 (80%) expect to see an increase in the coming 12 months. Only 3% of all businesses are predicting a drop in turnover for the coming year. This compares favourably with results from the FSB 'Voice of Small Business' Report Q3 2014 where they found 61% of firms were expecting to grow during the next twelve months.

Overview of National Findings 3

WHAT DO OUR CLIENTS THINK OF US?

- Support given to clients at all stages of the business journey is seen to be ‘valuable’ (by 84%); over half rate ‘extremely’ or ‘very’ valuable.
- Without the support received, 7 out of 10 (71%) clients feel development of their business or business idea would have been more difficult; and 4 in 10 (43%) agreed that without that support, their businesses would not have been as successful.
- Clients are positive about the support and training they have received; the majority (88%) would recommend the NEN member organisation that supported them to others in a similar position.
- 62% of clients who consulted alternative sources of advice felt the NEN member organisation advice was more ‘useful’ than other sources.
- Advisors and Trainers are viewed as professional and knowledgeable by 8 out of 10 clients (82%).
- Support from NEN member organisations has made a difference in enabling clients to gain business confidence (60% agree) and to become more realistic about their goals (59%); and 68% did revise their business strategy as a result of the business advice received from the NEN member organisation.

Overview of National Findings 4

ONGOING CLIENT ISSUES TO ADDRESS

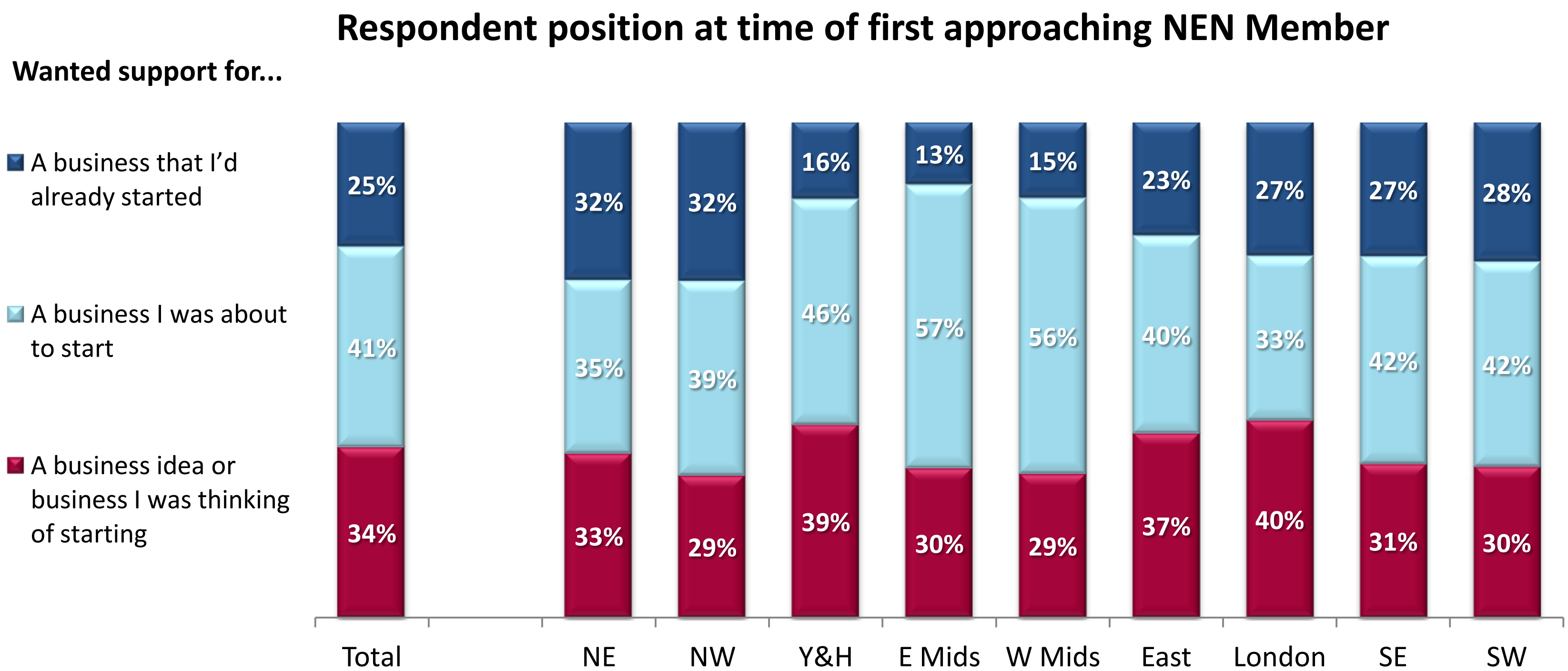
- Cash flow is an ongoing or frequent issue affecting half (53%) of businesses participating in this study.
- Just under a third (30%) of clients overall have needed to consider taking on some business finance since starting their business journey; currently the majority seeking finance source from their own savings & investment or friends and family, with the minority turning to financial organisations.
- A third of clients (33%) do not have a formal business plan in place which rises to half (50%) of those not currently trading when approaching the NEN membership.

SUPPORT REQUIRED BY RECENT CLIENTS

- 1 in 3 (31%) either feel they do not require any business support in the coming year, or that the NEN member organisation has already provided all they need or should just carry on with what they are doing.
- Key areas of interest for the next 12 months are Funding and Cash flow (13%), Regular follow up sessions (13%), Workshops (10%) and Marketing and promotional guidance (10%).
- Regular follow up contact sessions are of greater importance to those in the development stages of their business prior to starting than businesses already in operation.

Who are our clients?

The majority of supported clients are at the 'start-up' phase when first approaching NEN members but a significant proportion of existing businesses also seek advice



Base: All respondents (2803)

• Overall, three quarters of clients (75%) first approached an NEN member organisation at the 'start-up phase' of their business; 4 out of 10 (41%) were specifically seeking support for a business they were 'about to start' whilst a third (34%) wanted advice about a business idea or business they were 'thinking of starting'.

• 1 in 4 clients (25%) wanted advice for an existing business with the proportion rising to 1 in 3 in the North East (32%) and North West (32%) whilst in Yorkshire & Humberside (16%) and both East and West Midlands, (13-15%), significantly fewer clients wanted help for a business already started.

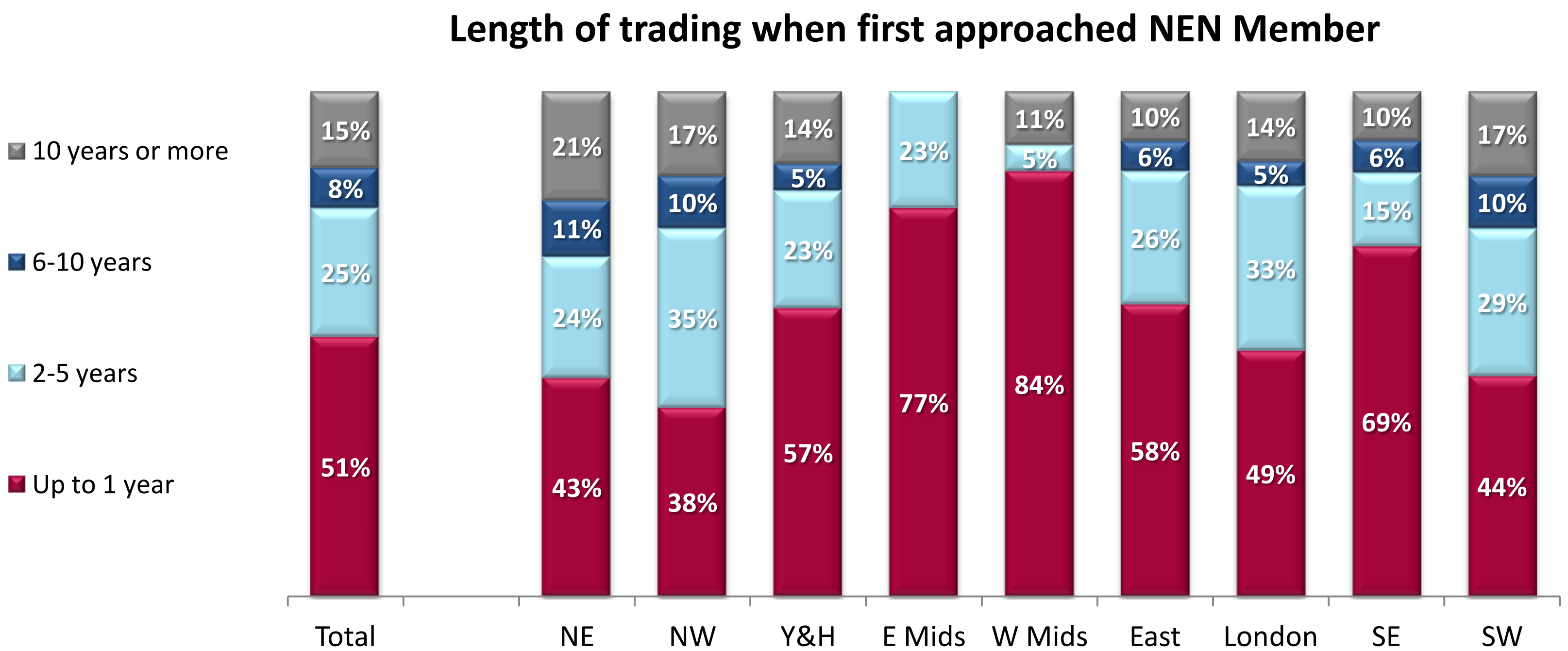
Businesses supported comprise a wide cross-section of retail, manufacturing and services clients as shown by the 60+ sectors responding to the NEN national survey

Sector	%	Sector	%	Sector	%	Sector	%
Accommodation/ hotels	0.3%	Data processing/web design	1.6%	Landscape gardening	0.3%	Repair computers h/hold goods	0.3%
Accounting/ bookkeeping	1.6%	Driving instruction	0.4%	Legal activities/ will writing	0.8%	Retail	3.8%
Advertising /marketing/research	4.9%	E-Commerce	2.2%	Management consultancy	6.3%	Security/investigation activities	0.4%
Agriculture/ farming	0.7%	Education/tuition	3.8%	Manufacturing	2.6%	Skilled crafts & trades	1.8%
Alternative therapies	3.9%	Employment activities	1.5%	Motion picture/video production	1.2%	Skilled gas / plumber /electrician	0.6%
Animal care/animal welfare	1.5%	Environnemental services	0.6%	Motor parts & vehicle repair	0.5%	Social enterprise	0.5%
Architectural/engineering	1.6%	Events/ events management	1.1%	Coaching/ personal training	2.3%	Sports activities and amusements	1.2%
Arts & crafts manufacture	5.9%	Financial and Insurance activities	1.3%	Office admin & support	1.0%	Telecommunications	0.4%
Building/ construction	1.8%	Floristry	0.4%	On-line services	0.5%	Textile design	0.2%
Business coaching/ mentoring	1.0%	Food and beverage/hospitality	5.6%	Performing arts/ musicians	1.6%	Training	2.4%
Carpet fitting/ floor fitting	0.2%	Gardening/ handiwork	3.6%	Pest control	0.4%	Translation and interpretation	0.5%
Charity	0.4%	Graphic design	1.1%	Photographic activities	1.5%	Transport/ storage/couriers	1.2%
Childcare/ childminding	1.0%	Hairdressing/beauty treatment	2.2%	Project management	0.5%	Travel agency, tour operator	0.9%
Cleaning/ domestic help	1.7%	Health & safety	0.4%	Publishing/editing/writing	1.4%	Waste management	0.1%
Computer programming/ IT	3.2%	Human health/social work	2.6%	Real estate/ property	1.9%	Wholesale/ distributors	1.5%
Counselling/ psychotherapy	0.6%	Import / export	0.4%	Rental and leasing	0.4%	Other sectors	2.7%
Creative design	0.7%	Interior design	0.4%	Repair to bikes/ cars	0.2%		

Base: Currently running a business (2001)

Note: %'s above are the percentage of all businesses classified within the sectors shown

The majority of clients seeking support for an existing business are in their first few years of trading



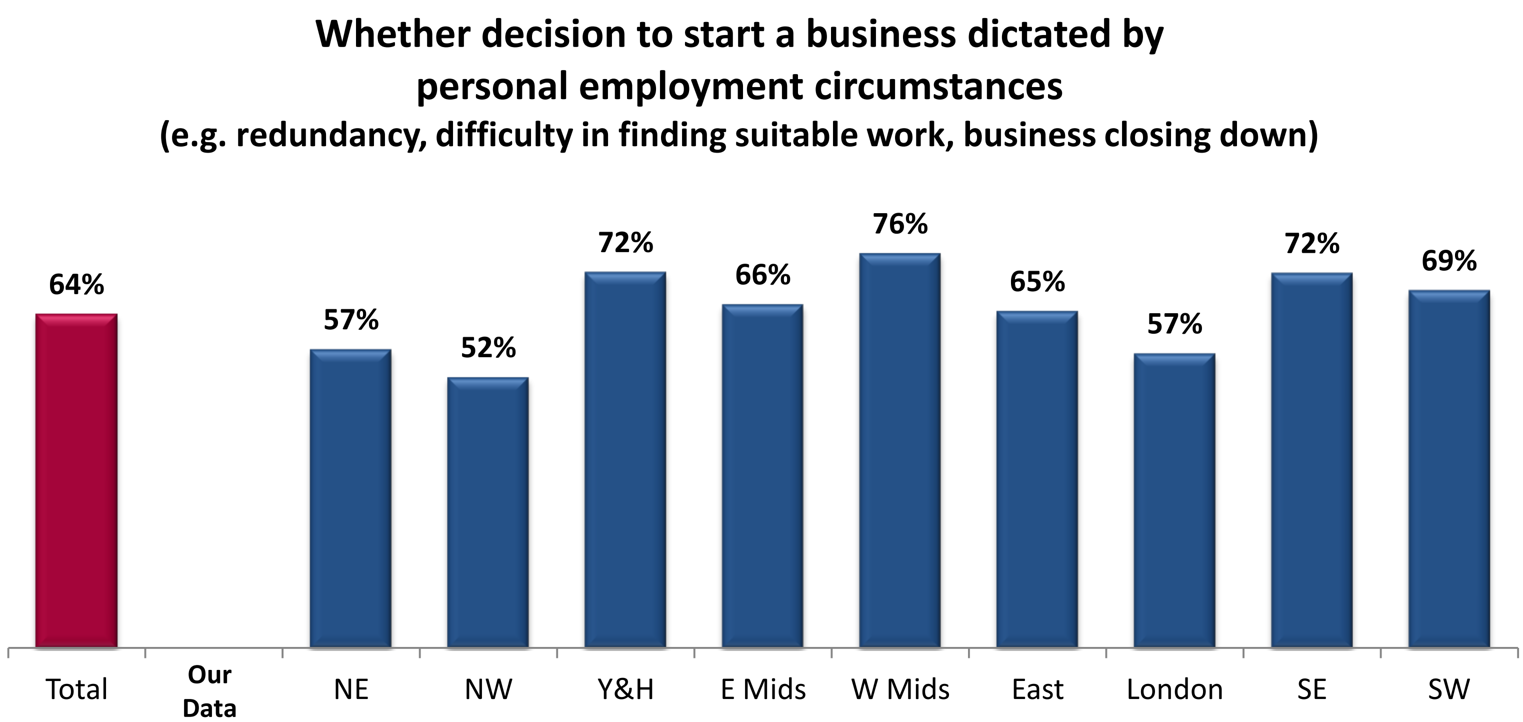
Base: All first approaching NEN members about a business already started (703)

- A slight majority (51%) who wanted support for an existing business were in their first 12 months of trading when first approaching NEN members and particularly in the South East (69%) and both East and West Midlands (77% and 84% respectively).

- That said, close to a quarter of businesses (23%) were well-established, having traded for over 6 years as was more likely to be the case amongst clients in the North East (32%); North West (27%) and South West (27%).

What drives Self Employment?

In most cases, the client's 'personal employment circumstances' is a main driver for starting or thinking of starting a new business



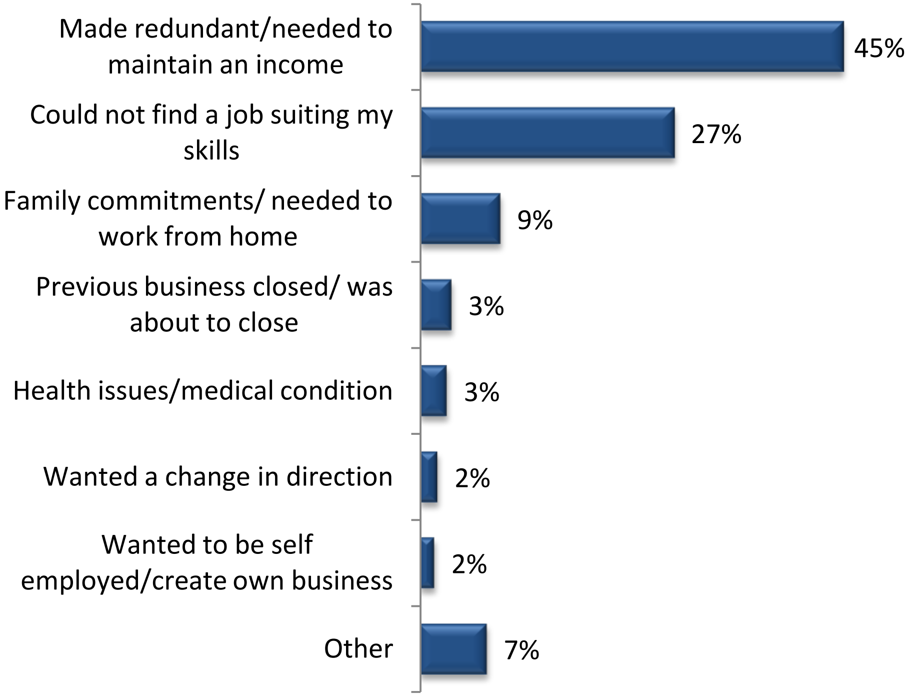
Base: All respondents (2803)

- Overall and true to each region, clients' decision to start or think of starting a new business has been dictated by personal circumstances and particularly in Yorkshire & Humberside (72%), West Midlands (76%) and the South East (72%).

- Albeit still significant within both groups, the issue impacted more on older than younger clients (aged 55+ = 69% vs. 53% aged Up to 34).

Redundancy and an inability to find employment matching their skills, the main issues driving clients towards self employment where dictated by personal circumstances

Personal circumstances dictating setting up a new business

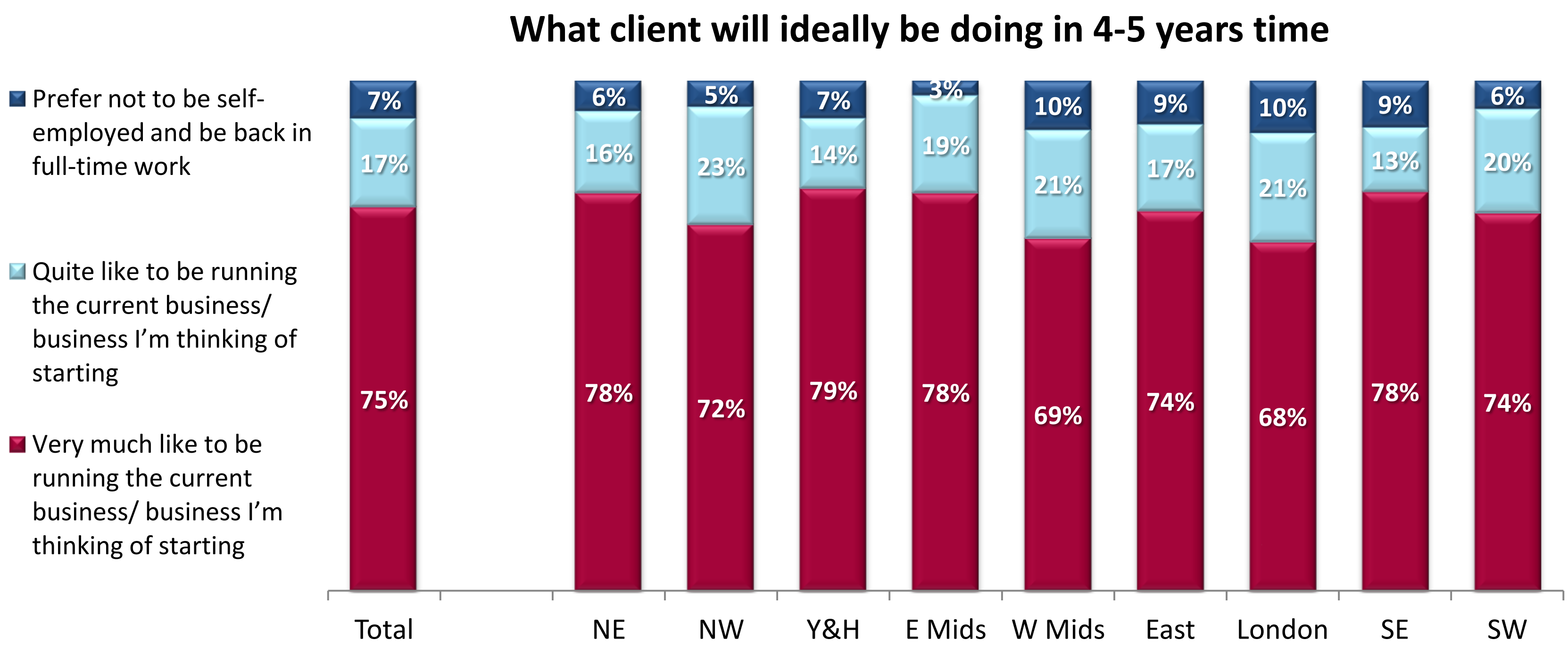


	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Made redundant/needed to maintain an income	48%	40%	47%	41%	44%	46%	37% ↓	45%	48%
Could not find a job suiting my skills	25%	23%	27%	25%	30%	29%	26%	32%	29%
Family commitments/ needed to work from home	7%	12%	8%	9%	10%	8%	15% ↑	7%	8%
Previous business closed/ was about to close	5%	1%	3%	3%	5%	3%	2%	3%	3%
Health issues/medical condition	3%	6%	2%	6%	2%	3%	1%	4%	3%
Wanted a change in direction	1%	1%	2%	4%	2%	2%	1%	3%	2%
Wanted to be self employed/create own business	2%	0%	2%	0%	1%	1%	6%	0%	1%
Other	8%	12%	7%	7%	6%	7%	10%	6%	5%

Base: All whose decision to start a new business dictated by personal circumstances (1798)

- Overall, being made redundant is the biggest factor that has pushed people towards self-employment (45%) followed by 'lack of jobs suiting their skills' (27%), the second most important motivator.
- The reverse is true for younger clients. For those Up to 34, the main factor was a 'skills gap' (for 44%) rather than redundancy (23%).
- More women had been driven by family commitments to consider self-employment compared to men (14% vs. 4%).
- Albeit a relatively small percentage, 3% are clients with serious medical conditions.
- The top 2 key drivers of considering self employment are consistent across all nine regions.
- Within London, family commitments (by 15%) was mentioned more often than in other regions.

Majority of clients 'forced' into self-employment like their new status and would not wish to return to full-time work



Base: All whose decision to start a new business dictated by personal circumstances (1798)

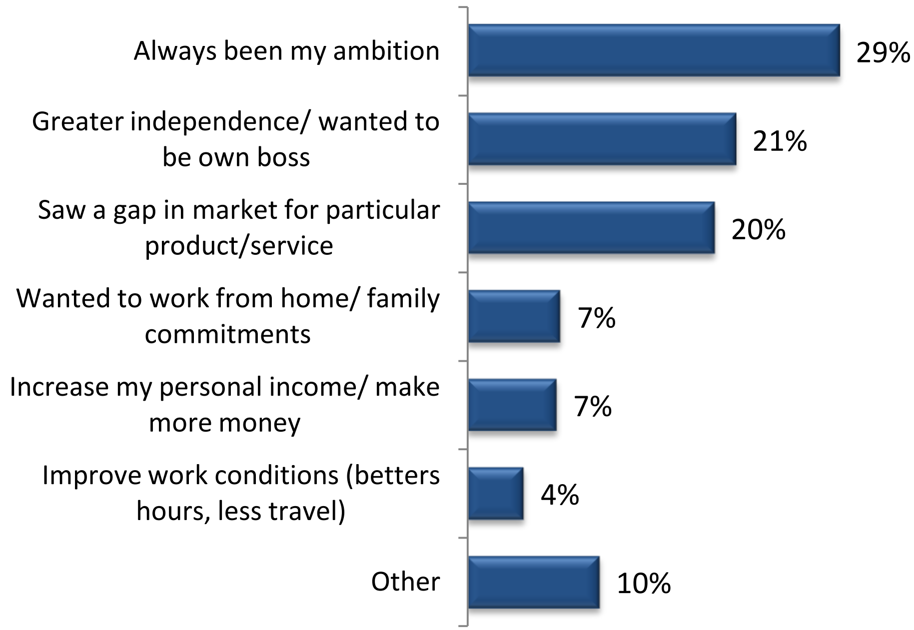
- 9 out of 10 clients (92%) would either 'quite' or 'very much like' to still be running their current business/ the business they were thinking of running in 4-5 years, with no significant differences recorded between age of client or gender.

- This is true to all regions with only 1 client out of every 10 or fewer wishing to be back in full time employment

- Those currently still at the business start-up phase when first seeking business support are however a little more uncertain about self-employment with 1 in 6 (17%) preferring not to be self employed in 4-5 years time vs. 1 in 20 (5%) currently running a business.

An ambition, being their own boss and identifying a market gap are the three main factors why clients set up a business (if not forced to by employment circumstances)

Main reason for setting up a new business



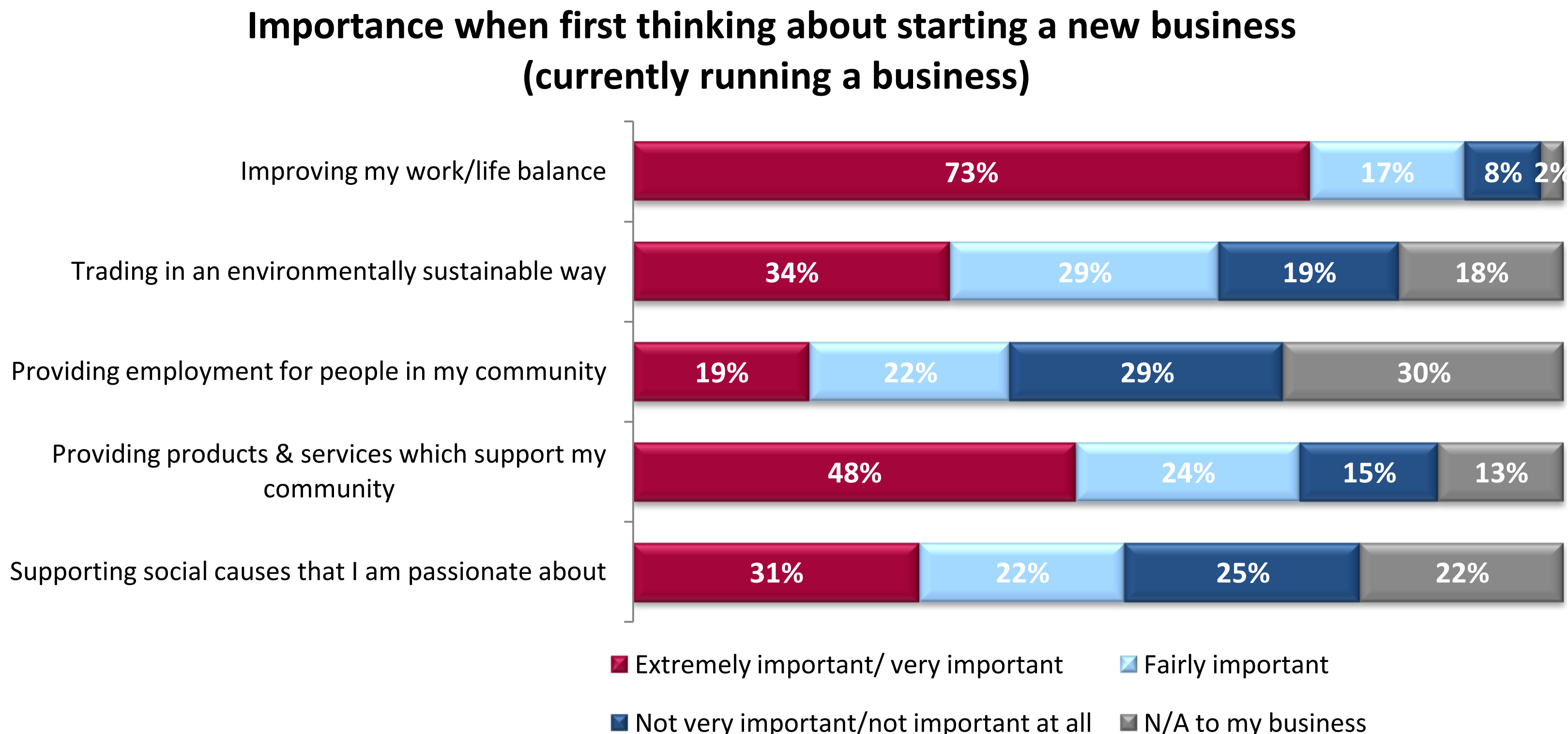
	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Always been my ambition	30%	13% ↓	33%	31%	33%	27%	41% ↑	31%	24%
Greater independence/ wanted to be own boss	19%	32% ↑	24%	23%	20%	22%	15%	14%	25%
Saw a gap in market for particular product/service	24% ↑	17%	22%	14%	17%	17%	15%	22%	22%
Wanted to work from home/ family commitments	6%	11%	5%	11%	7%	7%	9%	6%	8%
Increase my personal income/ make more money	6%	6%	4%	14%	7%	10%	5%	6%	7%
Improve work conditions (betters hours, less travel)	4%	10%	3%	3%	7%	6%	2%	3%	5%
Other	10%	13%	9%	0%	10%	10%	13%	16%	8%

Base: All whose decision to start a new business was not dictated by personal circumstances (1005)

- Those not forced to consider self employment by personal employment circumstances have been motivated by three key drivers: namely, an ambition to start their own business (29%); a desire for greater independence (21%) and seeing a gap in the market (20%).
- Between older and younger clients, clear differences emerge. For those aged Up to 34, self employment is an 'ambition' (42%) and the start of a career path with the opposite true for those aged 55+ (17% mentioning).
- Wanting to work from home is a minor factor overall, but clearly a more important factor for women than men (11% vs. 3%).
- The top three factors overall are consistently the key drivers of considering self employment across all nine regions.

Key considerations when clients first set up a business

Improving work/life balance is important to almost all clients currently running a business



Base: Currently running a business (2184)

• Asked to rate the importance of five factors when first thinking of starting a business, clients place most value overall on improving their 'work life' balance (73% rate 'extremely' or 'very' important) and least importance on 'providing employment for people in the community' (19%) although - as the majority of clients are currently sole traders - then employing new staff is unlikely to be a short-term business objective.

• Analysis by profession shows that those involved in Foodservice and Manufacturing placed more emphasis on 'trading in an environmentally sustainable way' whilst those in Education, Healthcare, Animal Welfare and Personal Coaching were more inclined to provide products/services that support the community and support causes they were passionate about.

Improving work/life balance is consistently the most important consideration across all regions when starting a business

Key considerations when starting a business	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Improving my work/life balance	73%	69%	79%	76%	70%	74%	75%	75%	73%	68%
Providing products/ services which support my community	48%	49%	52%	53%	43%	52%	45%	52%	46%	40%
Trading in an environmentally sustainable way	34%	31%	35%	34%	39%	32%	34%	41% ↑	39%	30%
Supporting social causes that I am passionate about	31%	27%	26%	31%	36%	36%	31%	52% ↑	27%	24%
Providing employment for people in my community	19%	24%	14%	24%	16%	14%	16%	27% ↑	17%	12%

Base: Currently running a business (2184)

↓Lower than National Total

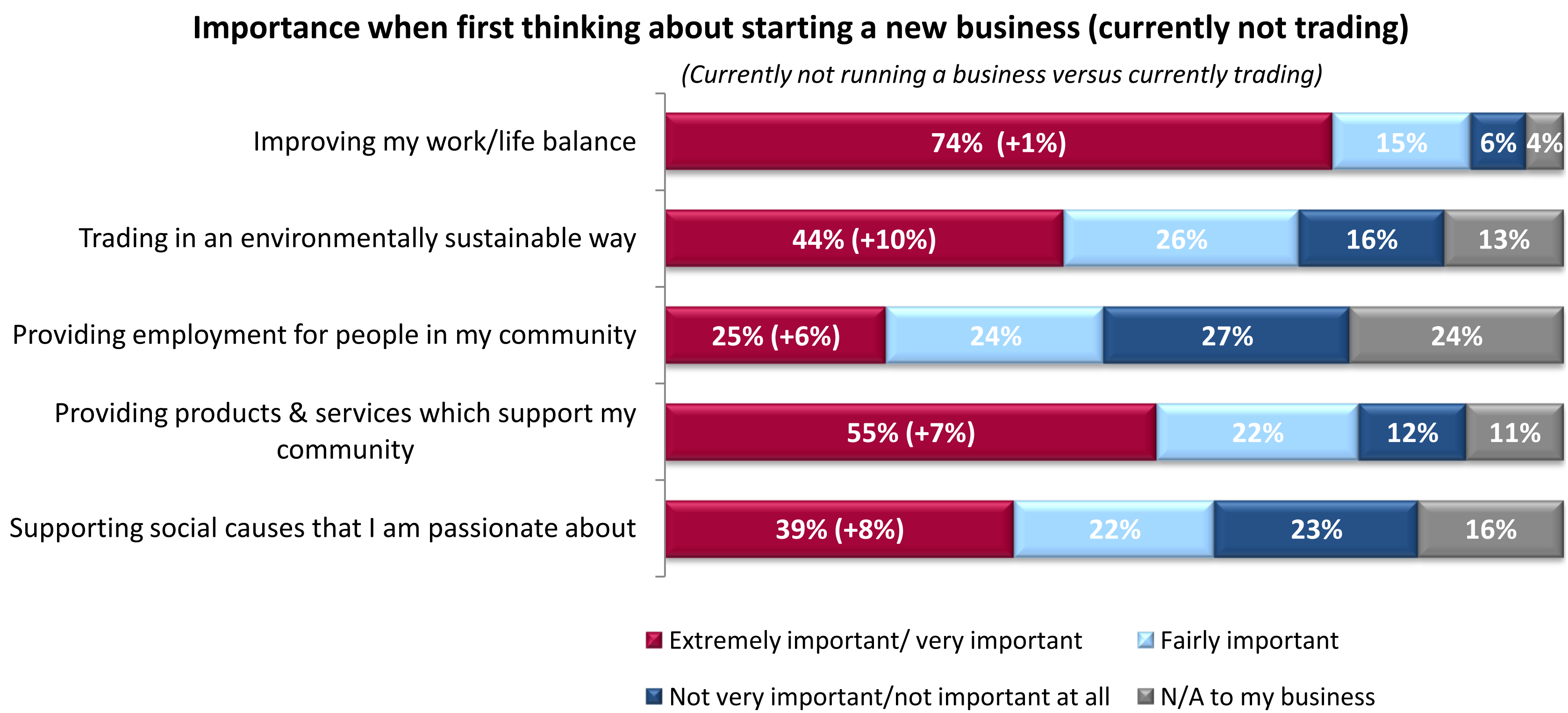
↑Higher than National Total

N.B. %=Extremely/ Very Important

• Barring minor percentage differences – not of significance - the importance attached to each of the factors is broadly the same across all nine regions with most importance attached to the 'work/life balance' and least to 'providing employment for people in my community'.

• Within London, 'supporting causes they were passionate about' was mentioned more often than in other regions (52% rated as 'extremely' or 'very important') as was trading in an environmentally friendly way (41%) and providing employment for people in my community (27%).

Those not yet trading have similar if not more idealistic views on how they will trade versus existing businesses



Base: All not currently running a business (619)

- Ratings given by those thinking of starting a new business are consistent with people currently trading; hence ‘improving the work life balance’ receives highest ratings and ‘providing employment for people in their community’, the lowest.

- Whilst the five issues’ order of importance is the same between the two groups, the bracketed figures above show that those currently not running a business rated each aspect more highly, suggesting a difference between the idealised view on business objectives pre-trading vs. post-trading.

Those not yet trading, like those who are, feel improving their work/life balance most important with little regional difference

Key considerations when starting a business	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Improving my work/life balance	74%	77%	67%	81%	68%	31%	73%	79%	77%	85%
Providing products/ services which support my community	55%	59%	42%	50%	53%	41%	51%	72%	41%	50%
Trading in an environmentally sustainable way	44%	48%	33%	36%	50%	24%	41%	54%	41%	59%
Supporting social causes that I am passionate about	39%	34%	25%	30%	50%	31%	35%	63%	32%	39%
Providing employment for people in my community	25%	22%	13%	17%	24%	10%	23%	47%	27%	20%

Base: All not currently running a business (619)

Lower than National Total

Higher than National Total

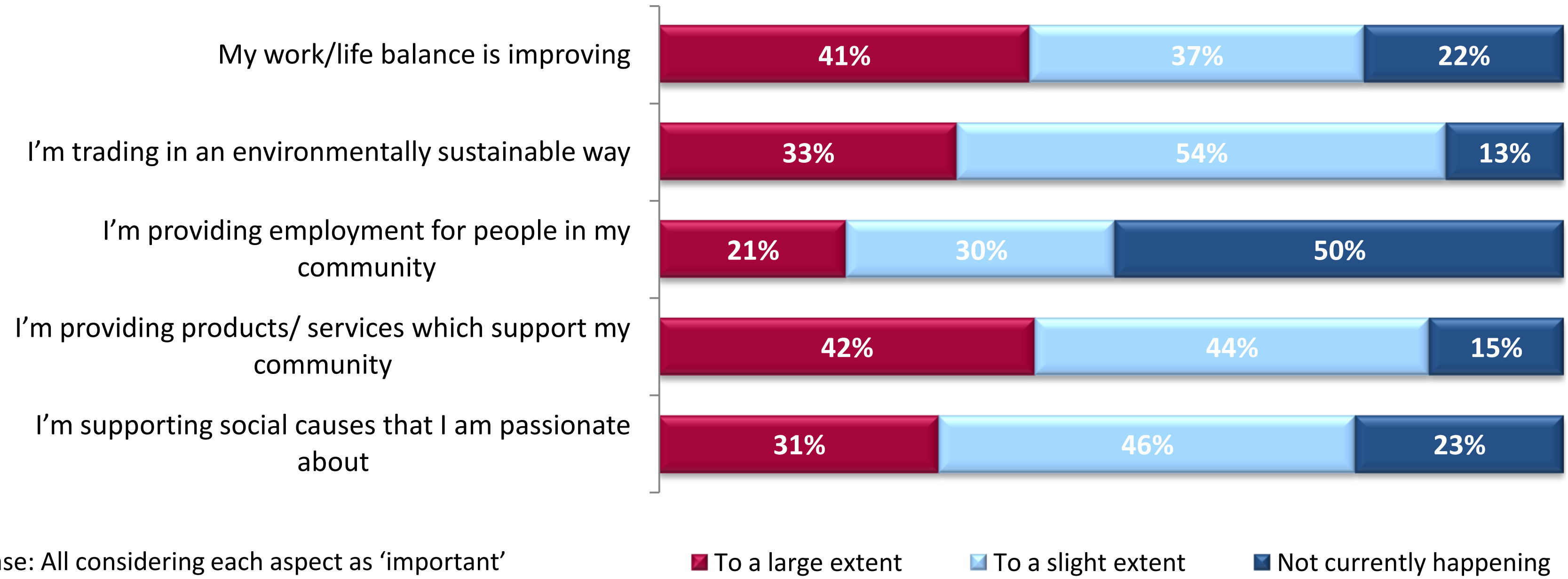
N.B. %=Extremely/ Very Important

• Barring minor percentage differences – other than West Midlands (31%) - the importance attached to each of the factors is broadly the same across all nine regions with most importance attached to the 'work/life' balance and least to 'providing employment for people in my community'.

• Those not yet trading in London appear more committed to a broader range of Social, Environmental and Community objectives.

Most pre-start up considerations are happening in practice to a large or slight extent amongst those seeing them as 'important'

Extent to which each aspect is happening in practice



Base: All considering each aspect as 'important' when first thinking of starting a business (843-1922)

- This analysis focuses on those clients who rated each of the above aspects as 'important' when first thinking of starting a business, and sets out to what extent each aspect is happening in practice, now that clients have begun trading.

- Four of the five aspects are happening in practice for the majority of clients, with trading in an environmentally friendly way most likely to be happening (87% say to a large or slight extent) followed by the provision of products/services supporting the community (86%).

- Providing employment for people in their community is least likely to be happening in practice albeit it is occurring for half the clients rating as important (51%).

Regionally, most pre-start up considerations are happening in practice amongst those seeing them as 'important'

Pre-start considerations happening in practice	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Trading in an environmentally sustainable way	87%	88%	89%	81%	91%	94%	87%	78%	89%	91%
Providing products/ services which support my community	86%	85%	90%	86%	87%	84%	85%	82%	84%	87%
Improving my work/life balance	78%	79%	82%	76%	76%	87%	81%	70%	78%	77%
Supporting social causes that I am passionate about	77%	77%	82%	79%	70%	70%	82%	79%	79%	71%
Providing employment for people in my community	51%	61%	51%	41%	54%	39%	49%	43%	45%	49%

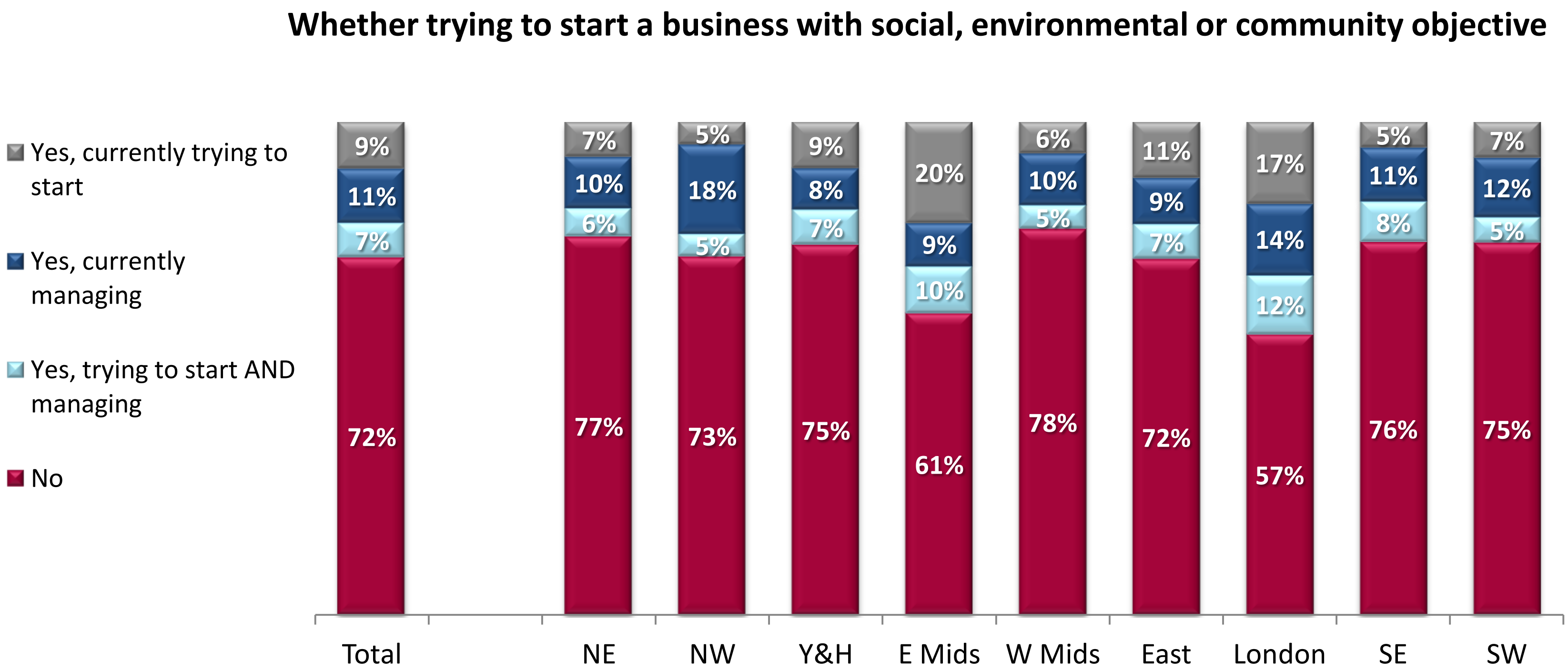
Base: All considering each aspect as 'important' when first thinking of starting a business (843-1922)

N.B. %=To a large or slight extent

• Barring minor percentage differences – not of significance - the two considerations most likely to be happening in practice across all regions is trading in an environmentally friendly way and providing products/services supporting the community.

• Conversely but consistent with the national picture, providing employment for people in my community is least likely to be happening in practice.

A significant minority claim to be starting and/or managing a business with a social, environmental or community objective

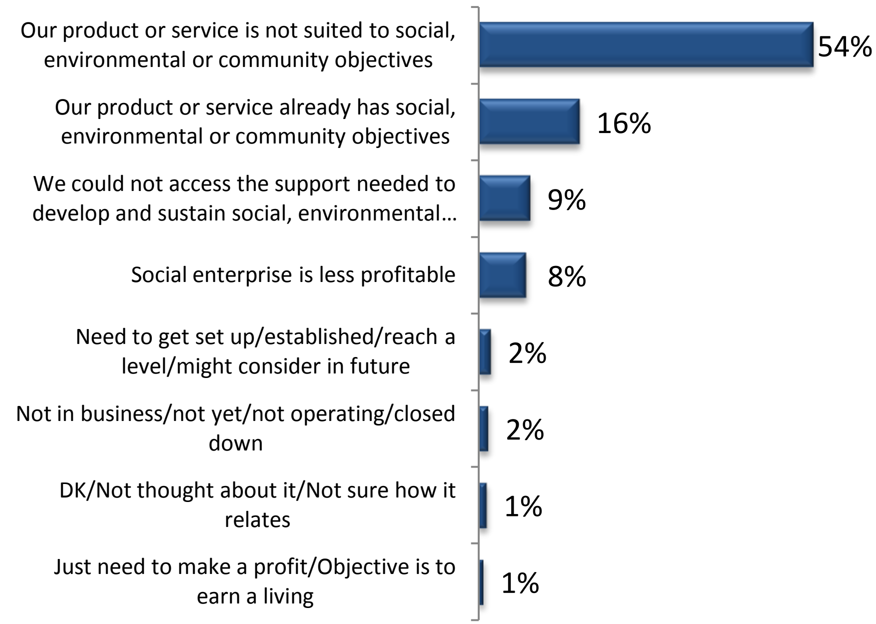


Base: All respondents (2803)

- A quarter of clients overall (27%) are currently trying to start and/or manage a business with a social, environmental or community objective.
- In London (43%) and East Midlands (39%), the proportion rises to around four out of 10 clients.
- Asian (53%) and Black/African/Caribbean clients (44%) appeared more committed to such business objectives as is the case in certain business sectors including The Performing Arts (48 %); Education (44%); Health/Social Care (65%); NLP/Coaching (52%) and Alternative Therapies (46%).

Greatest barrier to setting objectives is belief that product or service is ‘not suited’ to social/environmental/ community needs

Issues preventing business from having social/environmental/ community objective



N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
62% ↑	57%	52%	44% ↓	49%	58%	39%	51%	53%
14%	18%	15%	16%	26% ↑	15%	17%	18%	20%
8%	10%	7%	8%	7%	8%	11%	12%	7%
8%	4%	10%	10%	6%	6%	14%	7%	8%
1%	0%	3%	6%	4%	2%	2%	3%	3%
1%	0%	2%	2%	0%	3%	2%	2%	2%
1%	2%	1%	4%	1%	2%	1%	0%	1%
0%	2%	2%	0%	2%	0%	0%	1%	1%

Base: All not trying to start/manage a business with above objectives (1748)

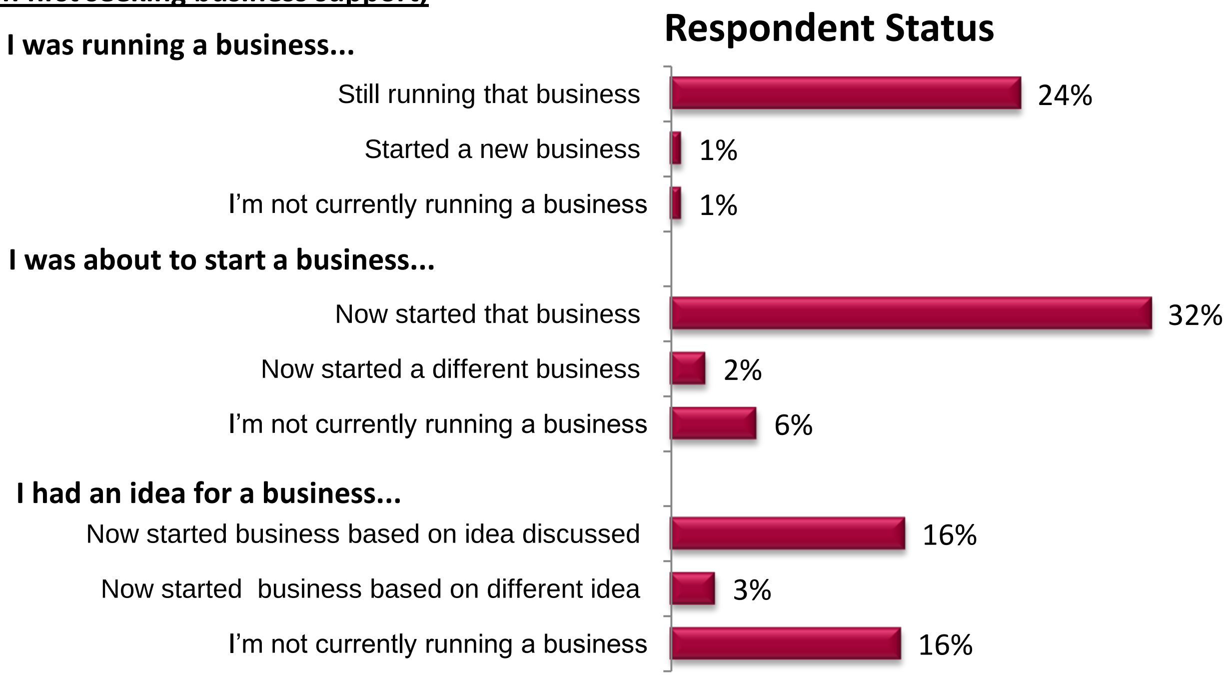
Note: Other comments were voiced but none by more than 1% of clients overall

- The main issue preventing a focus on such objectives is the client believing their product or service is not suited to social, environmental or community objectives, with over a half (54%) voicing this reason.
- A further 1 in 6 (16%) believed their product or service already incorporated social, environmental or community objectives.
- Responses broadly followed the same pattern across all nine regions with most clients believing their product or service not to be suited to social, environmental or community objectives.

Difference made by NEN members to clients' business/ business planning

Emphasising the support provided in helping businesses survive (and thrive): almost all clients first approaching NEN members about an existing business are still trading whilst most in the start up phase (at the time) are now actively trading

When first seeking business support;



Running a business when first seeking business support, **96%** are currently trading

About to start a business when first seeking business support, **85%** are currently trading

Those with a business idea when first seeking business support, **54%** are currently trading

Base: All respondents (2803)

- The above table shows the current status of those who first approached an NEN member organisation about support for an existing business or start-up, and emphasises the support provided in helping businesses survive (and thrive):
- Those running a business at the time are almost all still actively trading (96%) albeit a small proportion have changed the nature of their business.
- The majority of those 'thinking of starting' a business (85%) have started to trade whilst a small minority have again started a different business to that originally planned.
- Just over a half (54%) of those seeking advice about a business idea have taken that idea forward to an active business.

More ideas have been turned into business reality in the South East and South West than other regions

At the time of first seeking Business Support ….	Total	N.E.	N.W.	Y & H	E Mids	W Mids	East	London	S.E.	S.W.
I was running a business...										
In Business (status now)	96%	100%	97%	93%	100%	88% ↓	96%	93%	100%	96%
Not in Business (status now)	4%	0%	3%	7%	0%	13%	4%	7%	0%	4%
I was about to start a business										
In Business (status now)	85%	86%	88%	83%	71% ↓	84%	83%	82%	93% ↑	95% ↑
Not in Business (status now)	15%	14%	13%	17%	29%	16%	17%	18%	7%	5%
I had an idea for a business										
In Business (status now)	54%	55%	62%	59%	45% ↓	55%	51%	35% ↓	81% ↑	65% ↑
Not in Business (status now)	46%	45%	38%	41%	55%	45%	49%	65%	19%	35%

Base: All respondents (2803)

- Across all nine regions except West Midlands (88%), almost all clients first approaching NEN members about an existing business are continuing to trade.
- Consistent with the national picture, the majority about to start a business at the time have now done so albeit a higher proportion in the South East (93%) and South West (95%) and a lower proportion in the East Midlands (71%).
- Compared to the national data, just over half of those with a business idea had begun trading in 5 out of the 9 regions whilst those in the South East (81%) and South West (65%) were more likely to have done so vs. clients in London (35%) and East Midlands (45%), least likely.

Underlining the membership's support in helping businesses to think longer term, 'Planning' is the main area in which support is recalled encompassing Business, Marketing and Financial Planning

Areas of business support recalled being received from NEN Member Organisation

	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Developing a Business Plan / Business Strategy	60%	77%	76%	71%	78%	68%	64%	74%	70%
Marketing/ Developing a Marketing Plan	54%	65%	55%	55%	58%	51%	46%	55%	49%
Financial Planning and Seeking Finance	44%	59%	52%	54%	60%	49%	53%	54%	43%
Company Structure (sole trader vs. Ltd etc)	42%	53%	50%	63%	61%	52%	47%	51%	47%
Customer Targeting	38%	53%	46%	41%	44%	40%	37%	48%	34%
Whether setting up a company is right for me	33%	42%	45%	49%	39%	37%	36%	38%	40%
Insurances and Taxes	29%	54%	40%	37%	47%	39%	27%	38%	30%
Other legislation e.g. dealing with Regulations	21%	39%	26%	25%	31%	23%	21%	24%	19%
Business Risk Assessment	23%	33%	26%	25%	30%	21%	23%	21%	19%
Staff and Employment issues	15%	29%	15%	16%	18%	14%	16%	17%	8%
Opening a Shop/ Taking on Premises	13%	15%	16%	10%	9%	7%	14%	7%	4%
Other	9%	5%	3%	5%	4%	7%	6%	7%	12%
Average No. of areas recalled = 4.2	3.9	5.3	4.6	4.5	4.8	4.1	4.0	4.4	3.8

Base: All respondents (2781)

- On average and following for the most part face-to-face or group training sessions, clients recall receiving support in four key areas. 'Planning' is the main support area recalled encompassing Business, Marketing and Financial Planning. More specifically, support with developing a business plan and/or business strategy was the most recalled service (by 69%) followed by developing a Marketing Plan (53%).
- Those not currently running a business - and hence more likely to need advice on a wider range of subjects - recalled more services (4.6) being offered vs. existing businesses (4.1).
- Consistently across all nine regions, support for 'developing a business plan' is the main service recalled. Clients in the North West and West Midlands generally recalled a wider range of support services (around 5 on average).

‘Planning’ encompassing Business, Marketing and Financial Planning – is the main area of support deemed to be most ‘practical’

Areas of business support considered most practical

(Figures in brackets) = % recalling receiving this support

Area	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Developing a Business Plan / Business Strategy	55% (69%)	48%	59%	64%	52%	63%	55%	49%	61%	55%
Marketing/ Developing a Marketing Plan	31% (53%)	35%	43%	34%	28%	26%	28%	25%	31%	26%
Financial Planning and Seeking Finance	27% (49%)	24%	31%	28%	23%	27%	27%	31%	30%	25%
Company Structure (sole trader vs. Ltd etc)	26% (49%)	21%	32%	27%	36%	27%	30%	24%	21%	24%
Customer Targeting	19% (41%)	20%	17%	24%	16%	14%	17%	14%	22%	17%
Whether setting up a company is right for me	20% (38%)	18%	14%	23%	24%	16%	22%	20%	16%	23%
Insurances and Taxes	15% (35%)	15%	24%	16%	11%	16%	17%	12%	13%	14%
Other legislation e.g. dealing with Regulations	8% (24%)	8%	16%	7%	9%	10%	9%	8%	6%	5%
Business Risk Assessment	9% (23%)	10%	10%	11%	9%	4%	8%	10%	6%	7%
Staff and Employment issues	4% (15%)	5%	6%	5%	7%	3%	3%	6%	4%	2%
Opening a Shop/ Taking on Premises	3% (11%)	4%	5%	6%	1%	0%	3%	5%	2%	2%
Other	9%	14%	12%	6%	5%	6%	8%	9%	7%	12%
Average No. of areas found useful	**2.2**	**2.1**	**2.7**	**2.3**	**2.1**	**2.2**	**2.2**	**2.1**	**2.1**	**2.1**

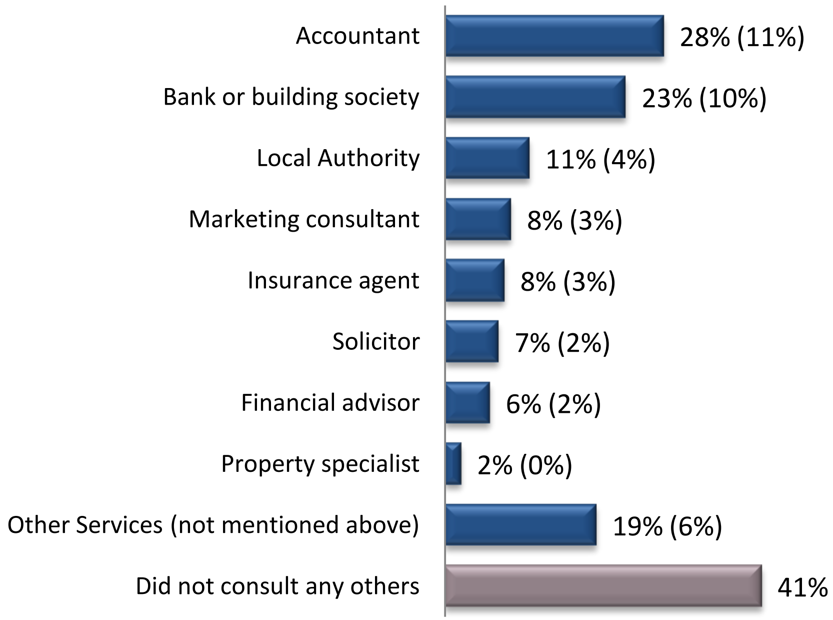
Base: All respondents (2623)

- The following table sets out which services provided to clients were seen as offering the most ‘practical support’; for reference, recall of each service as previously shown has been replayed.
- On average of the services recalled, clients deemed two (2.2) to have provided practical support with ‘developing a business plan’ clearly the most practical (as selected by 55%) followed by developing a Marketing Plan (31%) and Financial Planning (27%).
- Younger clients in the Up to 34 age-group (35%) found Financial Planning more practical than older clients (Aged 55+ = 23%)
- Those not currently trading and previously shown to have received a greater range of services (2.4) found more services of use than current businesses (1.9).
- Consistently across all nine regions, support for ‘developing a business plan’ is the main area deemed to offer practical support.

Accountants and Banks/ Building Societies are the main alternative source of business support but for many, NEN Members are their only source of Business support

Other sources of business support consulted

(Figures in brackets) = % advised by NEN Member Organisation to contact

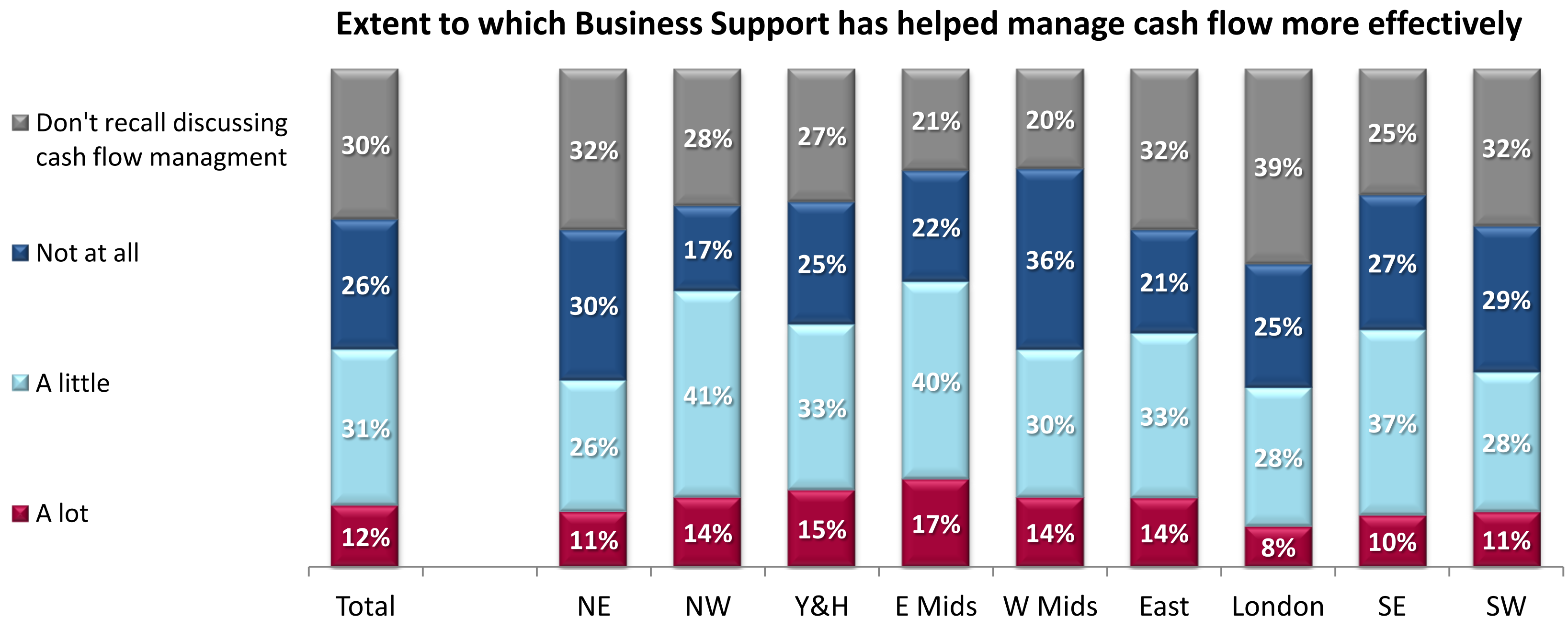


N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
23%	34%	24%	30%	23%	33%	27%	32%	30%
19%	28%	26%	31%	27%	25%	18%	28%	20%
10%	12%	11%	11%	9%	10%	14%	13%	10%
12%	10%	6%	8%	7%	6%	12%	7%	7%
6%	11%	9%	8%	6%	9%	4%	10%	7%
6%	11%	4%	7%	6%	7%	9%	10%	7%
7%	5%	5%	7%	3%	5%	8%	5%	5%
1%	1%	4%	3%	2%	1%	3%	3%	2%
19%	23%	16%	23%	15%	19%	19%	20%	22%
44%	34% ↓	45%	29% ↓	44%	39%	40%	34% ↓	42%

Base: All respondents (2721)

- Accountants (by 28%) and Banks/Building Societies (23%) were the two main sources of support approached by clients at the same time as contacting NEN member organisations or since; that said, only c. 1 client in every 4 approached each source. Accountants had mainly been approached by those currently running a business (by 38%) with those 'thinking of starting a business' much less likely to have done so (18%).
- Otherwise, four of ten clients (41%) approached no other sources and hence, depended uniquely on support from the NEN membership.
- Similarly across all nine regions, Accountants or Banks/Building Societies were the two main sources consulted. As highlighted, clients in the North West, East Midlands and South East had consulted more sources of advice vs. the six other regions; in those six, around four of ten clients had consulted no other sources.

Almost half of clients currently trading felt NEN business support had helped effectiveness of cash flow management



Base: Currently running a business (2089)

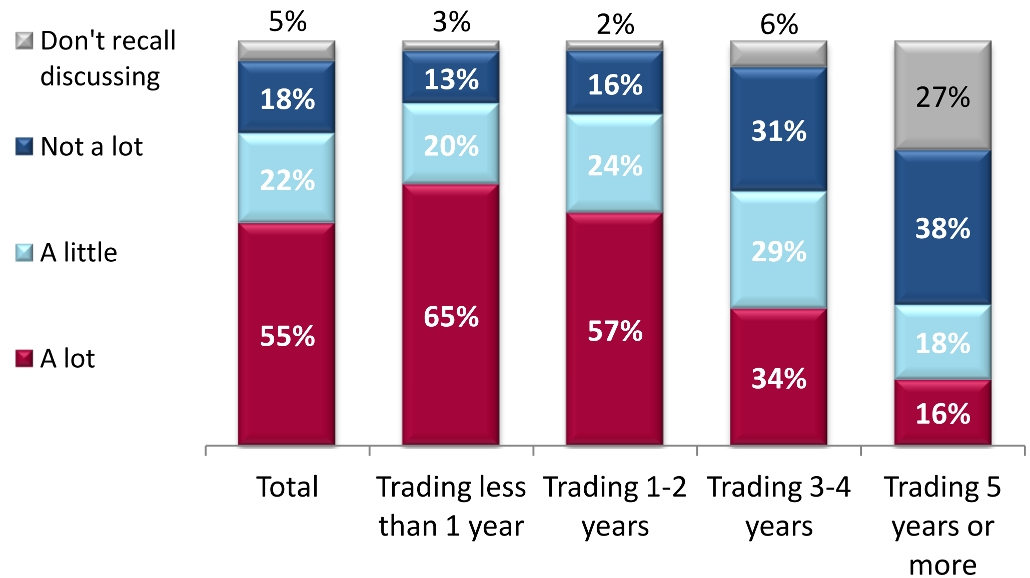
- Almost 1 in 3 (30%) do not recall discussing cash flow management during their business support experiences.

- Almost half (43%) of all businesses describe the cash flow management advice they have received as helping improve the effectiveness of their cash flow either a little or a lot.

- This advice seems to have had more impact among individuals approaching NEN Members with a business idea (16% were helped a lot), those in the first year of trading (16%), younger entrepreneurs (19%) or those with no formal qualifications or training (16%).

Younger businesses, and younger business owners are more likely to benefit from guidance on a formal business plan

Extent to which influenced to put a formal business plan in place (amongst those who have a plan)

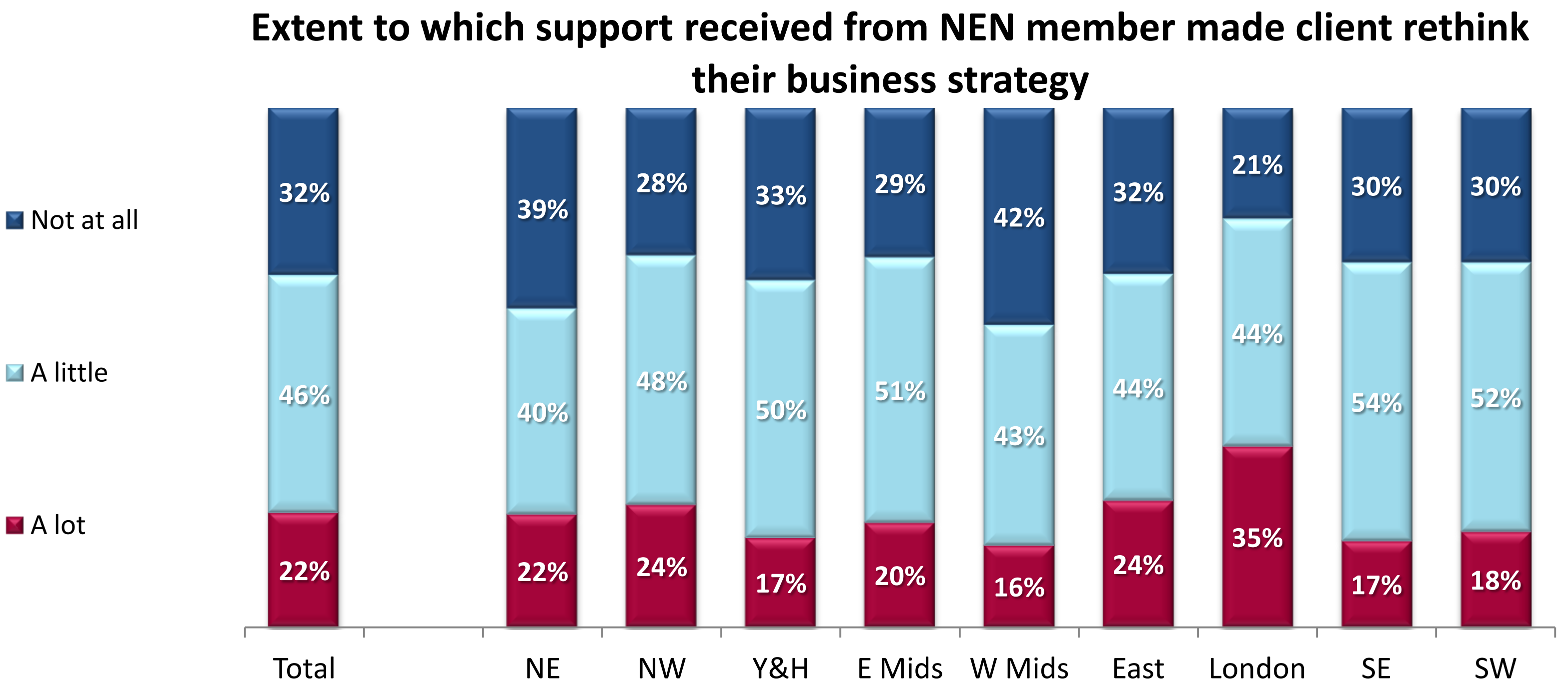


Region	A lot/little influence	No influence at all
All	77%	18%
N.E.	66%	26%
N.W.	88%	6%
Y&H	82%	16%
E Mids	75%	22%
W Mids	80%	17%
East	81%	15%
London	76%	16%
S.E.	83%	15%
S.W.	78%	18%

Base: Formal Business Plan in place (1833)

- The influence of NEN member organisations on the implementation of a formal business plan is greatest among businesses that have been trading for up to a year – 85% describe their extent of their influence as ‘A lot’/’A little’ which dwindles to only 34% of businesses operating for 5 years or more.
- As seen with other advice, NEN member organisations have most impact with younger entrepreneurs (aged up to 35 – 85%) and single employee businesses (84%).
- Businesses in the North West are more likely than average to have been influenced by their NEN member organisation (88%) and the North East are least likely (66%).

Two thirds of clients reviewed their business strategy as a result of advice from NEN Member Organisations



Base: All respondents (2680)

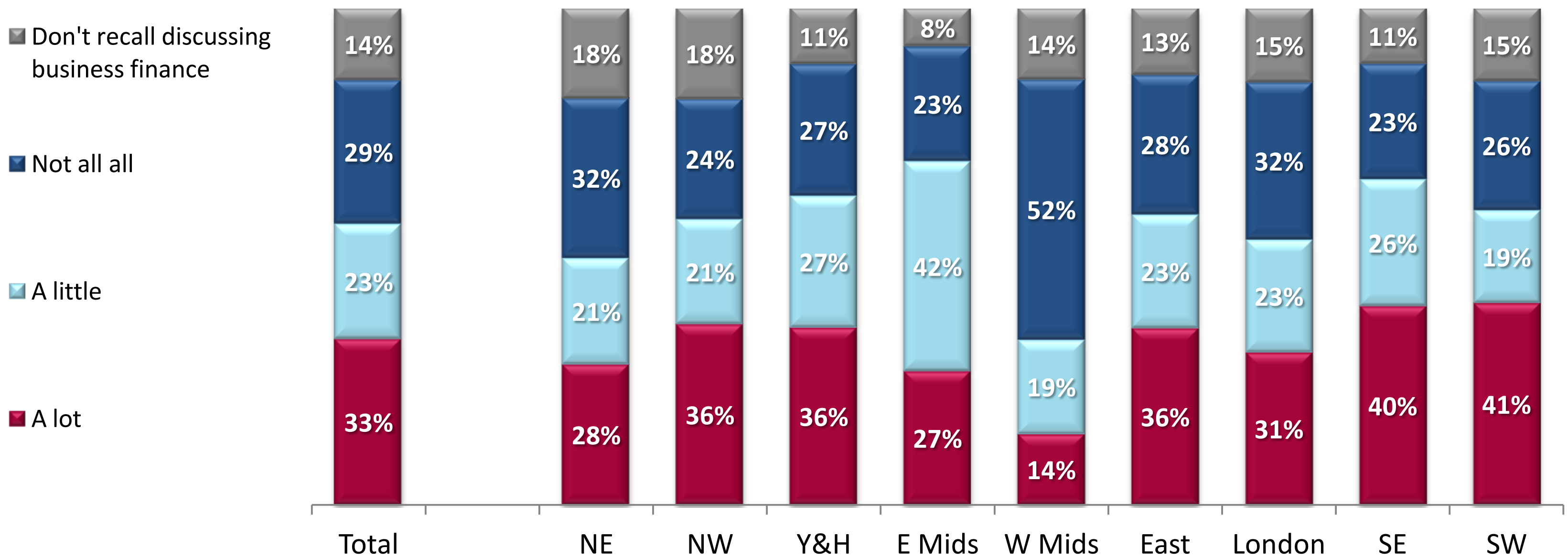
- While a third (32%) of clients did not revise their business strategy as a result of the advice they received, two-thirds (68%) did; 22% felt the advice had made a lot of difference to their business planning.

- Those in the West Midlands are least likely to have been affected – 42% claimed the advice made no difference to their business strategy; clients in London are most likely to have reviewed their business strategy as a result of their advice (79%).

- Clients at the start of their business journey – the 'thinking' stage (31%), Asian (36%) and Black/African/Caribbean (42%) clients, describe the impact of the support they received as making 'a lot' of difference to reconsidering their business strategy.

Half of those obtaining Business Finance received support from NEN Member Organisations to do so

Extent to which support received from NEN member organisation on obtaining business finance



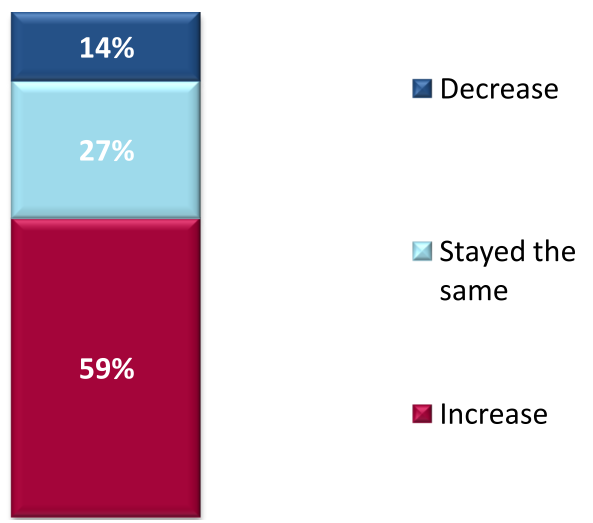
Base: Obtaining business finance (805)

- Of those businesses needing to obtain financing in the past, the majority (86%) do recall discussing business finance with their advisors and more than half (56%) felt their advisors had been of assistance in terms of obtaining finance for their business.

- NEN member organisations appear to have been most active in this area with young entrepreneurs (aged under 35 – 75% saying they had been helped a lot/little), single employee organisations (65%) and those in the first 2 years of trading (trading up to 1 year 66%, 1-2 years 62%).

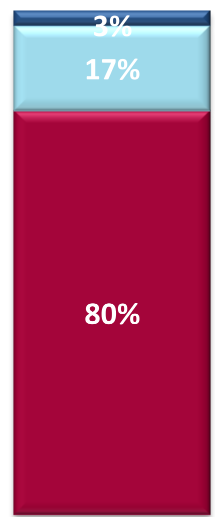
NEN Member supported businesses are more optimistic about the coming year than the past year – especially businesses entering their second year of trading

Change in turnover from last year



Base: Currently running a business* (1307)
** Those who felt they could give a view*

Turnover outlook for coming year



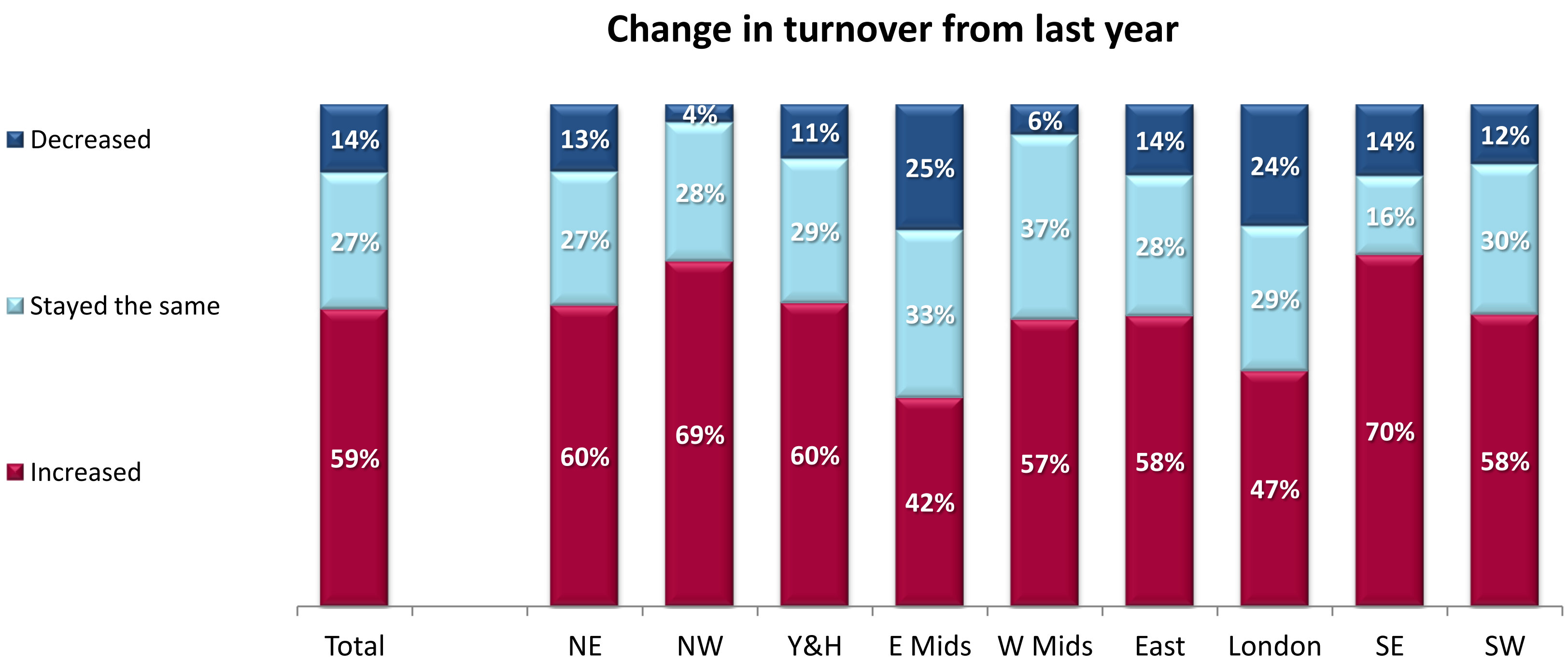
Base: Currently running a businesses* (1817)

"The proportion of firms expecting to grow during the next twelve months stands at 61%"

Source: FSB 'Voice of Small Business' Report Q3 2014

- 6 in 10 (59%) of NEN Member supported businesses have seen an increase in turnover in the past 12 months, and 8 in 10 (80%) expect to see an increase in the coming 12 months. This compares favourably with results from the FSB 'Voice of Small Business' Report Q3 2014 where they found 61% of firms were expecting to grow during the next twelve months.
- Only 3% of all supported businesses are predicting a drop in turnover for the coming year.
- Newer businesses are even more optimistic about the coming year, 9 in 10 (89%) of those trading for up to one year anticipate an increase in turnover. Businesses currently with an annual turnover between £100k and £249k are also optimistic, 9 in 10 (89%) anticipate an increase.

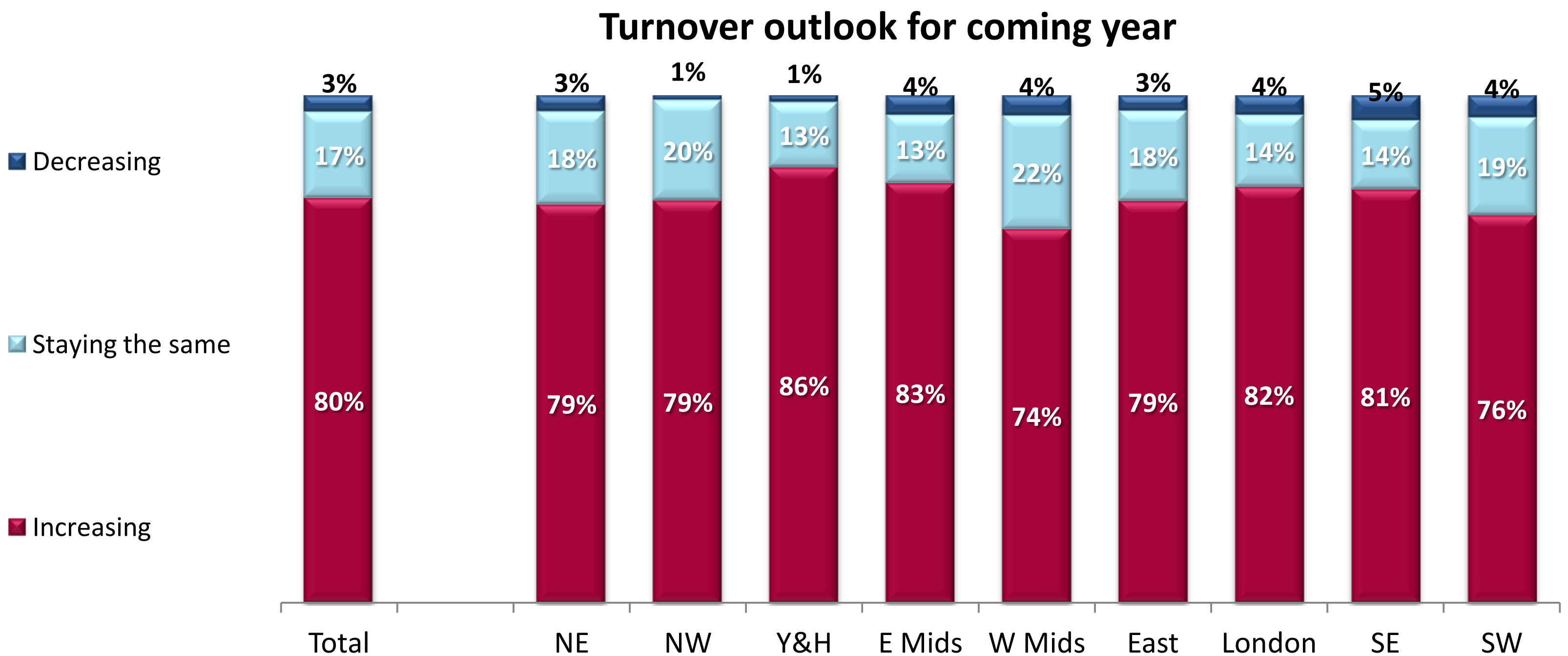
More than half of NEN Member supported businesses have seen their turnover increase over the past 12 months



Base: All running a business for > 12 months (1307)

- More than half (59%) overall have seen an increase in the turnover of their business in the past 12 months; 4 in 10 (41%) have stood still or seen their turnover reduce in that time.
- More businesses in East Midlands (25%) and London (24%) have seen a decrease in turnover over the last year, than any other region.
- Regions more likely to have reported an increase in turnover in the past year are South East (70%) and North West (69%).

NEN Member supported businesses are optimistic of increases in turnover for the year ahead



Base: All current businesses (1817)

• Very few businesses are anticipating a decrease in turnover over the coming year, only 3% of businesses overall, and this view is similar across all regions.

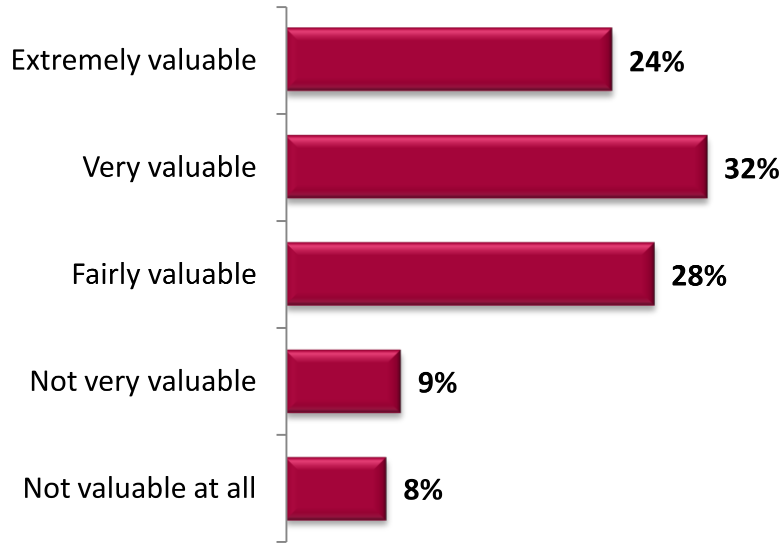
• There are only marginal differences across the regions in terms of anticipated increases in turnover; Yorkshire & Humberside are the most optimistic with 86% of businesses expecting to increase their level of turnover and West Midlands are the least optimistic - relatively speaking - where 1 in 5 businesses (22%) expect to remain in the same turnover bracket and 3 in 4 (74%) are expecting a rise.

• This compares favourably with results from the FSB 'Voice of Small Business' Report Q3 2014 where they found 61% of firms were expecting to grow during the next twelve months.

What do clients think of us?

Support given to clients at all stages of the business journey is seen to be highly valuable

Rating of the support and training from NEN Members

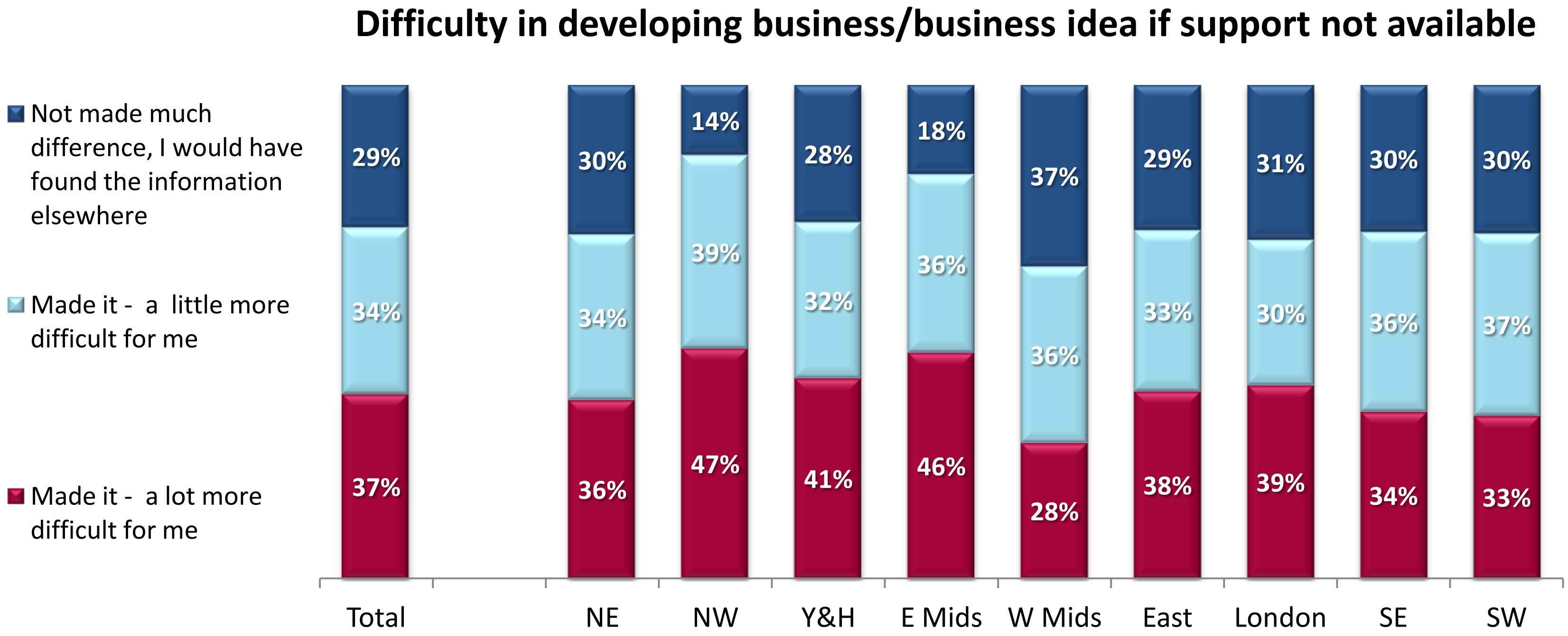


Base: All respondents (2679)

Region	Extremely/ very valuable	Fairly valuable	TOTAL 'VALUABLE'
All	56%	28%	84%
N.E.	55%	28%	83%
N.W.	69%	23%	92%
Y&H	56%	26%	82%
E Mids	69%	21%	90%
W Mids	48%	29%	78%
East	57%	25%	82%
London	61%	29%	90%
S.E.	47%	35%	82%
S.W.	52%	31%	83%

- Clients are positive about the support and training they received from NEN member organisations in terms of developing either themselves, their business or their business ideas. Over half (56%) describe this support as **Extremely** or **Very** valuable.
- Those at the earliest stage of their business journey when first approaching the members are even more appreciative; those at the thinking stage when first seeking help giving an extremely/very valuable rating of 64%.
- Women (62%) and those new to trading (up to 1 year – 62%) also praise the support more highly.
- The positive view of help received is widespread across the regions with relatively little variation. The N.W. and E. Mids are most positive (69% rating extremely/very valuable) followed by London (61%).

Developing their business/ business idea would have been more difficult without support from NEN Member Organisations for many

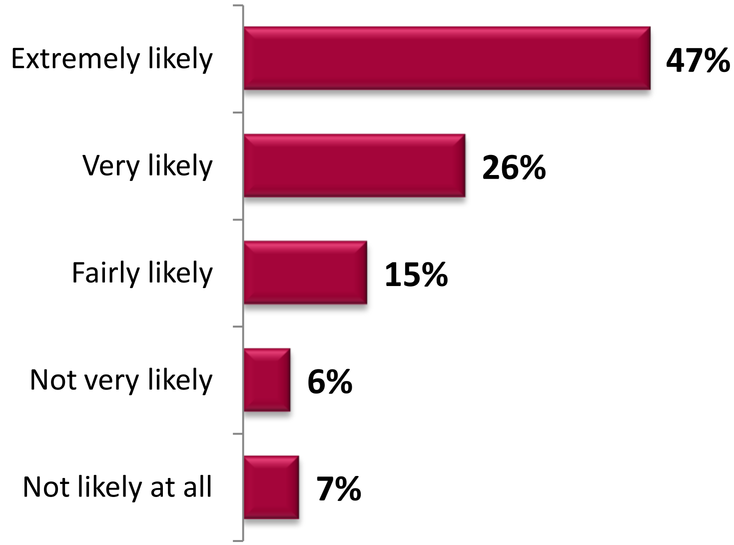


Base: All respondents (2680)

- For 7 out of 10 (71%) clients, the development of their business or business idea would have been more difficult without the support they received.
- As seen elsewhere, the timing of this support is seen as more beneficial at early stages of the business journey – 75% of those clients who were at the 'thinking' stage of their business when first seeking support feel an absence of this support would have made their business development more difficult – 47% said a lot more difficult.
- Regional variations show those in the North West, and those in the East Midlands most likely to have missed this support had it not been available.

Clients would recommend NEN business support providers to others thinking of starting or currently running a business

Likelihood to recommend NEN Member Organisation to businesses in a similar position to their own



Base: All respondents (2648)

Region	Extremely/ very likely	Fairly likely	TOTAL 'LIKELY'
All	73%	15%	88%
N.E.	73%	15%	88%
N.W.	86%	8%	95%
Y&H	74%	13%	86%
E Mids	79%	13%	92%
W Mids	60%	22%	82%
East	73%	14%	87%
London	76%	14%	90%
S.E.	71%	14%	86%
S.W.	70%	17%	88%

• Propensity to recommend the NEN member organisation which has provided business support is high. Almost half (47%) of clients are **Extremely** likely to make a recommendation and a further quarter (26%) are **Very** likely to recommend their services.

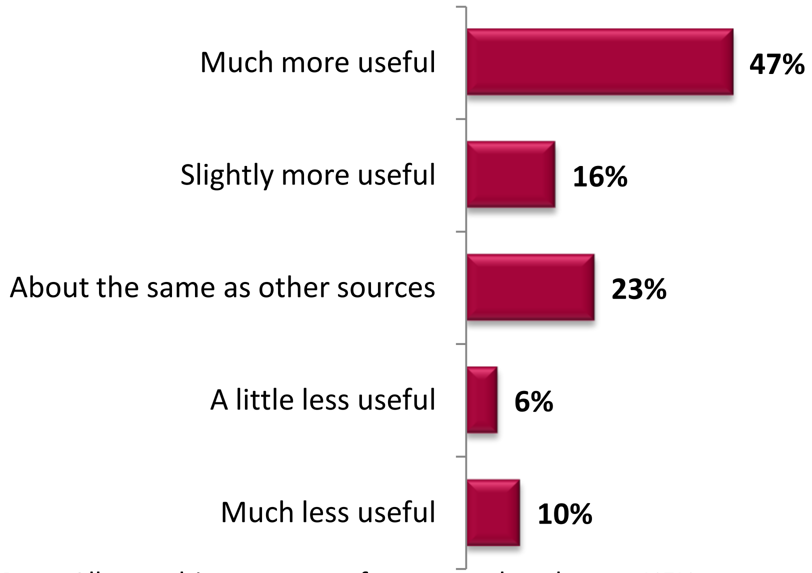
• Clients currently running a business (75%) have a higher propensity to make such a recommendation than those not running a business at the moment (66%) although this is still at a relatively high level.

• Women (78%) are marginally more likely to recommend the NEN member organisation they approached than men (70%).

• Regionally, clients in the North West, and in East Midlands are most likely to recommend their business support provider.

The majority who consult a range of support services believe NEN Member Organisations' support to be 'more useful'

Rating of the support from NEN Member vs. other support services



Base: All consulting a source of support other than an NEN member (1466)

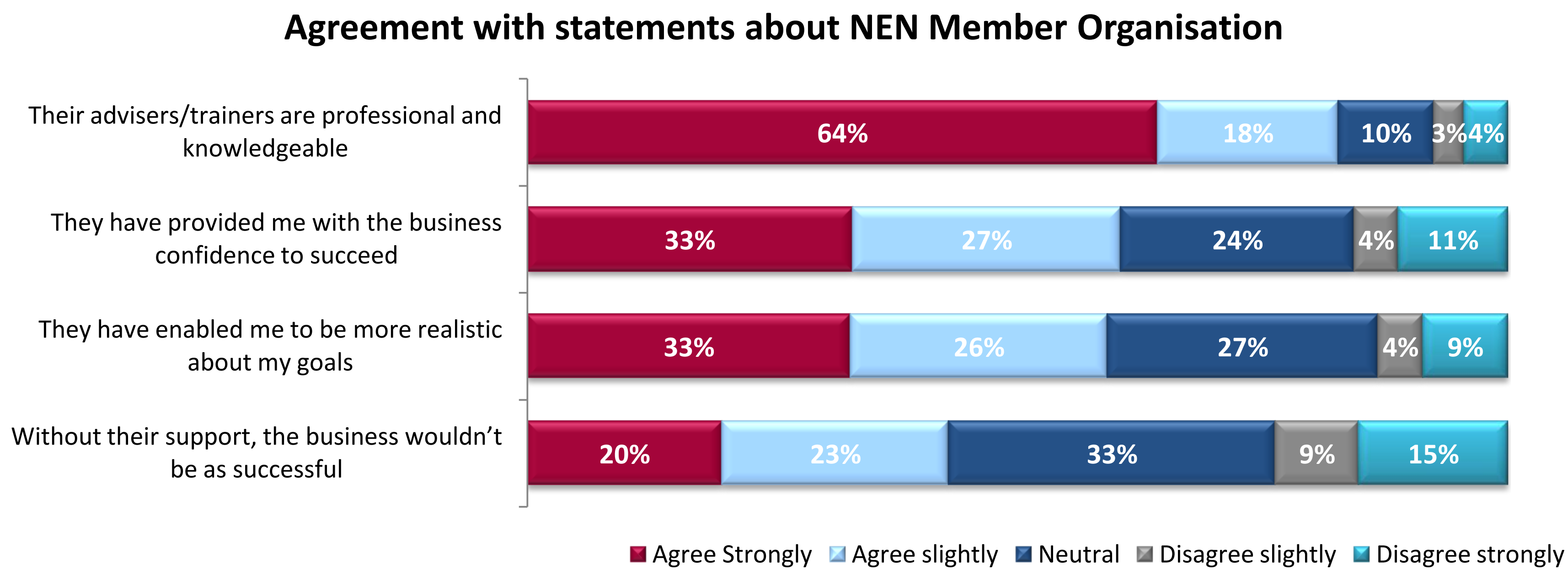
Region	Much more useful	Slightly more useful	TOTAL 'MORE USEFUL'
All	47%	16%	62%
N.E.	48%	13%	61%
N.W.	60%	13%	72%
Y&H	48%	13%	61%
E Mids	47%	14%	61%
W Mids	49%	13%	62%
East	44%	18%	61%
London	49%	20%	69%
S.E.	47%	20%	67%
S.W.	39%	16%	55%

• Focusing on the clients who had consulted other sources of advice (c60% of the survey total), over six out of 10 (63%) rated the support from their NEN member organisation as 'more useful' than other sources; just under half (47%) specifically rated it as 'much more' useful.

• Clients in the North West were even more positive about the level of support, just under three quarters (72%) rated it as useful whilst those in the South West were less positive (55% rate as useful).

• Those thinking of starting a business (56% much more useful) or about to start a business (46%) when first approaching an NEN member organisation found support services more useful than existing businesses (38%).

Advisors and Trainers viewed as professional and knowledgeable



Base: All respondents (2703-2705)

- The majority of clients (82%) agree (strongly or slightly) those giving them advice or training are professional and knowledgeable.
- 6 in 10 (60%) agree their experience with the NEN member organisation has provided them with **business confidence –** particularly women (67%), those with only 1 employee (65%) , those new to business (trading less than a year – 71%), Black/African/Caribbean (69%) and Asian (71%) clients.
- 6 in 10 (59%) also agree the NEN member organisation has enabled them to be **more realistic about goals** – to a greater extent women, small businesses, those trading for less than a year, Black/African/Caribbean and Asian clients.
- 4 in 10 (43%) do agree that without the support they received, their businesses would not have been successful, younger clients (aged under 35 – 52%) especially.

Effects of advice and training – regional differences

Clients who agree strongly or slightly with the following statements:	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Their advisers/trainers are professional and knowledgeable	83%	80%↓	91%	83%	93%↑	83%	81%	84%	83%	83%
They have provided me with the business confidence to succeed	61%	53%↓	72%↑	63%	70%	61%	62%	64%	60%	60%
They have enabled me to be more realistic about my goals	59%	52%↓	68%	60%	75%↑	57%	62%	64%	57%	59%
Without their support, the business wouldn't be as successful	43%	45%	54%↑	44%	47%	30%↓	41%	41%	44%	44%

Base: All respondents (2703-2705)

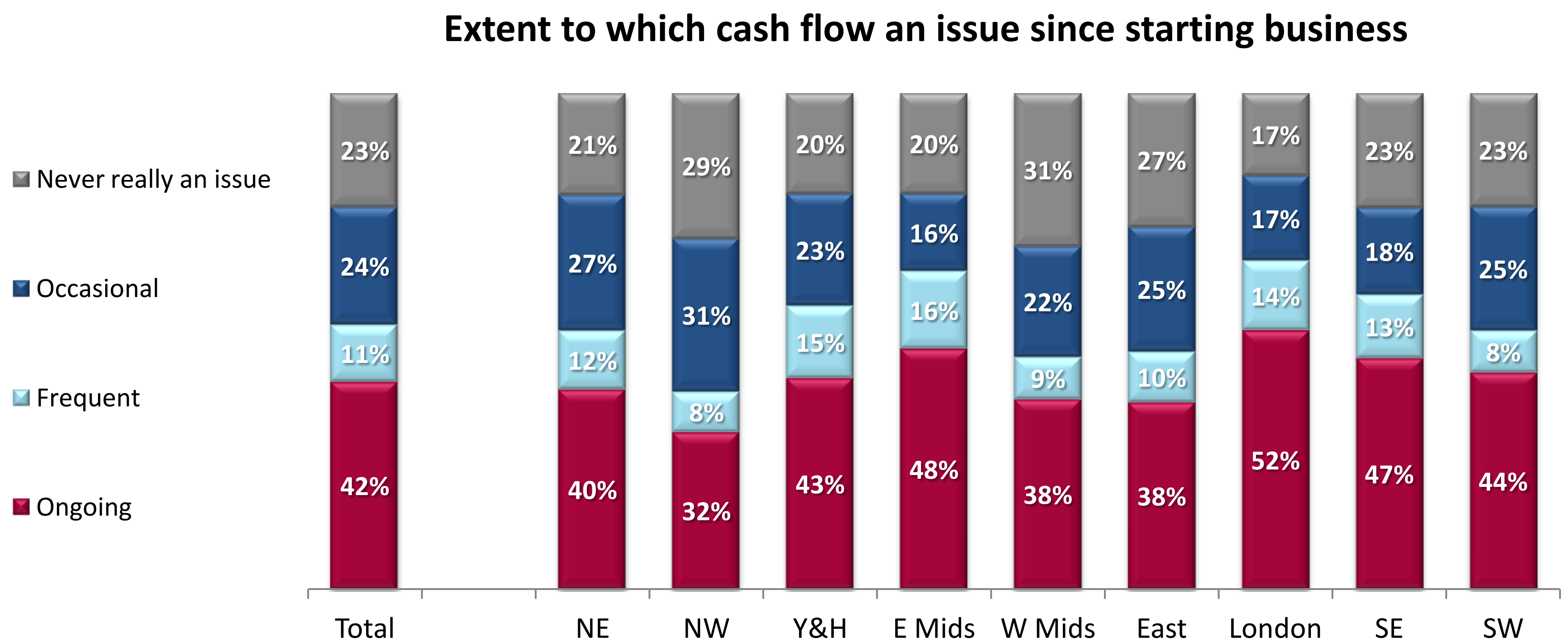
Lowest ↓ Highest ↑

N.B. %=Agree Strongly/Slightly

- The level of professionalism and knowledge is widely recognised regionally with at least 8 in 10 clients agreeing this is the case.
- Clients in the North East are least likely to feel the business support they had received had made a difference to their confidence (53%) or their expectations about goals (52%).
- The North West (72%) are most likely to have received a confidence boost, and East Midlands are most likely to have benefitted from a reality check (75%).
- Clients in the West Midlands are least likely to feel the business support received was vital to the success of their business (30%), but businesses in the North West (54%) feel their business would not have been as successful without this support.

Ongoing client issues to address

Cash flow still a key issue for half of businesses



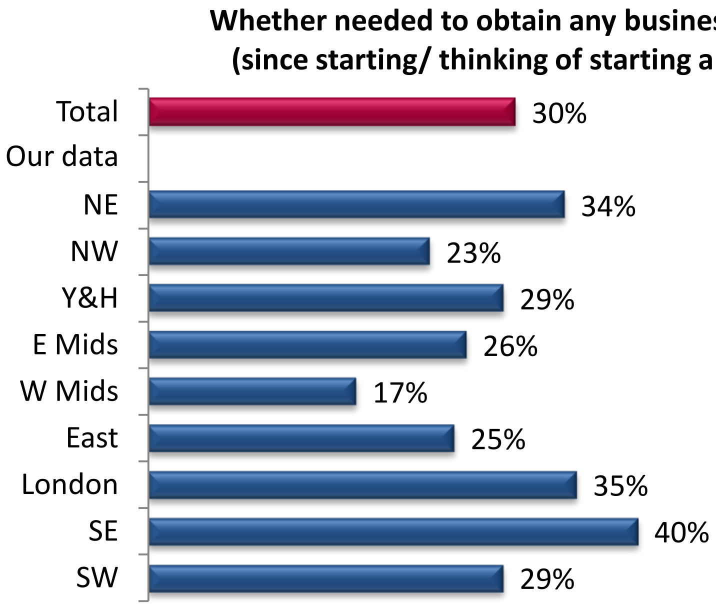
Base: Currently running a business (2089)

- Half (53%) see cash flow as an ongoing (42%) or frequent (11%) issue affecting their business; half (47%) feel cash flow is only an occasional concern (24%) or not even an issue at all (23%).

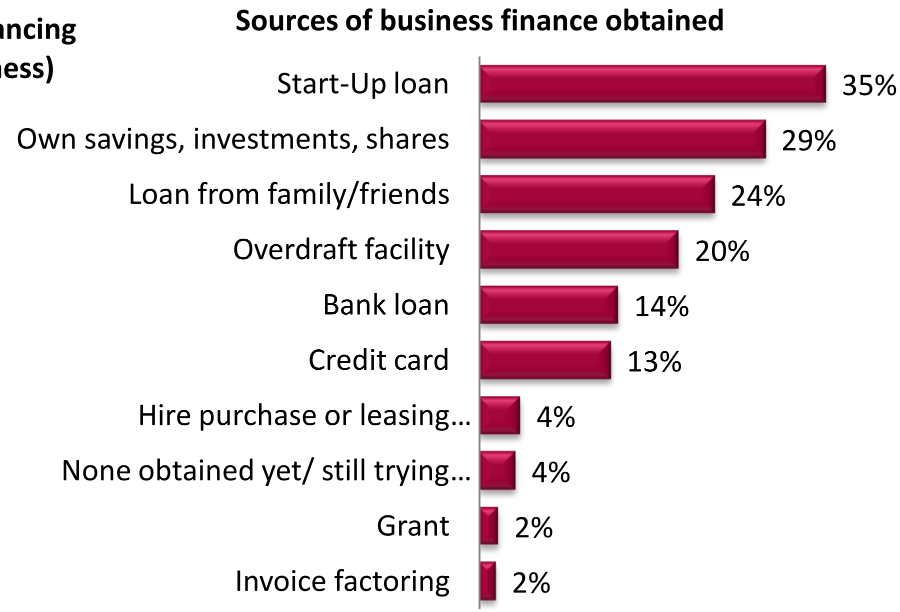
- Finding cash flow an ongoing concern in particular are businesses in London (52%) and East Midlands (48%) compared to only 32% of those in the North West.

- Not surprisingly, businesses in Manufacturing (58%), Retail (55%) and Food and Beverage (46%) sectors find cash flow an ongoing feature of running their business.

3 out of 10 clients had needed to obtain business financing since starting /first thinking of starting a business; Start-up loans and personal savings & investments are the top sources of business finance



Base: All respondents (2757)



Base: All needing to obtain business finance (805)

- Just under 1 in 3 clients (30%) had needed to obtain business financing pre or post start-up, with those in the South East (40%) more likely to have done so and clients in the West Midlands, less likely (17%). Those aged Up to 34 were more likely to have sought business financing (41%) than older clients (55+, 25%) as was the case with businesses turning over in excess of £100K p.a. (48%) vs. those with a turnover under £50K (28%), the majority of the memberships' clients.
- Half (51%) of those young business people (aged under 35) seeking business finance had received a start up loan, far more than older entrepreneurs (24% of those over 55 year). Older individuals are more likely to use their own savings and investments (39%) than younger individuals (22%) but this is an important source of business finance across all key sectors. **Business finance resources used differ depending on the stage of business journey:**

Business already started
- Own savings, investments – 39%
- Overdraft – 37%
- Bank loan – 30%
- Loan from friends/family – 26%

About to start business

Start Up Loan – 40%
Own savings, investments – 27%
Loan from friends/family – 24%
Overdraft – 16%

Thinking of starting a business

Start Up Loan – 42%
Own savings, investments – 22%
Loan from friends/family – 21%
Overdraft – 10%

Albeit Start Up loans are the single most common form of financing, the majority per region are sourcing from their own savings or friends & family, and not financial institutions

Types of Business Finance obtained	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Start-Up loan	35%	30%	9%↓	40%	27%	24%	33%	30%	47%	49%↑
Own savings, investments, sale of shares	29%	34%	36%	26%	46%↑	43%	20%	26%	28%	27%
	33%	**53%**	**66%**	**53%**	**81%**	**72%**	**41%**	**51%**	**57%**	**49%**
Loan from family/friends	24%	19%	30%	27%	35%↑	29%	21%	25%	29%	22%
Overdraft facility	20%	25%	30%	10%	23%	0%↓	18%	22%	18%	23%
Bank loan	14%	15%	27%↑	9%	4%↓	19%	15%	18%	11%	11%
Credit card	13%	16%	9%	7%	23%↑	10%	9%	13%	16%	18%

Base: Obtaining business finance (805)

Lowest ↓

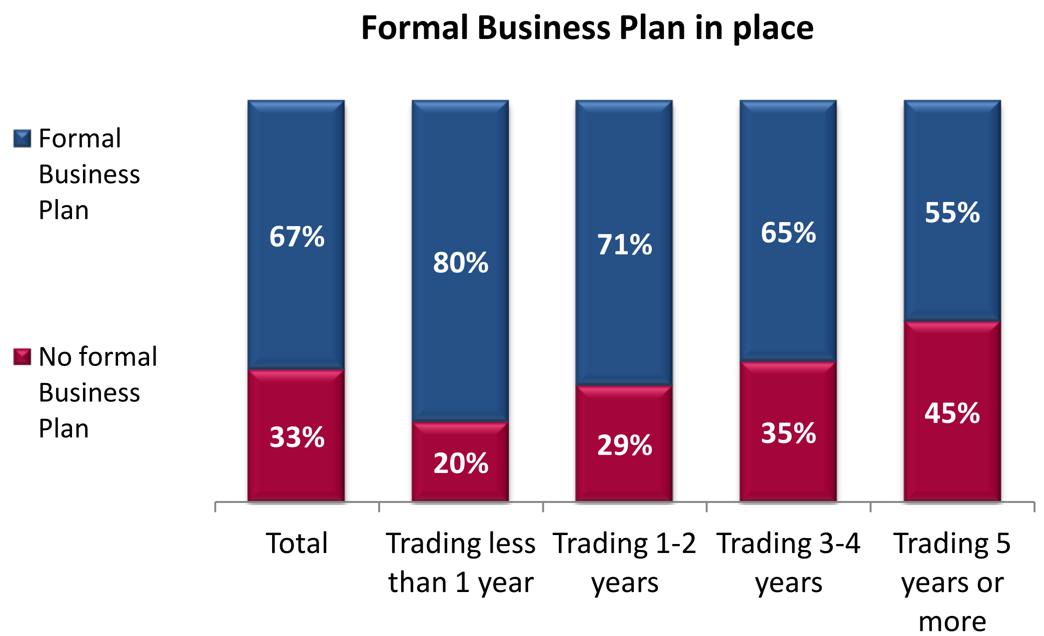
Highest ↑

• As highlighted in five of the nine regions above and consistent with the national picture, Start up Loans are the single most common form of financing (amongst the 30% of clients seeking business finance) and particularly in the South West (49%) and less so in the North West (9%).

• That said and taking into account clients using their own savings or those of friends & family, the majority per region (as bracketed above) are not turning to financial institutions and particularly in the Midlands.

Darwin-research
Market research services in an evolving market

Not all businesses have a formal business plan



Region	Formal Business Plan in place
All	67%
N.E.	66%
N.W.	63%
Y&H	76%
E Mids	68%
W Mids	73%
East	63%
London	57%
S.E.	79%
S.W.	66%

Base: All respondents (2742)

• Whilst 2 in 3 clients (67%) do have a formal business plan in place, the results suggest it is less likely to be the case the longer businesses have been trading with almost half (45%) of those in business for 5 years or longer without a **formal** plan in place.

• Regionally, fewer Londoners have a formal plan for their existing or prospective business although almost 6 in 10 (57%) do, compared to almost 3 in 4 of those in the South East (79%), Yorkshire & Humberside (76%) and West Midlands (73%).

• Not surprisingly, those currently running a business are more likely to have a formal business plan in place (72%) than those whose business/business idea is not in operation at this time.

Support in ‘softer’ areas (e.g. self confidence, thought consolidation) is important alongside practical business support

Main areas where NEN Member Organisation has made a difference

Base: All respondents (1906)

- The single most often mentioned area where business support has made a difference is help with the business plan or overall business strategy – listed by almost 1 in 4 clients (23%) overall; more so (25%) among clients who were just thinking about starting a business, or who were about to start their business (28%) when initially seeking help, than those whose businesses were already operating (11%).
- Confidence building is similarly more frequently mentioned at the initial ‘thinking’ stage (14%), or on the point of starting a business (13%) than by those with businesses already running (6%).
- While help with accounting is important at the point of starting a business (13%), Access to funding is more important to those who are currently in operation (14%).
- Seminars and training sessions are of equal interest regardless of the stage of business planning, important to 1 in 10 clients.

Key areas where business support has made a real difference – regional variations

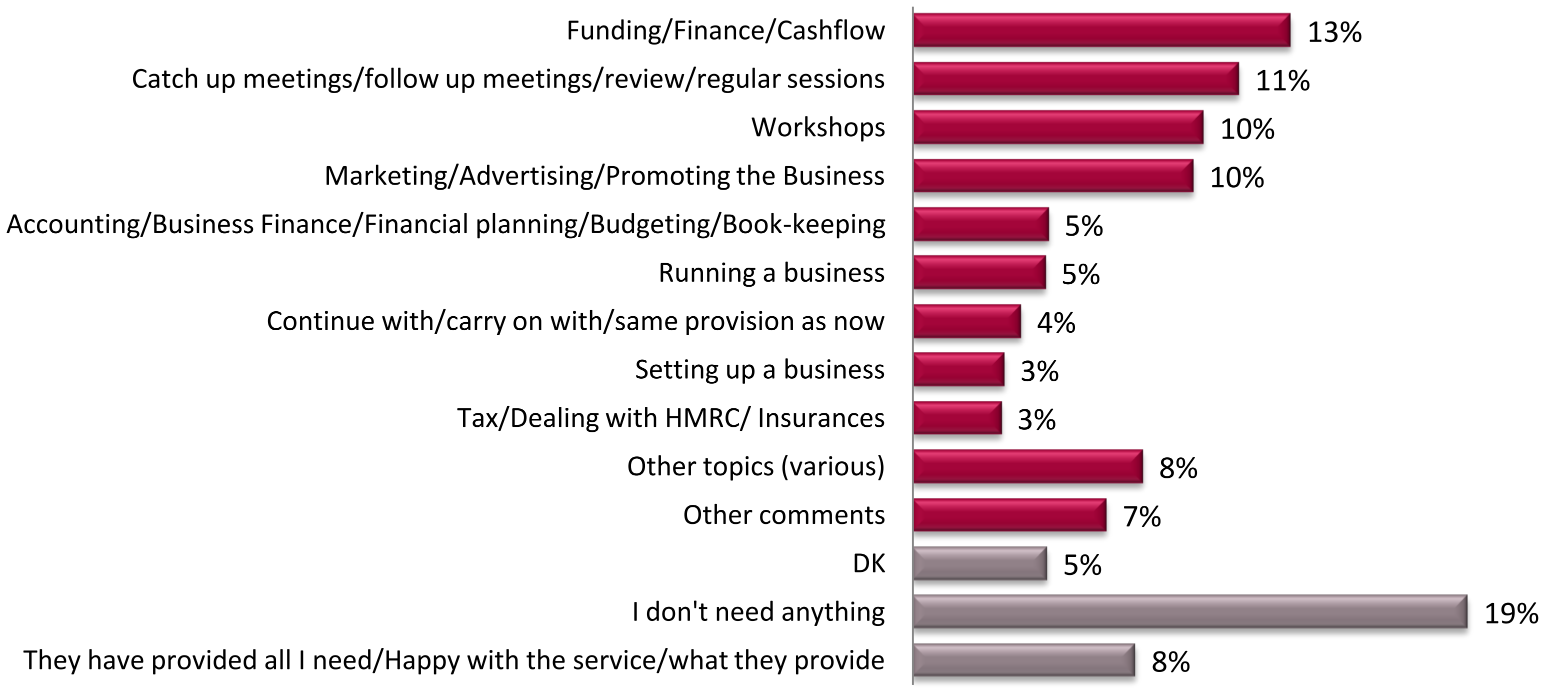
Key areas where business support has made a real difference	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Help with Business Plan /Business Strategy	23%	21%	19%	24%	22%	21%	21%	25%	24%	25%
Gave me confidence / belief in myself	12%	12%	17%	9%	17%	11%	12%	11%	13%	11%
Accounting / business finance /business planning/	10%	7%	8%	11%	6%	13%	11%	11%	13%	12%
Attending seminars / training sessions / workshops	9%	7%	17%	6%	6%	10%	10%	11%	10%	11%
Access to funding / help with set up costs	9%	16%	10%	10%	4%	10%	2%	2%	15%	6%
Marketing / advertising / promoting the business	8%	10%	8%	9%	6%	8%	7%	10%	5%	6%
Helped me to consolidate my thoughts/get a clear plan	8%	6%	12%	7%	13%	6%	7%	7%	7%	9%
Ideas to help me start my business	7%	7%	8%	10%	9%	6%	6%	10%	6%	6%
Support (general mention)	6%	7%	4%	6%	6%	3%	8%	6%	7%	5%
Meeting other like-minded people /networking opportunities	6%	6%	6%	1%	3%	1%	8%	8%	12%	4%
Professional guidance & support	5%	6%	9%	8%	3%	6%	4%	4%	3%	3%

Base: All respondents (1906)

- Help with business plans or business strategy is the most frequently mentioned benefit across all regions; there are only marginal differences across regions albeit the top 3 areas of most support in the North West are Help with Business Planning (19%), Confidence building (17%) and Seminars and workshops (17%).
- Access to funding is more important to those in the North East (16%) and South East (15%) than the national average.
- Those in the East Midlands also appreciate confidence building assistance (17%) and help consolidating their thoughts (13%).

Follow up contact with clients after initial consultations important for continued progress

Suggestions of additional help desired in the coming 12 months to help businesses survive and thrive



Base: All respondents (1895)

N.B. Mentioned by 3% or more

- Almost 1 in 3 (31%) either feel they do not require any business support in the coming year, or that the NEN member organisation has already provided all they have needed, or should just carry on with what they are doing.
- Other topics of interest (8%) include one-to-one sessions, mentoring, business networking opportunities and lead generation.
- Regular follow up contact sessions are of greater importance to those in the development stages of their business prior to starting trading (12%-13%) than businesses already in operation (8%).

Additional help desired in the coming 12 months – regional differences

	Total	N.E.	N.W.	Yorks & H	East Mids	West Mids	East	London	S.E.	S.W.
Funding/Finance/Cash flow	13%	20%	11%	15%	18%	8%	6%	11%	17%	9%
Catch up meetings/follow up meetings/review/regular sessions	11%	10%	17%	9%	15%	20%	11%	11%	8%	11%
Workshops	10%	7%	12%	9%	17%	3%	11%	15%	9%	11%
Marketing/Advertising/Promoting the Business	10%	9%	9%	11%	3%	6%	8%	14%	15%	9%
Accounting/Business Finance/Financial planning/Budgeting/Book-keeping	5%	4%	4%	6%	6%	3%	4%	5%	3%	9%
Running a business	5%	4%	3%	4%	5%	1%	6%	5%	7%	4%
Continue with/carry on with/same provision as now	4%	4%	5%	4%	2%	1%	5%	4%	4%	2%
Setting up a business	3%	2%	3%	3%	9%	3%	3%	4%	3%	4%
Tax/Dealing with HMRC/ Insurances	3%	3%	3%	3%	6%	2%	1%	3%	5%	6%
Other topics (various)	8%	6%	5%	8%	5%	15%	7%	12%	9%	9%
Other comments	7%	5%	7%	6%	8%	5%	8%	5%	10%	7%
DK	5%	5%	10%	6%	3%	11%	4%	3%	2%	3%
I don't need anything	19%	20%	10%	21%	14%	17%	27%	10%	17%	18%
They have provided all I need/Happy with the service/what they provide	8%	10%	8%	6%	3%	8%	7%	10%	6%	5%

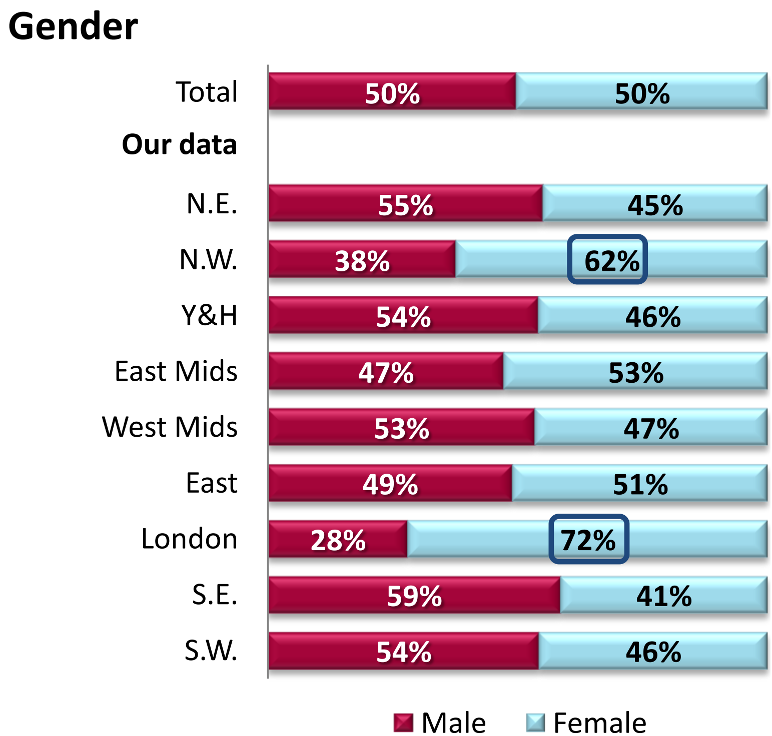
Base: All respondents (1895)

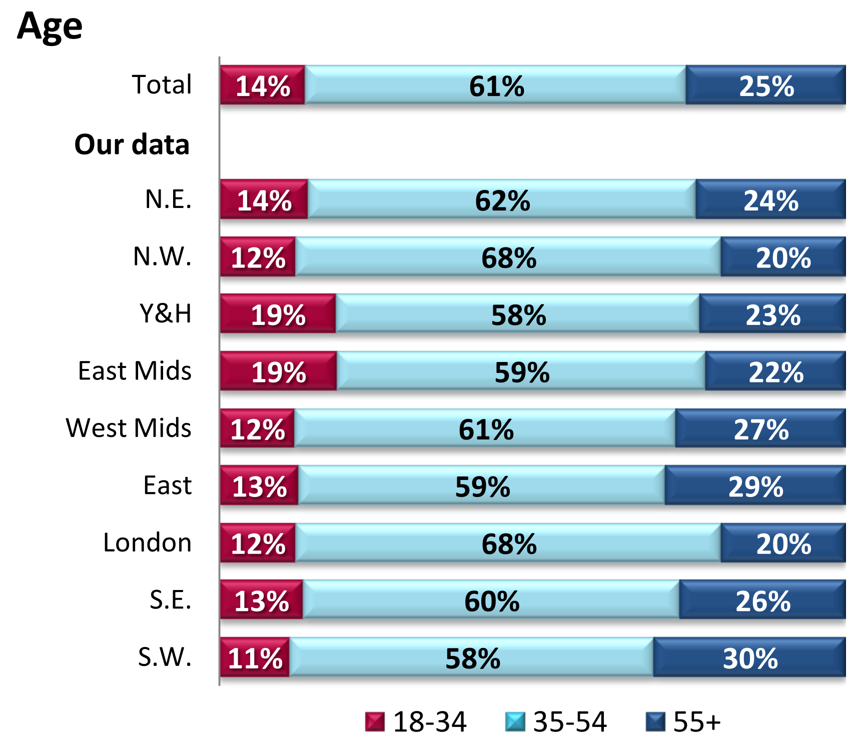
N.B. Mentioned by 3% or more

- Businesses in N.E. (20%) and East Midlands (18%) especially are looking for Funding advice in the coming year.
- Follow up or review sessions are the most important area of business support required for N.W. (17%) and West Midlands (20%).
- London (14%) and S.E. (15%) are more likely to be seeking marketing and promotional support than other regions.
- Other topics of interest (8%) include one-to-one sessions, mentoring, business networking opportunities and lead generation. – business networking is especially noted in the West Midlands.

Client Demographics

Overall, the sample is evenly split between male and female clients, and the majority of clients is clustered in the 35-54 age-group





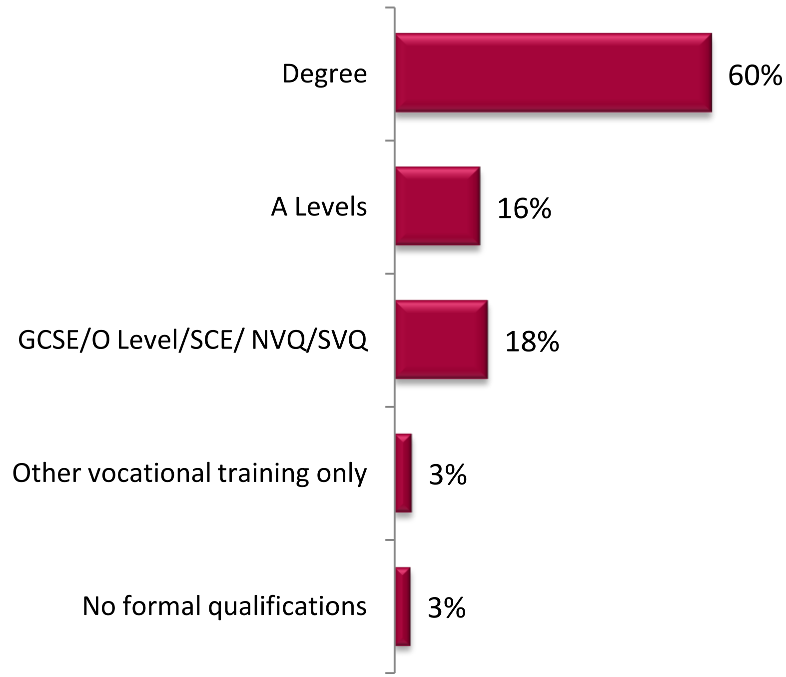
Base: All respondents (2595-2607)

•The overall survey sample is split 50:50 between male and female clients although significantly more females are represented in both London (72%) and the North West (62%).

• Consistent with Office for National Statistics' data for self-employment, the majority of members' clients is clustered in the 35-54 age group as is the case across all nine regions.

Clients for the most part are degree-educated reflecting the higher proportion of Professional & Administrative occupations supported by NEN's membership compared to the wider self-employed population

Highest level of qualifications attained



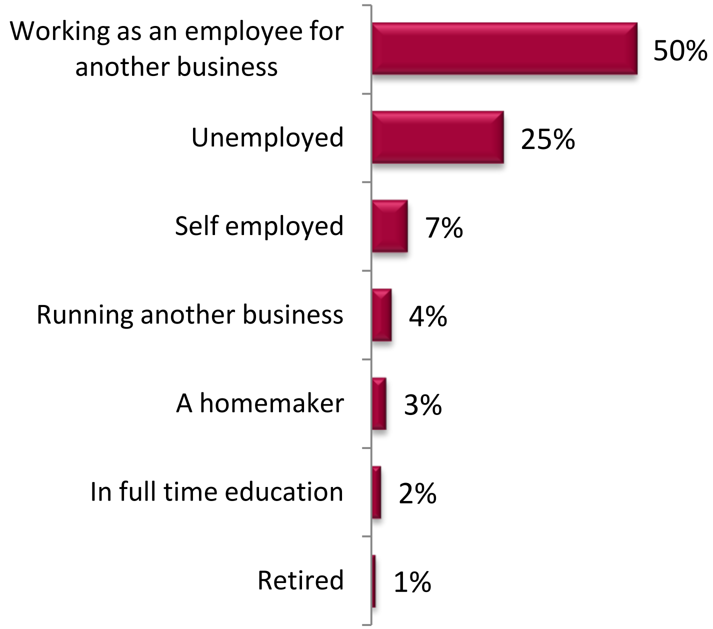
Base: All respondents (2612)

Region	Degree	A-level equivalent	GCSE or equivalent	Other work related	No formal qualifi-cations
All	60%	16%	18%	3%	3%
Our data	**58%**	**18%**	**20%**	**3%**	**1%**
N.E.	58%	15%	20%	4%	3%
N.W.	65%	14%	15%	3%	3%
Y&H	56%	17%	21%	4%	2%
E Mids	61%	13%	20%	0%	6%
W Mids	61%	19%	11%	3%	5%
East	60%	16%	17%	3%	4%
London	$\boxed{73\%}$	11%	12%	3%	1%
S.E.	55%	15%	22%	4%	4%
S.W.	56%	22%	15%	3%	3%

- Most respondents (60%) are educated to degree level, reflecting the higher proportion of Professional & Administrative occupations supported by NEN's membership compared to the wider self-employed population.
- Only a very small proportion (3%) hold no formal qualifications.
- This is true across all regions although clients in London were more likely to hold a degree (73%).

Prior to starting a business, twice as many clients were working as not working

Prior to starting a business clients were:



Base: Currently running a business (2066)

Region	Employee – other company	Unemployed	Self employed	Running another business	Homemaker/ in education/ retired
All	50%	25%	7%	4%	6%
N.E.	53%	23%	7%	6%	3%
N.W.	50%	16%	11%	3%	8%
Y&H	43%	35%	6%	3%	8%
E Mids	57%	17%	3%	8%	13%
W Mids	51%	31%	1%	4%	6%
East	51%	25%	7%	2%	7%
London	56%	15%	7%	7%	10%
S.E.	41%	31%	10%	3%	7%
S.W.	54%	28%	7%	4%	3%

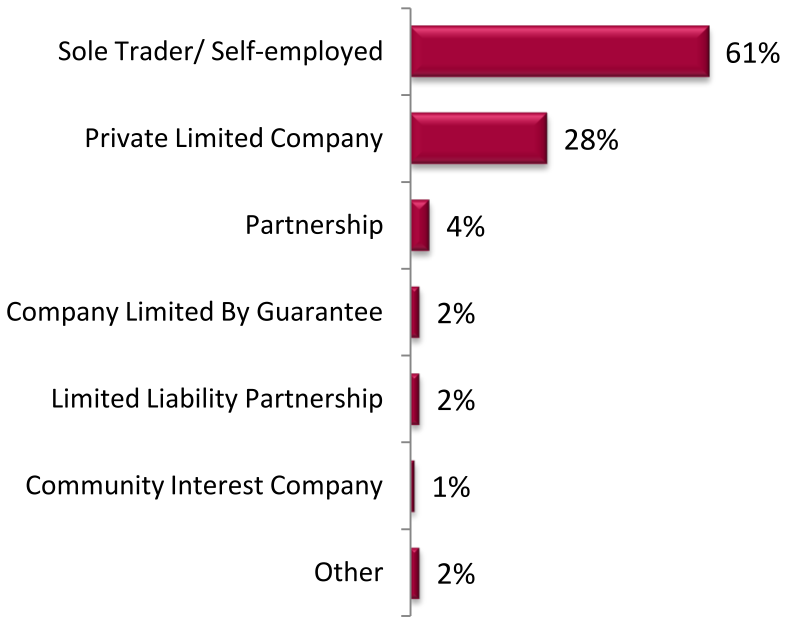
• Over half (61%) of clients currently running a business were previously working either for someone else (50%) or themselves (self employed 7%, or running another business 4%).

• 1 in 3 (31%) were not working immediately prior to starting their business.

• Those in London (70%) and East Midlands (68%) are more likely than average to have moved from employment to running their own business, and those in Yorkshire & Humberside are more likely to have moved into employment (43%) by working for themselves.

Most people are working for themselves as sole traders

Legal status of current business



Region	Sole Trader/ Self-employed	Private Limited Company	Partner-ship	Company Limited By Guarantee	Other
All	61%	28%	4%	2%	5%
N.E.	55%	35%	4%	3%	4%
N.W.	67%	16%	8%	2%	5%
Y&H	70%	23%	4%	2%	1%
E Mids	57%	32%	5%	3%	3%
W Mids	74%	21%	4%	0%	1%
East	58%	30%	4%	2%	6%
London	53%	30%	2%	5%	10%
S.E.	60%	29%	3%	2%	7%
S.W.	65%	23%	6%	2%	4%

Base: Currently running a business (2053)

- Those setting up their own business are most likely to be sole traders or simply self employed rather than any other legal status.

- Businesses that have been up and running for less than a year are more likely to be sole traders (65%) than a PLC (25%) and the reverse is true for businesses established for 5 or more years (45% PLC, 35% sole traders).

- Sole trading is most popular in West Midlands (74%) and Yorkshire & Humberside (70%); there are more PLC's in the North East (35%) and East Midlands (32%).

Business Support Experience

Most clients had received face-to-face advice

Types of business support received in past 2-3 years

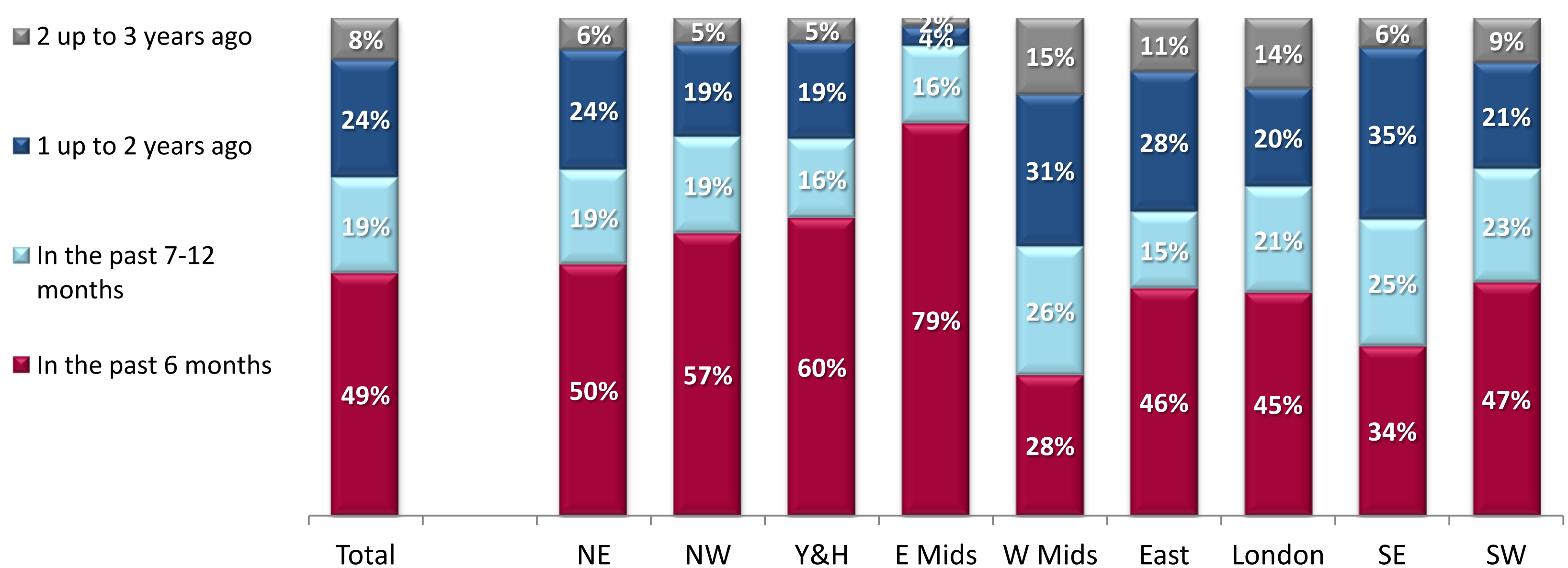
Region	F-2-F	Workshop /Group Training	Phone	On-line	Average no. rec'd
All	80%	52%	16%	9%	**1.6**
N.E.	86%	31%	16%	8%	**1.5**
N.W.	91%	66%	15%	6%	**1.8**
Y&H	85%	58%	16%	11%	**1.7**
E Mids	80%	52%	14%	14%	**1.6**
W Mids	52%	67%	33%	12%	**1.7**
East	88%	53%	16%	10%	**1.7**
London	70%	68%	12%	6%	**1.6**
S.E.	62%	59%	26%	12%	**1.6**
S.W.	80%	53%	11%	6%	**1.5**

Base: All respondents (2803)

- Overall, the majority of clients (80%) had received a *face-to-face advice session* whilst half (52%) had attended a formal *workshop or group training session.*
- Fewer clients in the West Midlands (52%) and South East (62%) had received face-to-face advice whilst conversely in both regions, more clients were supported by phone vs. other regions.
- Those most likely to have attended a workshop/ group training session were found in London (68%), West Midlands (67%) and the North West (66%) and least likely in the North East (31%).

Sample comprises a good mix of very recent clients and those supported up to three years ago

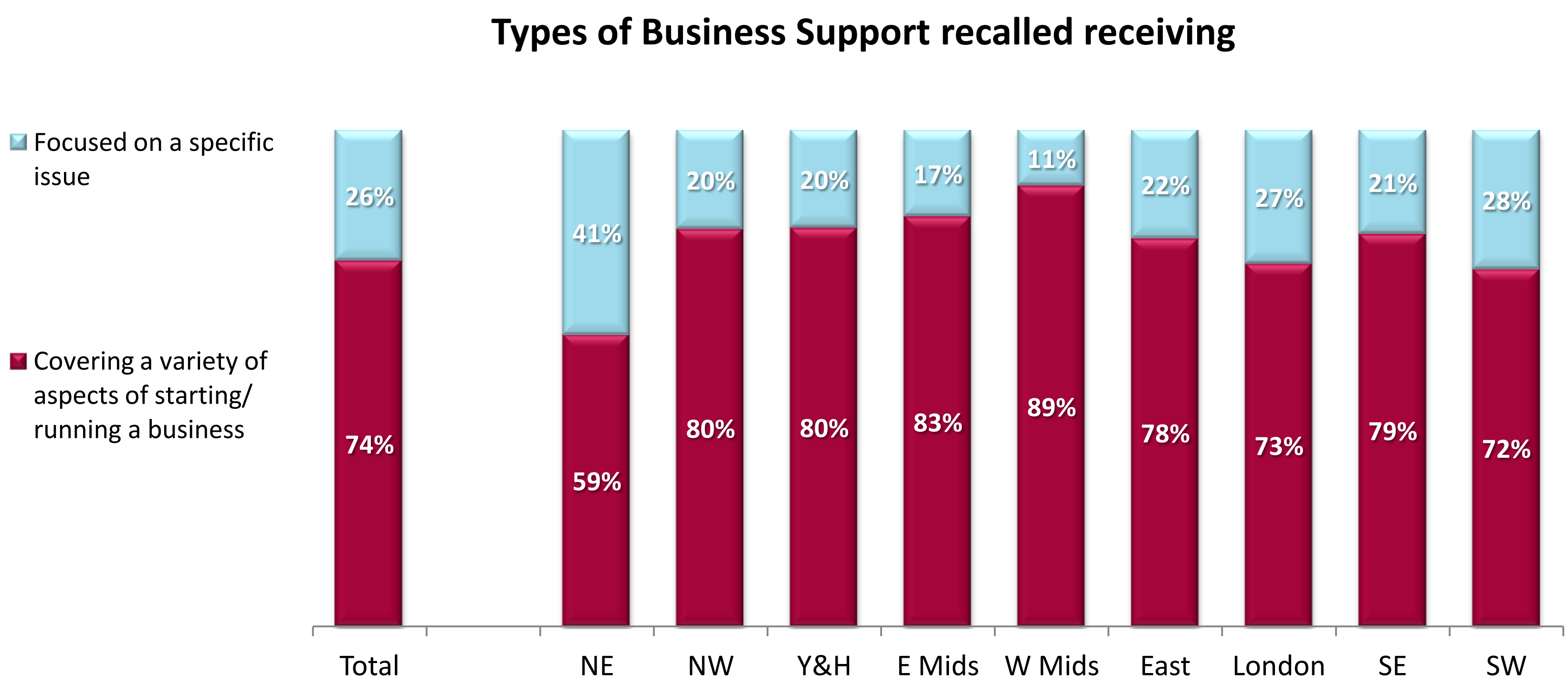
Most recent contact with NEN Member organisation



Base: All respondents (2803)

- Only clients receiving support from NEN member organisations in the past three years were targeted for the survey.
- Overall, the majority (68%) most recently had contact in the last 12 months; around a half (49%) in the past six months.
- Within the East Midlands, responses were received from a significantly higher proportion of those supported in the past six months (79%) vs. other regions.

Majority of clients have received support on a variety of aspects of running a business (as opposed to specific issues)



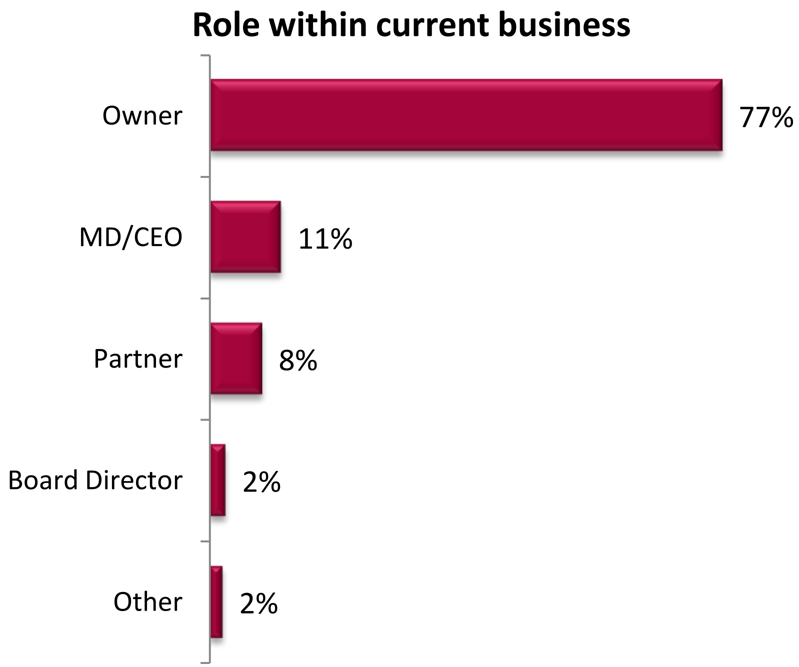
Base: All respondents (2803)

- Three quarters of all clients (74%) recalled receiving support across a variety of aspects of starting a business .

- Those within the North East were more likely to have focused on a specific business issue (41%) vs. other regions whilst clients in West Midlands were least likely to have done so (11%).

Business Demographics

Most entrepreneurs retain ownership of their business



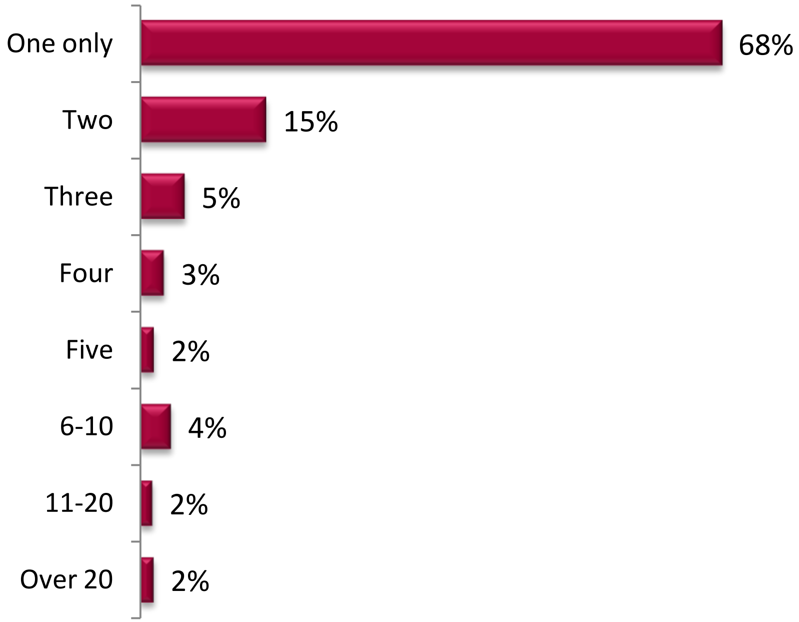
Region	Owner	MD/CEO	Partner	Board Director	Other
All	77%	11%	8%	2%	2%
N.E.	73%	13%	9%	4%	1%
N.W.	77%	9%	11%	2%	1%
Y&H	84%	9%	6%	0%	1%
E Mids	76%	16%	6%	0%	2%
W Mids	82%	8%	3%	3%	3%
East	74%	10%	10%	4%	2%
London	74%	14%	9%	1%	2%
S.E.	79%	13%	6%	1%	2%
S.W.	82%	8%	6%	2%	2%

Base: Currently running a business (2048)

- More than 3 in 4 clients (77%) running a business have retained ownership of that business.
- Unsurprisingly, smaller businesses (1 employee) are far more likely to be owner led (91%) than larger businesses with 3 or more employees where 43% of clients own the business.
- Clients in newer businesses (up to a year – 81%) tend to be owners compared to established businesses (5 or more years) where 60% of those taking part in the study are owners.
- Owners are more prevalent in Yorkshire & Humberside (84%) and least prevalent in the North East (73%).

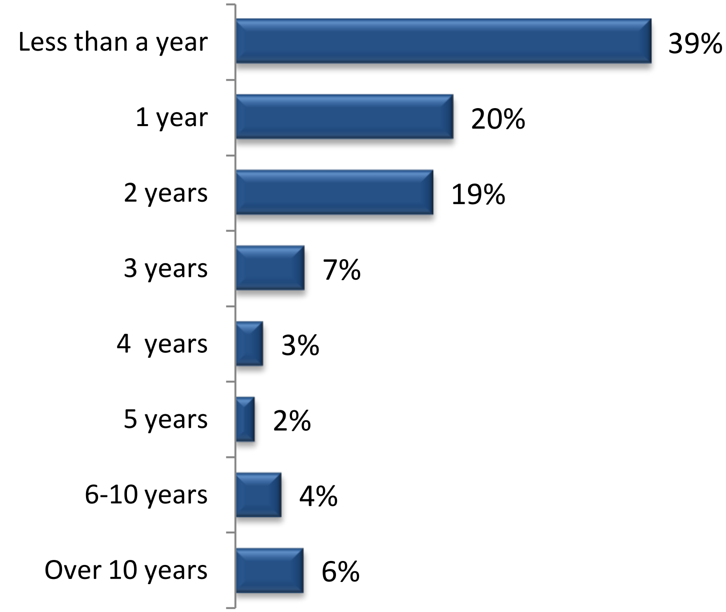
Most clients are working alone in businesses under 3 years old

Number of employees in the business (including respondent)



Base: Currently running a business (2052)

Length of time trading



Base: Currently running a business (2048)

- 7 in 10 clients (68%) are operating businesses alone without any other employees.
- 6 in 10 clients (59%) have been running their businesses for up to a year.

- Smaller businesses (1 employee) are more likely to be younger businesses (trading for up to 1 year – 43%), and larger businesses (3 or more employees), likely to be more established (trading for 5 years or more – 40%).

Size of business and length of operation – by region

Region	One only	2-3	4-5	Over 5
All	68%	20%	5%	7%
N.E.	61%	20%	6%	13%
N.W.	68%	20%	3%	8%
Y&H	74%	18%	4%	4%
E Mids	76%	16%	5%	3%
W Mids	79%	19%	0%	2%
East	70%	21%	4%	4%
London	66%	21%	7%	7%
S.E.	67%	23%	4%	6%
S.W.	71%	20%	4%	5%

Base: Currently running a business (2048)

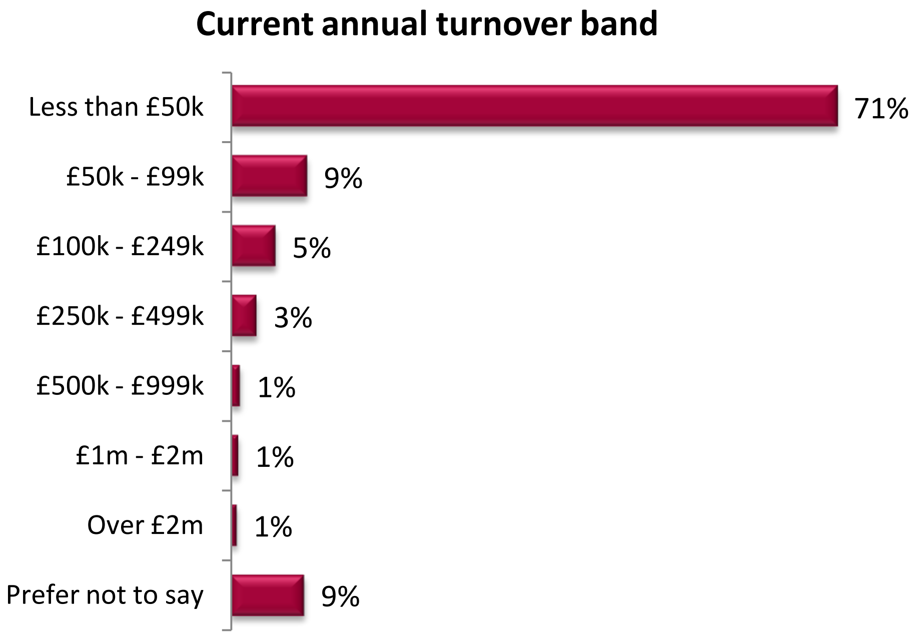
Region	Less then 1 year	1 year	2 years	3-5 years	6 years +
All	39%	20%	19%	11%	11%
N.E.	34%	20%	17%	12%	17%
N.W.	34%	20%	16%	16%	15%
Y&H	54%	18%	15%	7%	6%
E Mids	76%	11%	8%	3%	2%
W Mids	40%	33%	22%	4%	1%
East	37%	21%	20%	12%	9%
London	36%	15%	22%	12%	15%
S.E.	26%	29%	29%	9%	7%
S.W.	40%	18%	14%	16%	12%

Base: Currently running a business (2048)

- Smaller businesses (supported by members) occur more often in Yorkshire & Humberside (74%), East Midlands (76%) and West Midlands (79%) than overall.
- Businesses with more than 5 employees are more likely to be found in the North East than any other region.

- There are more younger businesses in the East Midlands (76%) than any other region; a higher proportion of more established businesses can be found in the North East, North West and London.

Most operate with an annual turnover of less than £50k



Base: Currently running a business (2046)

Region	<£50K	£50-99K	£100-249K	£250K or +
All	71%	9%	5%	6%
N.E.	65%	9%	6%	13%
N.W.	75%	9%	6%	4%
Y&H	76%	5%	6%	3%
E Mids	75%	10%	8%	0%
W Mids	79%	5%	0%	1%
East	70%	11%	5%	2%
London	71%	9%	4%	7%
S.E.	74%	8%	5%	5%
S.W.	73%	11%	6%	5%

[Those who '*Prefer not to say*' are not shown in above table]

- 7 in 10 (71%) of all businesses in this survey are operating with an annual turnover of less than £50k.
- 8 in 10 (79%) of businesses trading for up to 1 year, are operating at this level.
- More than 8 in 10 (85%) of businesses with a single employer have a turnover of less than £50k.

Report on Survey of Clients

(Kent Invicta Chamber of Commerce)

Date: November 2014

Prepared by Darwin Research

John Waite

Jo Olley

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