Report into the Business Gateway Start-up Discretionary Fund

for
Scottish Enterprise Ayrshire

28th March 2005

Prepared by
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Executive Summary

Scottish Enterprise Ayrshire (SEA), within its strategic planning process, has established a number of innovative programmes of support towards the start-up sector including the "**Business Gateway Start-up Discretionary Fund"** (Fund) that provided an additional grant of £500 for start-ups in SIP areas. This was established under the 'Discretionary' programme available to LEC's that allowed discretionary support within their borders to be offered to address identified difficulties in the local area.

The support was additional to other sources of help provided for start-ups from SEA and National programmes within the universal programme of support. A review by JacoByte took place with a number of contacts with recipients of support and public sector agencies that were relevant to the service taking place.

The annual level of starts would appear to be around 200 based on the 2003-04 statistics and current performance to mid February of c190 for 2004-05 with North Ayrshire having the highest number of starts supported albeit with the population of the SIP area being in excess of both South and East Ayrshire is expected.

Generally it is the preponderance for start-ups from the SIP areas to operate from home with a 'boot-strapping' approach being evident that continues as businesses consider expansion.

From the review it is evident that the grant is often a lever to encourage business planning and participate in other activities / support approaches available to SIP start-ups as well as mainstream services.

The process and administrative support from SEA were well respected by the Gateway and other stakeholders recognised the role of the Gateway in the process.

Some thoughts were that rather than the current priority on an area basis it may be beneficial to consider thematic groupings in addition with a number of initial suggestions made. It was also felt that the availability of a standard £500 grant should be considered and flexibility to provide support relevant to the business be established. However given the relatively low level of budget commitment it would be more appropriate to retain the grant approach.

The level of impact was seen to be generally low with the main output being getting the recipient off benefit in the majority of cases. It is recognised that the main impacts are likely to be seen over a longer period than the current four years since launch. There was concern that, should the support be withdrawn, that the number of start-ups from the SIP areas may reduce.

There is a general belief that the scheme of support should be continued given the perceived impacts and relatively low level of budgetary impact foreseen. It was identified that some 15% of the sample had ceased trading that was slightly below that of all recipients of support. Of this group over 40% had ceased trading within 12 months and a total of 80% within two years that mirrors, to a large extent, national experience

When considering locations for start-up over 50% chose to work from home for convenience or fit with business model requirements. Most chose to start within their own SIP area and despite the grant being available to individuals setting up a business within the area there was no evidence, within the sample, of that happening.

One concern is that there is a low level of cross-agency work reported by the interviewees but the Jobcentre continues to have an important role to play based on the level of references reported.

It is believed hat the local promotional approach of the Gateway needs review as there was a high level of reports that recipients were unaware of the services available.

There were a number of concerning comments made that resulted in a recommendation that the process should be reviewed as regards eligibility and approval as 15% indicated that they continued in employment of were already in business when they got support.

This was despite the fact that, on accessing support, the client signed a disclaimer that they would be working full time in the new business.

It is noted that a majority indicated that the grant was not a deciding factor in setting up and that they would have started in any case. However this may be in hindsight and if the question was asked at the starting gate may have been different.

The impacts of the programme were considered and indicate that around half of the businesses supported are in the micro end with turnover of under £25k and likely 'lifestyle' businesses. There was some evidence of some growth in performance with two businesses achieving turnover of over £500k and others (13%) achieving over £100k sales level.

There is strong interest in availing of an advice line with the main feeling that this would be useful out of normal operating hours e.g. early evening.

A check on perceptions of the service was made and it is pleasing to note the positive findings of this review in all areas of the support provided. Some 93% were happy for further contact and 77% indicated a willingness to act as a case study. Finally over 90% of those who had ceased trading would be happy to make an approach to the Gateway in the future.

Overall the impression is that the support mechanism is helping to increase the level of start-ups albeit statistical proof of the difference made is more difficult to identify. There is a general belief that the scheme of support should be continued given the perceived impacts and relatively low level of budgetary impact foreseen.

It is noted that almost a third of the sample indicated that they had seen a friend or family member start-up in business since they commenced trading.

The option of supporting businesses affected by seasonal activities was raised however should not be pursued as it would lead to 'part-time' businesses also seeking support and be very difficult to police.

There are a number of core recommendations presented for consideration by SEA as to the way forward for the exercise, post consideration of the overall report findings.

The main report that follows provides detailed analysis of the findings of the exercise and conclusions reached as well as making recommendations for the way forward for the partners to consider. JacoByte would express thanks for the open and honest input freely given by the participants in the review.

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INTRODUCTION & BACKGROUND

Scottish Enterprise Ayrshire (SEA) established a number of innovative programmes of support towards the start-up sector. One such initiative recognised that encouraging start-ups, whether establishing within or by individual residents within Social Inclusion Partnership areas (SIP), may need a special incentive or encouragement. From this concept, Scottish Enterprise Ayrshire developed a programme known as the "**Business Gateway Start-up Discretionary Fund"** (Fund) that provided an additional grant of £500 for start-ups. This was established under the 'Discretionary' programme available to LEC's that allowed discretionary support, within their borders, to be offered to address identified difficulties in the local area.

As indicated, this support was additional to other sources of help provided for start-ups from SEA and National programmes within the universal programme of support

The fund was provided by SEA and managed on their behalf by the Business Gateway contractor within Ayrshire. This contractor was encouraged to work along with other agencies in the area, e.g. SIP Managing Agents and others, to ensure that maximum awareness and access to the support was encouraged.

The programme had a main objective as being to support start-ups and encourage an increased rate within the SIP areas by improving access to finance for the disadvantaged resident or individual start-up considering an optional location for their venture.

Current levels of economic activity in the SIP areas were identified through analysis of the Census return as regards self-employed. The table summarises the local profile of SIP areas and detail with the statistical reports shown in Appendix D.

KS09a Economic activity All people aged 16 - 74	Scotland	Ayrshire SIP areas	East Ayrshire SIP	North Ayrshire SIP	South Ayrshire SIP
Populace	3731079	113917	29583	76524	7810
Self-employed 3	6.6%	4.3%	4.0%	4.2%	4.7%
	Source - Census 2001				

SEA recognised that the programme has been available over a four year period and required an evaluation of its success and whether the programme is meeting its stated objectives. To this end, they issued an Invitation to Tender and JacoByte were fortunate enough to be awarded the contract for the exercise.

This report summarises the process and findings undertaken, making recommendations for SEA to consider in respect of the programme and its continuation or not.

JacoByte would express our thanks to SEA for the opportunity to work on the exercise and for the input provided by responses to the survey exercise. The outcomes are believed to provide a series of recommendations that will benefit the start-up support for disadvantaged areas or individuals.

PROCESS

The process to be undertaken was documented in the proposal dated 19th January with a supplementary document issued following an initial briefing discussion. This primarily proposed a number of contacts with recipients of support and public sector agencies that were relevant to the service.

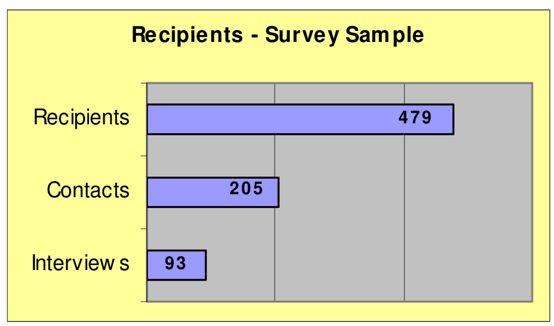
An interim summary of the results was considered by JacoByte and resulted in additional questions, to establish main income streams, being introduced resulting in the presentation of this final report on the support programme for SEA consideration.

SURVEY RESULTS & SAMPLE SIZE

The target interviews are summarised in the following table that confirms the level of response achieved. Whilst the number of responses took longer than scheduled, we have maintained the contractual agreement, as regards costs of the exercise. Gaining access to individuals averaged three phone calls with a need to reinforce the purpose of the survey, despite SEA issuing an information letter on commencement to recipients. However, as a sample size of 93 acceptable interviews representing 20% of recipients was achieved, it is believed to be representative of the sector.

Target group	Type	Sought	Contacts	Achieved	
Recipients	tele	100	205	93	93.0%
Public sector	Tele / f2f	5	12	12	150.0%
	TOTAL	105	207	105	

SEA provided access to the database of start-ups that had received support from the discretionary fund. This indicated that some 479 individual applications had been approved and allocated support since the programme was launched in April 2001.



Contact was made with 205 (42.8%) of the recipients and an eventual sample size of 93 usable interviews resulted. This represents a sample size of 19.5% of the recipients that is statistically robust for the exercise.

It is noted that the records were, to a large extent, out of date in respect of contacts; however, through research and review of various sources, details were gained on a number of candidates and will be provided to SEA on conclusion. The need for regular update of details for recipients is noted and should be considered along with the Gateway Management team as to optimal approach.

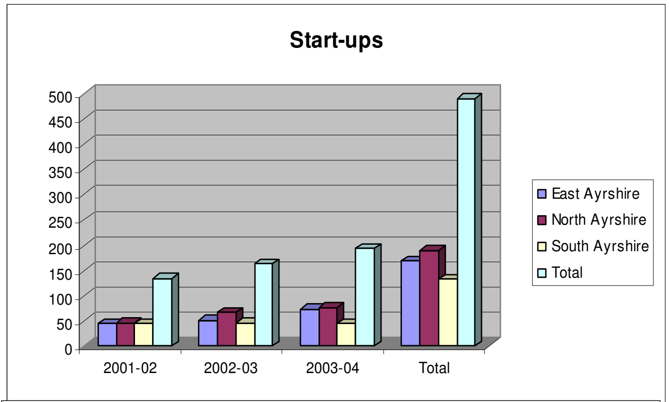
In addition to recipients, contact was made with the main stakeholders in Ayrshire that may interface with candidates, as summarised in the following table:

Organisation	
SE Ayrshire	North Ayrshire Council
Business Gateway, Irvine, Ayr & Kilmarnock	South Ayrshire Council
Girvan Horizons	East Ayrshire Council
Access North Ayr	East Ayrshire Coalfields

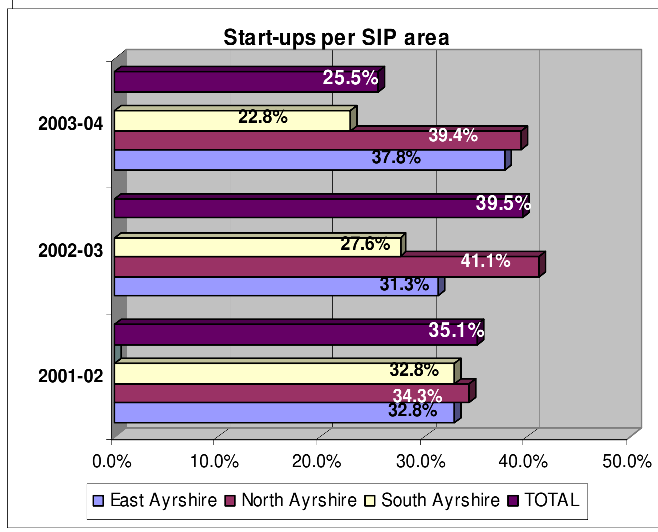
OVERALL PERFORMANCE

SEA provided access to their database of clients supported that covered the financial years 2001 – 02, 2002 – 03 and the period 1st April 2003 to 1st March 2004. This indicates that some 490 cases were supported with a believed budgetary impact of c £24,500.

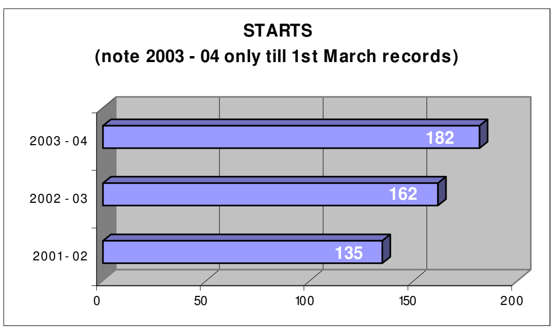
The annual level of starts would appear to be around 200 based on the 2003-04 statistics and current performance to mid February of c190 for 2004-05.



The adjacent graph shows the geographic spread of candidates supported and, interestingly, approximates to SIP population demographics. North Ayrshire had the highest number of starts supported albeit with the population of the SIP area being in excess of both South and East Ayrshire expected.



The following graphs summarise the start performance that indicates an increased volume year on year. However, this

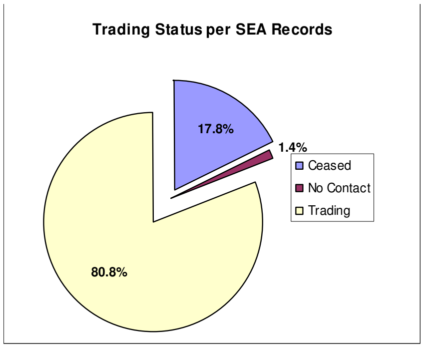


masks an effect noted that South Ayrshire has seen a drop in starts as a percentage of overall starts – from 33% to 23% as shown. However, as always with statistics, cf looking at bare percentages, the actual number in South Ayrshire has remained static whilst both East and North have seen substantive increases as summarised in the table above. It will be noted, however, that South Ayrshire has, in fact, far outstripped both North & East Ayrshire in respect of %age starts per head of population.

STARTS PER HEAD OF SIP AREA POPULATION - CONSOLIDATION

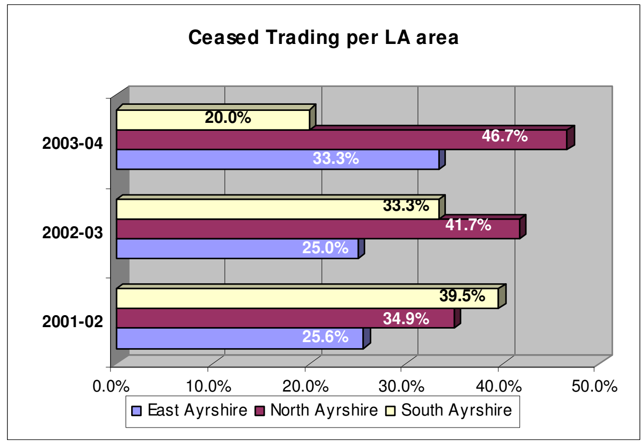
Year	East Ayrshire		North Ayrshire		South Ayrshire		AYRSHIRE SIP	
2001 - 02	44	0.15%	46	0.06%	44	0.56%	134	0.12%
2002 - 03	51	0.17%	67	0.09%	45	0.58%	163	0.14%
2003 - 04	73	0.25%	76	0.10%	44	0.56%	193	0.17%
TOTAL	168	0.57%	189	0.25%	133	1.70%	490	0.43%

This would indicate that something is improving the level of starts in two areas whilst not appearing to be as successful in the South Ayrshire area. However, the performance of South Ayrshire in fact out-performs the other areas per head of population. During the review it was not possible to investigate fully the reasons, however, is likely to be due to the predominantly rural nature of the South Ayrshire area around the Girvan SIP. There is empirical research evidence that self-employment start-ups are more prevalent in rural Vs urban conurbations. Reviewing the anticipated level of starts per population head, as an evaluation and monitoring tool, should be considered by SEA if the programme is continued in future years.



Internal records of SEA, relating to the overall clients – 479 - indicate that some 81% of the businesses are still trading.

The ratio of closures was further analysed per the following chart as to LA area.



This indicates that North Ayrshire had the highest percentage of the overall closures. However, this is likely due to North Ayrshire having the highest level of start-ups over most recent periods.

South Ayrshire shows an improving performance in reducing the level of closures, unlike both North and East, that have an increasing percentage of the total year on year. However, the sample period is too short to draw any definite conclusions as shown in the table of actual number of closures.

The main message or issue to arise is that there is a need to take careful note of trends and monitor performance on a regular basis.

STAKEHOLDERS

A series of discussions with stakeholders who supply services was undertaken and the issues raised or identified are summarised in Appendix B to this report.

In general the number of cases was good, potentially, exceeding original expectations; with the mix of types of business reasonable albeit a main focus on 'personal services'. Overall, the stakeholders believed that the grant may be a deciding factor in only around 10% of the cases supported. However, it was an influencing factor in a number of cases and may have helped lever funds, from e.g. banks, to support the start-up.

Generally, the preponderance for start-ups from the SIP areas is to operate from home with a 'boot-strapping' approach being evident in their experience. This continues as businesses consider expansion with a reluctance to take on new staff from the area due, sometimes, to perceived difficulties with the calibre of candidates available in the local area.

The grant is often a lever to encourage business planning and participate in other activities / support approaches available to SIP start-ups as well as mainstream services.

Some concern over 'post-code' lottery was mentioned as, on occasion, individuals on the wrong side of the street may not be eligible and this can cause some resentment. However, in general, the benefits of area demarcation were accepted, however, some flexibility, where an obvious disparity exists, may be beneficial.

The process and administrative support from SEA were well respected by the Gateway and other stakeholders recognised the role of the Gateway in the process. The follow-up process was recognised as beneficial; however, flexibility in approach, e.g. f2f vs tele follow up, was critical based on the businesses potential.

Some thoughts were that, rather than the current priority on an area, it may be beneficial to consider thematic groupings in addition with a number of initial suggestions made. It was also felt that the availability of a standard £500 grant should be considered with flexibility to provide support relevant to the business be established. This may result in some getting a low level of support whilst others get £1k and this could be on a loan or grant option basis.

However, given the relatively low level of budget commitment, it would be more appropriate to retain the grant approach but Advisers may require additional support as there will be an element of negotiation required.

The level of impact was seen to be generally low with the main output being getting the recipient off benefit in the majority of cases. It is recognised that the main impacts are likely to be seen over a longer period than the current four years since launch. There was concern that, should the support be withdrawn, the number of start-ups from the SIP areas may reduce.

In respect of cross-programme or organisational activity, there is minimal evidence of this being seen and is often blamed on eligibility criterion. However, given the client base that is targeted, there should be opportunities for joint support, especially given the need for confidence and motivation of candidates that could be provided by a range of support tools that exist in the local market-place.

Overall, the impression is that the support mechanism is helping to increase the level of start-ups, albeit statistical proof of the difference made is more difficult to identify. There is a general belief that the scheme of support should be continued given the perceived impacts and relatively low level of budgetary impact foreseen.

RECIPIENTS

A successful interview process with recipients gained 93 usable interviews as summarised in Appendix A to this report. The sample achieved had a good spread across the three local authority areas representative of the SIP profile. Interviews were scheduled to take c15 minutes, however, due to the positive interest taken by the interviewee, took on average 25 minutes per session.

Based on the type and spread of interviewees, it is believed that a statistically robust sample was achieved, the results of which can be taken as representative of the programme participants.

In the profile c50% are self-employed with 12% employing full time staff and 24% both part and full-time employees. Of the sample, 15% have ceased trading which is marginally below that seen from the overall programme at c19% but significantly below what is anticipated from generic start-up programmes.

From an analysis of trends in numbers, it is believed that an annual start-up rate of c200 from the SIP areas would be seen. The incidence of VAT showed that only 23% were registered reinforcing the indication that most businesses were of personal care or consumer oriented and mainly life-style as an alternative to unemployment.

One issue identified by interviewees, as restricting their growth, is the local market with difficulties in recruiting suitable labour.

It was identified that some 15% of the sample had ceased trading which was slightly below that of all recipients of support. Of this group, over 40% had ceased trading within 12 months and a total of 80% within two years that mirrors, to a large extent, national experience. There were a variety of reasons for ceasing to trade with lack of viability / sustainability stated by over 42% of the sample. This leads to a need for the Gateway to concentrate on the viability aspects of the business, possibly even more than at present. Ill-health and change of direction were highlighted as other factors in the decision process.

Reasons for start-up were explored with the main seen as ‘wishing to work for myself’ at 38%, however, on further probing, it was indicated that a number saw this as the only option. Reasonable proportions at 26% and 16% saw an opportunity or turned a hobby into a business. Some 31% of the sample indicated that they had other family or friends in business that had provided information and guidance over and above the Gateway services.

When considering locations for start-up, over 50% chose to work from home for convenience or fit with business model requirements. Of the balance, most chose to start within their own SIP area. Despite the grant being available to non-SIP residents setting up a business within the SIP area, there was no evidence, within the sample, of that happening.

Surprisingly, 8% of the sample did not realise that they had received the SIP grant, possibly due to confusion with the e-Commerce grant award. A substantive group of 41% received what they reported as ‘multiple support’ being mainly those who accessed the computer grant as well as the discretionary support.

One concern is that there is a low level of cross-agency work reported by the interviewees who indicated that they often had to source and identify support. There was also some concern that, in 25% of the cases, recipients indicated that they had suggested some services available to the Adviser who had not raised the possibility. In addition, some 75% indicated that they had identified the support by themselves; however, it is the belief that this reflects contact with the Gateway and not the actual support itself. In the case of referrals to the Gateway, the Jobcentre continues to have an important role to play based on the level of references reported.

It is believed that the local promotional approach of the Gateway does need consideration as there was a high level of reports that recipients were unaware of the services available.

Recipients indicated that the training provided resulted in networking opportunities that have, in many cases, continued.

A number of differences in performance were seen by recipients including financial, marketing and promotional materials being established. A number (15%) indicated that the grant had helped their business start earlier than would have otherwise been the case. A few negative comments were received based on the level of support being low compared with actual start-up costs.

There were a number of concerning comments made that resulted in a recommendation that the process should be reviewed as regards eligibility and approval as a few surveyed (15%) indicated that they continued in employment or were already in business when they got support, e.g. “Unable to get support from bank (even though already in business)”, “Grant increased bank balance”, “did not need to get overdraft”, etc.

This is despite the fact that on accessing the support the client signed a disclaimer that they were not already in business and that they would be full time in the new venture.

It is noted that a majority indicated that the grant was not a deciding factor in setting up and that they would have started in any case. However, this may be in hindsight and, if the question was asked at the starting gate, may have been different. This is confirmed, to a large extent, by a check when the level of influence on their getting off the ground indicated a spread of impacts seen.

Interviewees were extremely positive in respect of the process and administration of the support mechanism both from the paper based information and also verbal communications. Less than 5% saw the speed as less than adequate and 13% communications. Any criticism was more to do with personalities based on the review process.

One main concern is that there would appear to be a disparity between the Gateway process of contact on a regular basis and the experience, as reported, by recipients who indicated that they could not recollect contact. However, this may not be totally true as there were examples given where they could recollect one call asking whether they were still in business and was there any help that could be provided. It is likely that the majority of contacts are by phone and it is likely that with the passing of time that this has been forgotten.

The majority appreciated any contact as it showed that someone was interested but a large number, of over 30%, indicated that the survey was the first contact! This element of the Discretionary support should be continued to ensure that contact is maintained on a regular basis.

The main improvement seen by recipients is a need to improve promotion and awareness of the service that generally got positive feedback on provision quality. It is possible that this feedback may relate to past experiences as recent promotional activities of the Gateway may have improved the perceptions and image. This is further relevant in respect of client identification of the origins in that a number saw the Gateway as provider and funder with lower recognition of SEA. However, other organisations were accredited with origination thus leading to a recommendation that promotional and marketing policies are considered.

The impacts of the programme were considered and indicate that around half of the businesses supported are in the micro end with turnover of under £25k and likely ‘lifestyle’ businesses. There was some evidence of some growth in performance with two businesses achieving turnover of over £500k and a few others (13%) achieving over £100k sales level. It is believed that the gathering of this data should be continued through a longitudinal evaluation rather than discrete reviews as with the present exercise. There was some evidence that almost 50% of the businesses had additional impacts by way of enhanced training or accessing other services albeit there was some criticism that the provision of advice on services had been limited.

Unsurprisingly, access to Finance was noted as the most common need closely followed by e-Commerce / ICT with an indicative demand for services especially relative to website developments.

Other business and operational elements were noted as of interest with the topics of H&S and employment law raised regularly by a significant minority

There is strong interest in availing of an advice line with the main feeling that this would be useful out of normal operating hours, e.g. early evening. This is suggested as the majority of responders indicated that they found it difficult to make contact during the day as they were working, as found during the review process.

A desire for promotion / marketing support for participants and information on how to approach larger companies were seen, along with softer skills and support; e.g. negotiating, training, coaching or mentoring was identified during the review process as being of interest to a significant group.

Of interest, a number believed that, as they were a seasonal operation, support during the off-season would be useful; however, this would be impossible to support within current policy guidelines.

There was interest in Networking opportunities, however, in general, the desire was that this should be free of charge unlike the current ACCI, BNI, etc. networking approach where charges are levied or incurred.

A check on perceptions of the service was made and it is pleasing to note the positive findings of this review in all areas of the support provided. Of those who had reported a less than satisfactory experience, this appeared to be largely due to not getting all the finance and support they desired or a personality clash with the Adviser.

Some 93% were happy for further contact and 77% indicated a willingness to act as a case study. Finally, over 90% of those who had ceased trading would be happy to make an approach to the Gateway in the future.

Over 30% of the sample had a friend or family members who had started in business since the grant was awarded with the majority having seen a younger person supported by the PSYBT.

SWOT

SWOT is a technique often used in business analysis to identify issues that may affect operations and products with the following summarising the issues identified through discussions and desk review.

Strengths	Weaknesses
- Existing track record - Local demand and interest - Lower level of closures than norm - Cost-effective supplement	- Dependent on individual Adviser - Lack of focus in support due to 'automatic' £500 - Differing level of success in uptake
Opportunities	**Threats**
- Adjust eligibility & flexibility - Amend type of support & terms - Expand geographic / sectoral coverage	- National guidelines preclude discretionary funding - Lack of candidates due to benefits not being seen - Political interference!

CONCLUSIONS

Overall the impression is that the support mechanism is helping to increase the level of start-ups albeit statistical proof of the difference made is more difficult to identify. There is a general belief that the scheme of support should be continued given the perceived impacts and relatively low level of budgetary impact foreseen.

The Gateway appears to have an approach that meets with client expectations; however, the expected frequency of contact would appear to be variable according to client information. The Charter for the Gateway ensures that quality of service is maintained and the indications of non-conformance to contact is likely to be due to client recollection rather than any deviation from service level agreements.

Enhanced flexibility of the Adviser to work with the companies in respect of amount and type of support, e.g. grant or loan option, should be developed as well as level of support as discussed. Advisers should be encouraged to be aware of and access all services from all Agencies or Local Authorities that will be of assistance to the Start-up candidate at start and during their growth phase.

There is some evidence gathered that eligibility and approval against guidelines may not be fully adhered to by clients, especially in respect of the signed declaration. There is an indication that a number of businesses are operated part-time with the owner, potentially, having other jobs. The process was not a formal audit and it is believed that, when the FAM audit is due, this issue should be considered. The scale of the issue is not believed to be large and does not justify a full scale investigation at this point of time.

Assuming that the support offering is continued, the standard £500 grant should be reconsidered. Discretion should be provided to the Gateway Adviser to vary the amount dependent on needs of the candidate, with an overall average of £500 maintained.

At present, SIP's are based on primarily geographic profiles. It would appear appropriate that thematic SIP's or candidates, e.g. LTU, should be considered.

Additional support for start-ups in SIP areas may be required to address confidence issues and, ideally, this would replace the grant aid. However, the incentive of a financial step-up is noted and, as this is believed to encourage start-ups, may need retention as part of the overall support programme.

Various support requirements of the start-up, including H&S advice and the potential to establish an advice line available at useful hours, e.g. evening, are noted as of interest to the participants. A follow-up approach is welcomed by the recipients of support and should be continued with an adaptation to ensure more than simply a phone call check on whether still trading or not.

In addition to the support, interest was strong in establishing an advice-line for businesses in the early evening to allow for their busy period during the day. Various tools and support needs were identified and summarised in the main report as of interest and worthy of consideration, e.g. H&S guidance, how to approach large companies, etc.

A degree of interest in Networking was identified; however, due to financial restrictions on start-ups, this was preferred on a free basis. To address this issue it may be possible to negotiate free access to Networking seminars offered by ACCI for affixed period, e.g. six months. The business would thus have access to networking opportunities, but the ACCI would also benefit by access to potential new members.

The start-ups often have difficulty in establishing insurance arrangements and this could be considered by SE, in partnership with an insurance broker, to establish a package of insurance to cover, at minimum, public and employment liability as offered by membership organisations, e.g. IBA.

The need to co-ordinate and work with other agencies, to ensure that clients are able to access appropriate services, is essential. At present, there is some evidence that this is not happening effectively and should be addressed as a matter of priority.

There are indicators that, although the fund is discretionary, there may be an assumption of automatic provision despite clients getting support already from other organisations, e.g. PSYBT. This leads to a need for enhanced co-ordination and stakeholders working closer together as indicated above.

The option of supporting businesses affected by seasonal activities was raised, however, should not be pursued as it would lead to ‘part-time’ businesses also seeking support and be very difficult to police.

The performance of South Ayrshire, where static levels of start-ups have been seen compared with both North & East Ayrshire that have seen increased levels of start-up, is of interest. Looking at overall starts per population, South Ayrshire appears to out-perform North & East and should be reviewed with the Gateway as to reasons.

This leads to the suggestion that a longitudinal evaluation process be established to identify overall trends, etc. However, this will depend on the continuation of the scheme and a review of its cost-effectiveness.

The above summarises the main issues identified during the survey process by JacoByte. We would express our appreciation of the commitment and input of the interviewees during the exercise and look forward to hearing of future success in due course.

RECOMMENDATIONS

There are a number of core recommendations presented for consideration by SEA as to the way forward for the exercise, post consideration of the overall report findings. These are indicated as follows and, apart from the first, are not presented in any particular priority order.

1. The project is providing an effective intervention in the SIP areas and appears to be increasing the start-up levels thus should be continued.
2. Review the reasons for the apparent differing performance levels of the three SIP's as regards level per population.
3. The concept of an evening advice helpline on 2 nights per week should be considered and, potentially, piloted in a SIP area. However, it is believed that it may be of wider interest to start-ups.
4. SEA should consider the continuation of the funds albeit with amendments to the level and type of support to reflect business needs rather than a standard amount of grant. This should also consider thematic groups of support rather than simply geographic support.
5. If the option of a variable level of support is established, the Gateway Managers will require briefing and awareness in depth of analysing and agreeing the appropriate level of support.
6. Longitudinal analysis of the participants should be considered to track performance and confirm the overall difference in performance.
7. The Advisers should ensure that they are aware of all services available in the local area and ensure that clients are informed and supported in accessing.
8. Support for participants to take advantage of Networking sessions at the ACCI, on a free or subsidised basis for say six months, should be introduced.
9. Discussion with SE and potential insurance providers should be considered to offer a standard package for the start-up operation.

R Jackson
JacoByte Ltd
28th March 2005

Appendices

A - Business Survey
B - Public agencies & Freight Forwarders
C - General Survey Questionnaires
D – Statistical Reports

APPENDIX A

BUSINESS SURVEY

INTRODUCTION

In line with the process established for the evaluation, a series of telephone interviews with recipients of support and face to face / telephone interviews with public agencies were established. The contacts were taken from a database built on records of SEA and other Gateway sources.

The response was as desired albeit a longer time than estimated for establishing and carrying out interviews than originally anticipated was necessary. This is due to the businesses being extremely open and wanting to participate in the review providing more data than anticipated.

The following table summarises the total interviews achieved with actual interviewees and participants guaranteed anonymity:

Target group	Type	Sought	Contacts	Achieved		Comment
Recipients	tele	100	205	93	93.0%	A higher level of contact than originally anticipated was necessary to gain a sufficient sample size.
Public sector	Tele / f2f	5	12	12	150.0%	Contacts were originally anticipated as 5 local partners however during the exercise an additional number were identified and incorporated in the process.
	TOTAL	105	217	105		

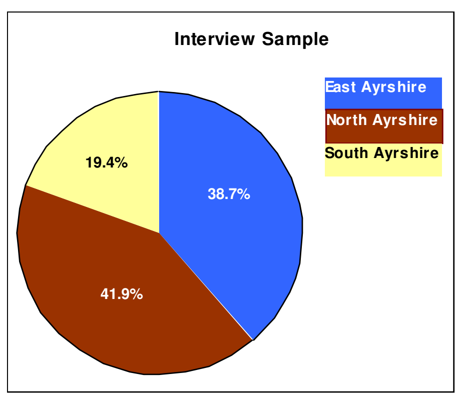
SAMPLE SURVEY

Analysis of the responders to the survey shows the following result that closely mirrors the profile of the local economy and can thus be taken as representative.

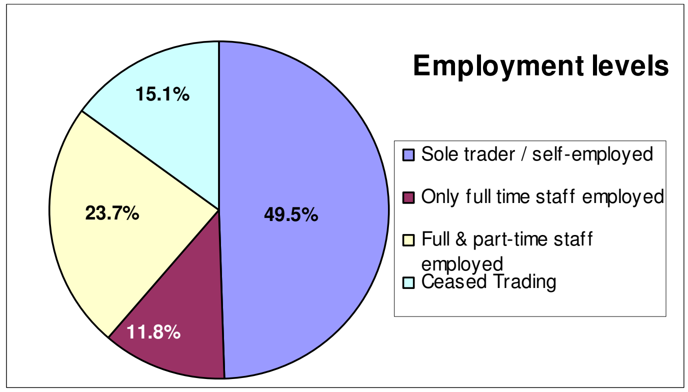
	Ceased	No response	Interview	Total
East Ayrshire	7	34	36	77
North Ayrshire	13	27	39	79
South Ayrshire	5	26	18	49
Total	25	87	93	205

The profile of successful interviews achieved is shown in the adjacent graph that broadly matches the anticipated population and business profile within the SIP areas.

Based on knowledge of the area and statistical records, this is believed to be representative. Thus, details and assumptions can be extrapolated in respect of the overall sample.



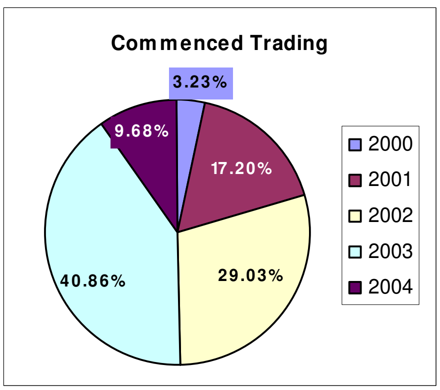
TRADING STATUS



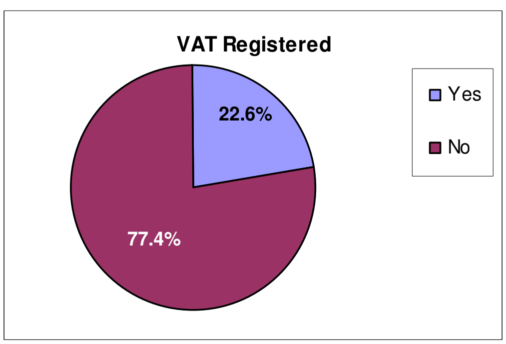
As shown in the adjacent graph, the majority of responses – 50% - are sole traders with no employees. Of the sample, 15% have ceased trading, which is lower than would be anticipated based on national comparators.

The programme has been running since April 2001 and the expectation would have been that this may have been in the 25%+ range. However, acknowledging the likelihood that residents in SIP areas will have less alternatives to self-employment and that the average turnover is low (see section on scale), it is likely that a number of marginal businesses are being kept going as sole traders can be reconciled.

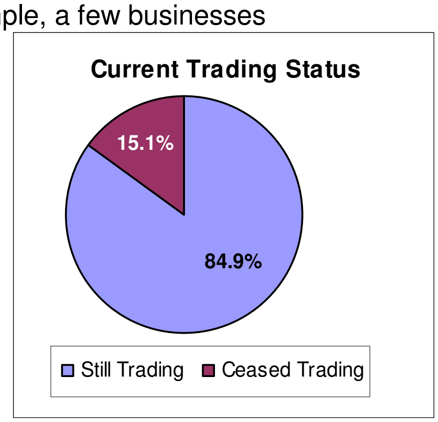
The spread of recipients agreeing to participate shows the majority of interviewees starting in 2003. There are no logical reasons for this factor albeit, as the new Gateway approach was receiving major publicity around that stage and the new delivery organisation was bedding in, this may reflect a catching of an under-belly of interest in moving form the “grey economy”.



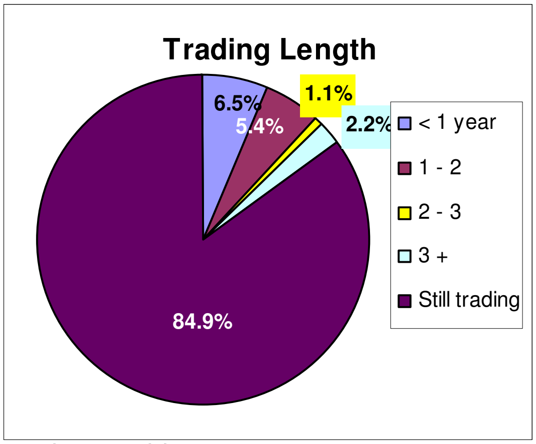
Analysis of numbers indicates that the current year to date is likely to be above previous years in performance and would confirm this suspicion. It would indicate that around 200 starts would be the expected norm.



The incidence of VAT registration was assessed and indicated that 77% of the sample were not registered. This reinforces one of the elements identified during the review that a large proportion of business provided personal services and can be best defined as ‘lifestyle’ businesses seeking to get off benefits. However, within the sample, a few businesses could be seen to have a desire to grow and develop into employers but were constrained by the local market and, in some examples, by lack of local labour willing to work for the employer.



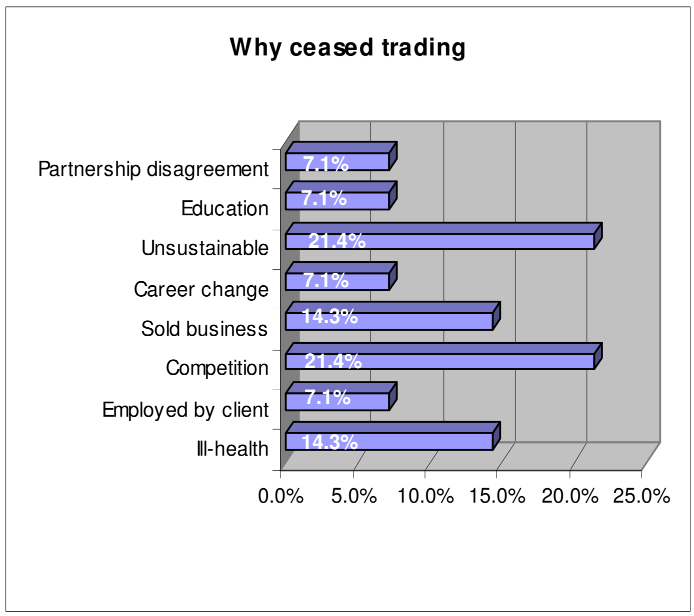
An analysis of current trading amongst the sample indicated that some 15.1% had ceased trading which is slightly below the overall performance. However, this is within a sufficient margin of error to indicate that the findings will be relevant to the overall exercise.



Of the 15.1% who had ceased trading, the average length of time is shown in the following graph. This indicates that c 40% ceased within 12 months and a total of c80% within 2 years. This mirrors, to a large extent, the experience in overall performance of start-ups thus there is no great differentiating factor at play.

Further detailed analysis was restricted by the information available but would indicate that SIP start-ups evidence similar characteristics to those outwith the disadvantaged areas.

However, in the absence of a control group, not in receipt of support, this can only be a generic view, at this stage.



Of those recipients who had ceased trading, there were a variety of reasons for closure as shown in the adjacent graph. It has to be recognised that the sample was limited, however, if consideration as to viability is considered, some 42% were affected.

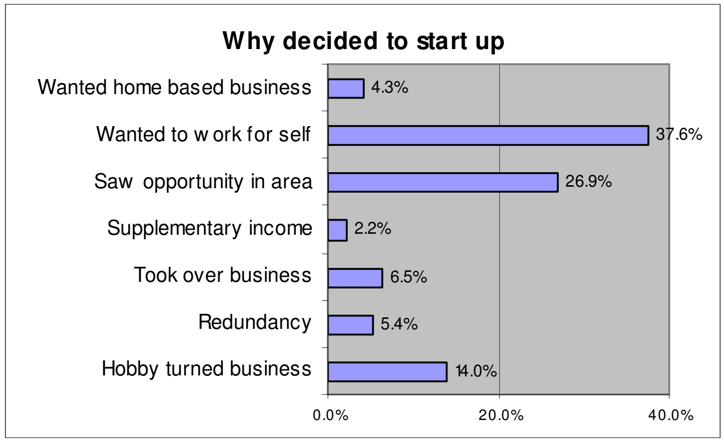
It is noted that 14% sold their business; however, this is understood from further analysis to be more due to competitive and scale of operations rather than major growth factors.

Ill-health and change of direction, education or 'head-hunted' were significant elements.

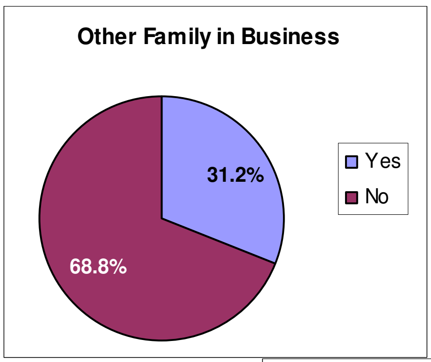
Overall, the review indicates that the discretionary fund has seen a slightly lower level of closures than with the standard performance indicated by research. The reasons for ceasing trade are similar to those outwith SIP areas, however, as with most start-ups, the ventures need to make a careful assessment of viability.

HISTORY

During the survey a number of reasons for the individual wishing to set up their business were expressed. The majority (38%) wished to work for themselves, however, on further questioning, a substantive group indicated that this was the only option that they saw.

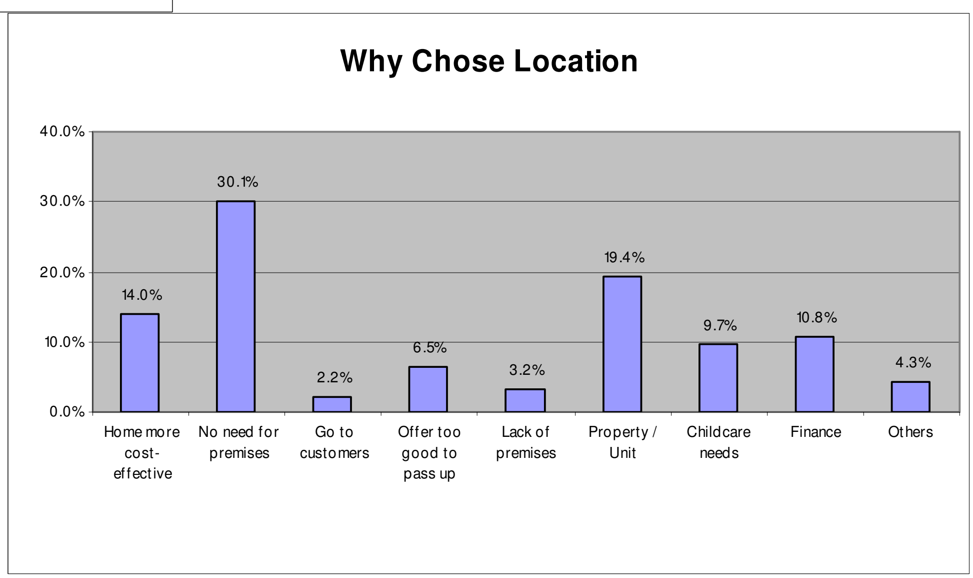


A reasonable proportion indicated that they had taken a hobby and turned it into a business.



Some 31% of the sample indicated that they had some members of their family in businesses already. This extended to cousins with a similar group indicating that they had friends in business prior to their starting that had provided information and guidance.

A range of locations were considered by the start-ups, however, over 50% chose to start operations from home with the balance seeking premises within their immediate locale. A minimal number have moved to other premises due to expansion etc - 5% - and only 1% considered locations where their customers were located, outwith their home environs.

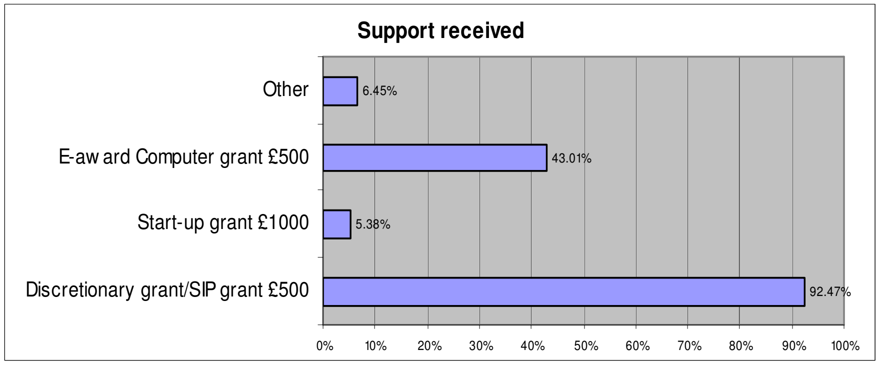


A number of specific comments were received. These are summarised into groups replicated here for information including:

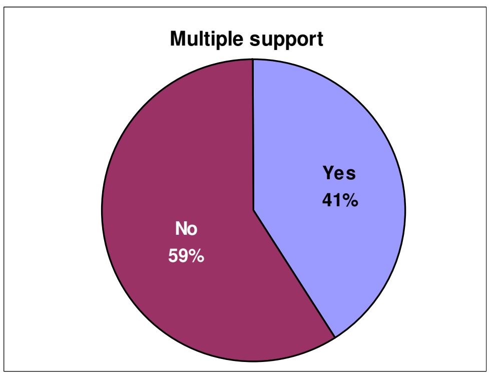
- "No need for shop, business gained thru internet – 20%"
- "completely mobile-go to customer – 15%"
- "Childcare requirements – 25%"
- "at work with business being part-time – 25%."
- "Other businesses operating from this location – 20%."

SUPPORT

A review of the support received by the SIP start-ups is shown in the adjacent graph. Surprisingly, only 92% indicated receipt of the discretionary grant! However, this is likely due to confusion with the e-award computer grant.



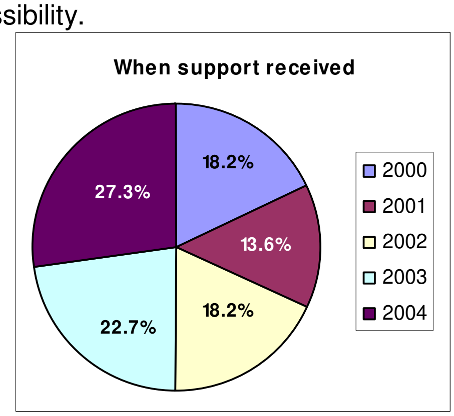
Other support included Broadband support, hygiene course training, Job-Centre specific, signage for premises, North Ayrshire Keep-going support. However all, with the exception of the special Job Centre help are not targeted solely at start-ups.



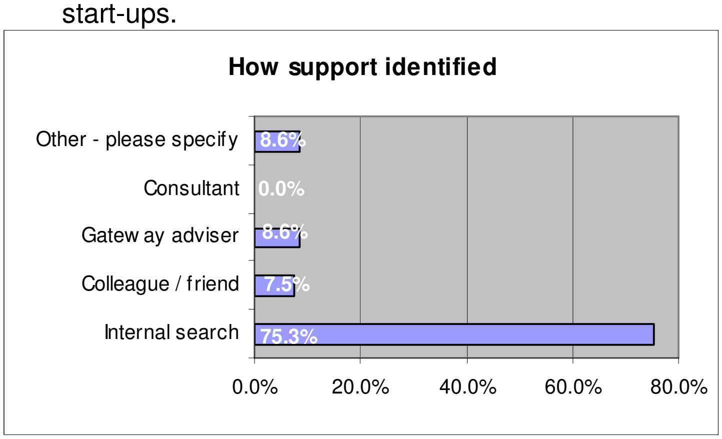
A number – 41% - received what they reported as "multiple support" being mainly those who accessed the computer grant as well as the discretionary support. There is minimal evidence of cross-agency support being accessed and is an issue we believe should be considered as some clients may be missing opportunities from additional support available.

There is a need to consider how to improve delivery of full package of support to businesses. This is stated because as a number of recipients (25%) indicated that they had suggested some services to the Adviser who had not raised the possibility.

The profile of starting dates for those interviewed during the review is shown in the adjacent graph that would appear to indicate an increased propensity for start-ups in recent years. This is not fully in line with the overall profile but does seem to confirm the growth in demand over recent years.

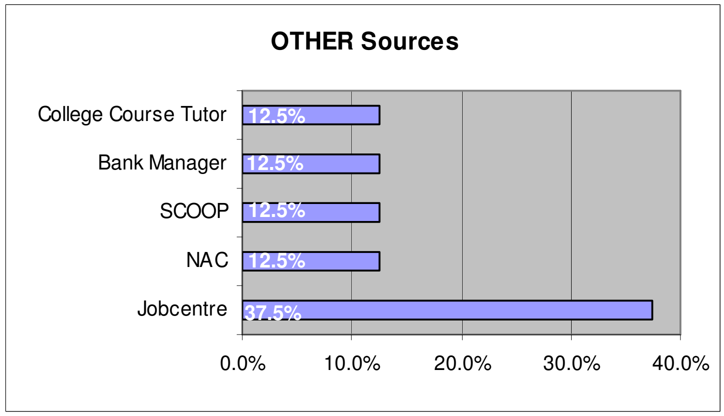


It has to be recognised that accessing the more recent start-ups from records held was more straight-forward and willingness to participate was higher amongst more recent start-ups.

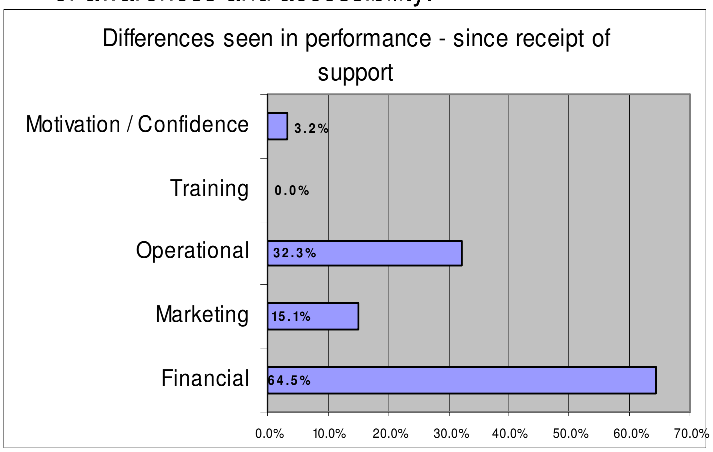


There is a large majority – 75% - who stated that the support was identified by themselves. However, this is believed to reflect initial contact with the Gateway and not necessarily the actual support programme. There was comment that the individuals had little knowledge of the Gateway before contact.

The main sources of advice on the Gateway and the grant support identified as 'others' are shown in the adjacent chart. This emphasises the continuing importance of Jobcentres as a referral body.



However, the review findings lead to a recommendation that the promotional approach of the local Gateway may need re-consideration to address the issue of awareness and accessibility.



Interviewees indicated a number of differences seen in performance, as shown, and these were grouped into a number of prompts with the majority identifying financial as being the main difference. The majority saw the grant as helping with the funding of their venture and giving that extra boost to cash flow during the initial start-up phase.

Comments on operational and marketing mainly suggested the use to which the start-up put the grant, e.g. brochure / print, special equipment, e.g. cash register acquisition.

The networking opportunities from the course attendance were seen as a particular advantage and the opportunity to follow-up for more advice / training helped with motivation and confidence of participants. There were a number of interviewees (15%) who indicated that the grant enabled them to start earlier than would otherwise have been the case.

A few negative comments were received based on the level of support being low, e.g. "negligible £500 compared to £50k set up costs", "£500 is a drop in the ocean compared to start-up costs"

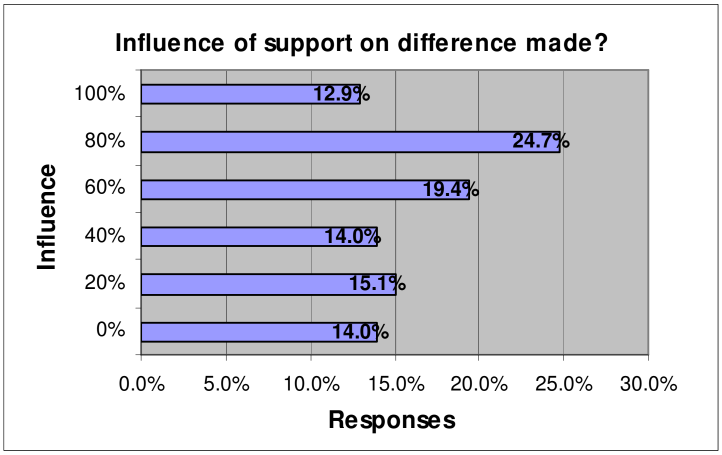
There were a number of concerning comments made that resulted in a recommendation that the process be reviewed as regards eligibility and approval as a few surveyed (15%) indicated that they continued in employment or were already in business when they got support, e.g. "Unable to get support from bank (even though already in business)", "Grant increased bank balance", "did not need to get overdraft", etc.

However, the fact that the clients signed a declaration to the effect that they were starting up a new venture that would be their main occupation appears to have been omitted after commencement of trading.

GRANT

The review process established that a majority did not view the support as a deciding factor in the process with a similar proportion indicating that they would have started in any case.
However, it would be commented that this is in 'hindsight' and may have seen a different response at the time of start-up.

This is especially evidenced by the fact that as a check question interviewees were asked what level of influence on their business getting off the ground was the grant support. There is a spread of impacts seen as shown in the adjacent chart. This leads to the belief that the support had some influence on the start-up; most likely in providing the incentive and motivation to commence operations.

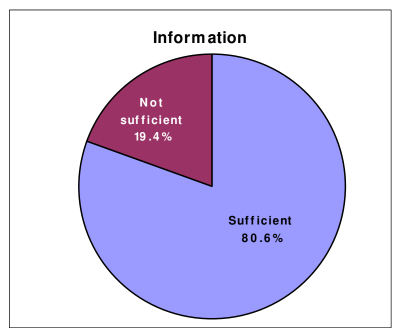


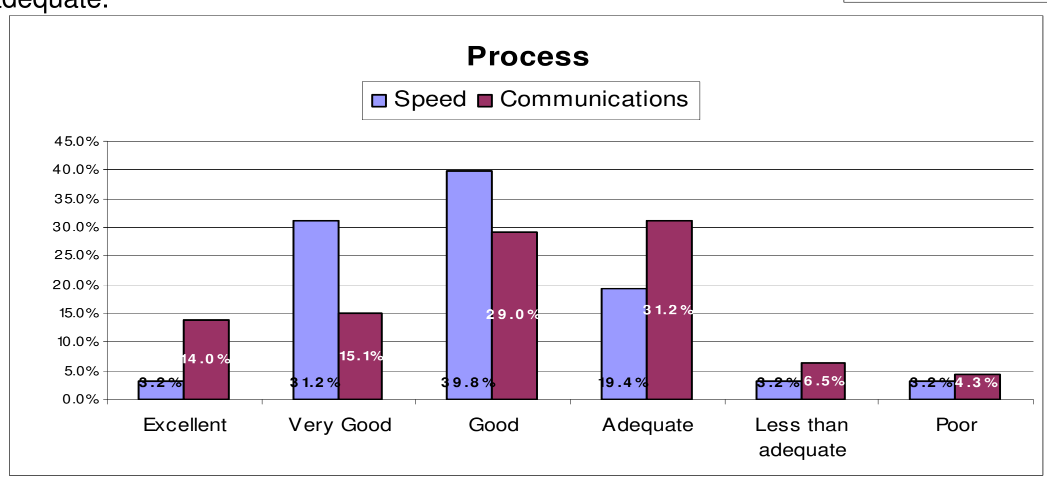
PROCESS

Interviewees were extremely positive in respect of the process that they undertook to gain the grant support. They believed that the information provided was sufficient and provided all detail that they required.

This was the case, both for the paper based and the verbal information provided by the staff of the Gateway.

As indicated in the following graph, less than 5% and 13% respectively saw either the speed or communications as less than adequate.



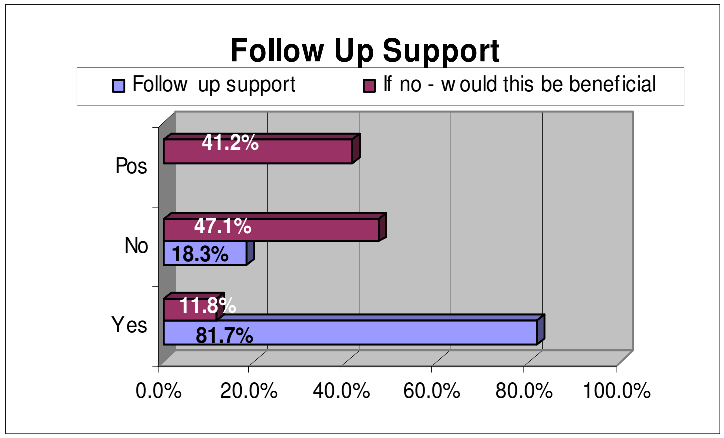


It should be noted that the majority of interviewees were complimentary over communications from their Gateway Advisor, with only a few critical. These few criticisms were seen as potentially due to clashes of personality or mis-interpretation of the process.

One concern was that the level of recollection of the call was more to do with 'are you still in business' rather than "how can we help you?" However, the majority appreciated that someone was taking an interest in their business and felt able to follow up with the Gateway in the future, if needed.

FOLLOW UP

Further review of the process took place with a focus on the follow-up with clients at regular intervals. This was a specific element introduced into the Gateway service contracted by SEA.



The results are shown in the adjacent graph and some 82% identified that some follow-up had taken place albeit they did not recognise the regularity expected by SEA or reported by the Gateway.

However, this is most likely the client recollection of a telephone call after some period of time rather than any particular fault. However, as this interview process was not an audit, the issue should perhaps be included in a future feature of the financial audit of the programme to ensure that the contract is being fulfilled.

For those who stated that no follow-up had taken place, a question was asked as to whether it would have been beneficial or not with a small majority of the sample 59% indicating that it possibly or would be of benefit.

Some specific observations were received on the support and have been grouped into categories – positive and negative for information:

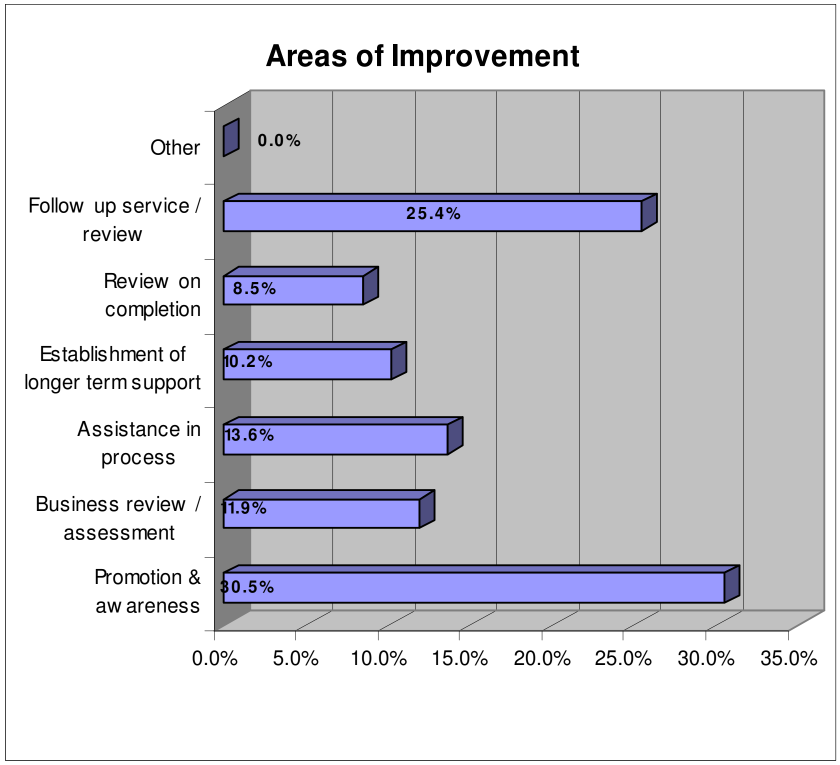
Positive		**Negative**	
Can't criticise at all	45%	Only 1 call since start, nothing since then for 1-1.5 yrs till this call	15%
If needed help, would approach BG	45%	Bit more funding e.g. would have employed apprentice	22%
Newsletters re financial assistance available	22%	no follow-thru, no substantial help/research	20%
Communication, openness & honesty	35%	Promotion poor - now see adverts in local paper	15%
Mentoring and support at early stage	22%	Specific issues: - Lack of marketing guidance - very generic at course - employment tax/law/contracts/H&S/regulations	15%
Reference library and information provision.	15%		

IMPROVEMENTS

As shown, there are a number of areas of improvement noted by interviewees.

Primary is the issue of promotion and awareness. This is, to a large extent, historical noted by the interviewees from the initial period of the programme. Recent activities in promotion of the Gateway are anticipated as having improved the position and perspective.

However, within this group there is an issue of concern that partner / stakeholder involvement and communications could be improved. A number of interviewees indicated that they had personally to approach and identify potential support, e.g. WinTrain from NAC.

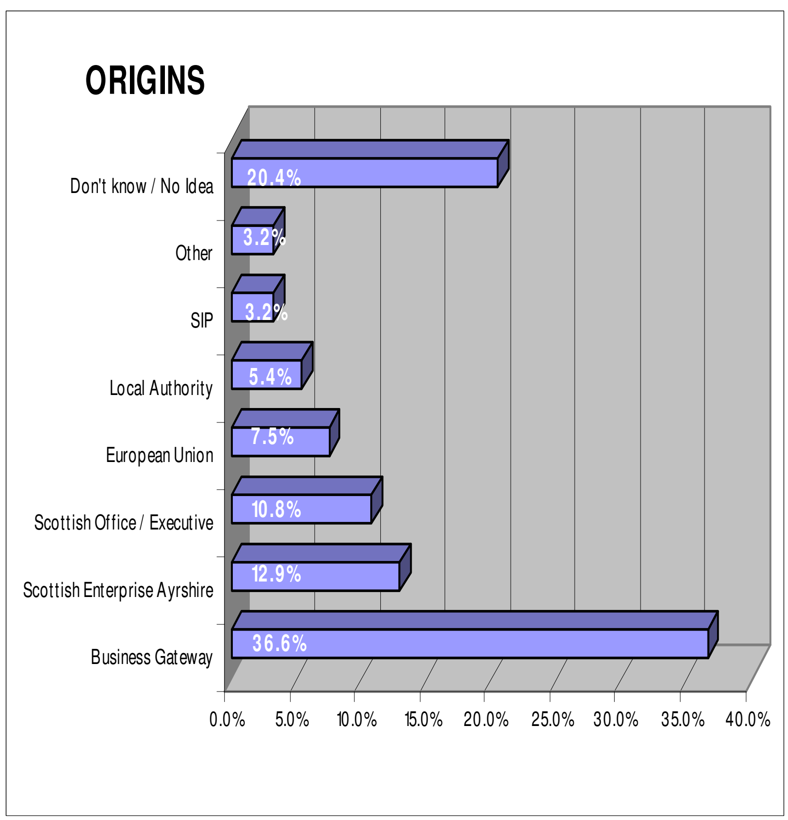


The desire for a follow-up service / review is shown within the survey sample. This is supported by the indicative desire for specific business review and support / assistance thus should be considered within the overall programme guidelines and processes.

ORIGINS

The recipients were requested to identify the originator of the discretionary grant support. The spread of responses indicates some confusion over the origins; however, the Gateway is accredited by some 37%.

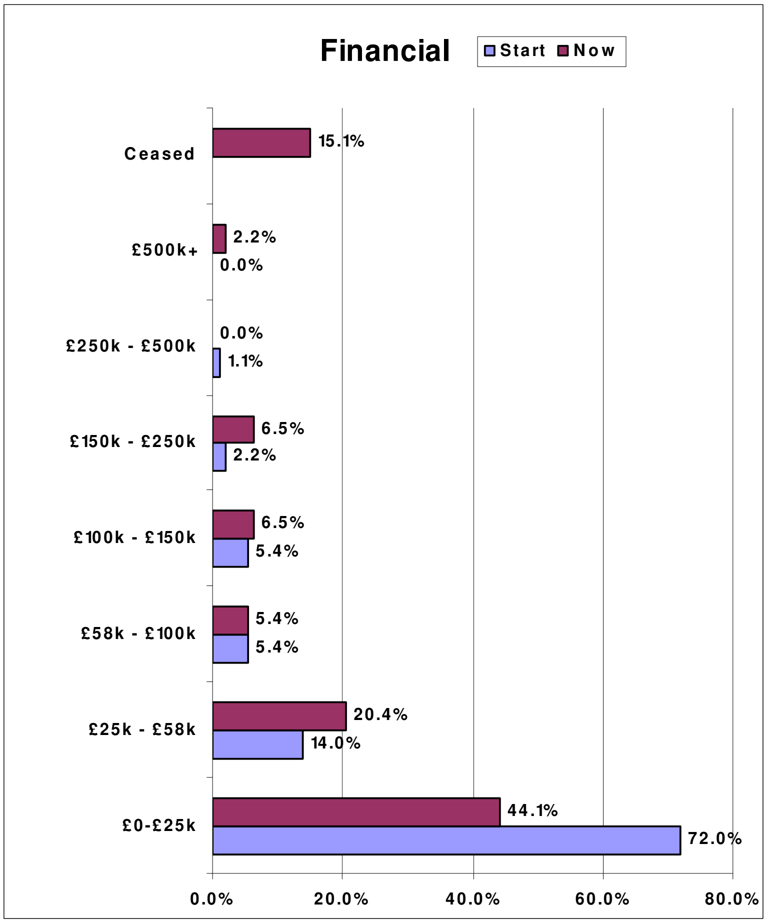
However, the fact that SEA is only recognised by 13% of the sample, and 28% don't know, would indicate that the promotional message needs consideration.



IMPACTS

A review of the impacts on recipients took place and compared financial results on start and current trading.

Experience indicates that participants are reluctant to provide actual trading results in a telephone survey. To address this constraint, ranges of turnover were offered to interviewees as shown in the adjacent chart.

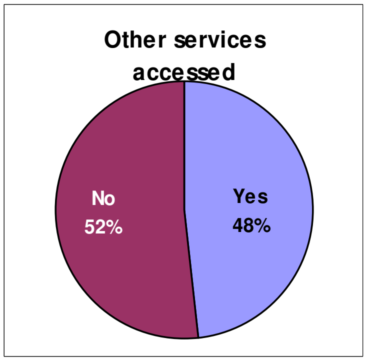


This appears to indicate that businesses are predominately in the £0-25k band with some 45% remaining so and truly lifestyle businesses.

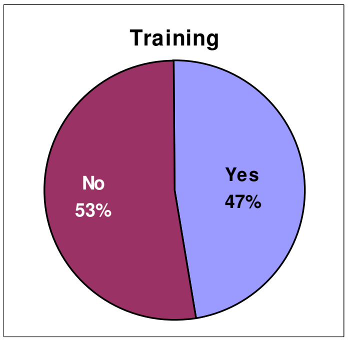
However, there are a number who have seen growth since starting with two growing to turnover of over £500k from their start.

It is believed that the gathering of growth information should be implemented as part of a longitudinal evaluation process recommended for consideration by SEA.

This would have the added benefit of encouraging contact and thus addressing one of the issues identified by interviewees as of interest.



There was some evidence gathered that almost half of the recipients of support had accessed other services and training as shown above. However, there was some indication that information on services provided by other agencies may have been limited.



Services accessed included broadband, e-commerce, premises, importing, VAT seminars etc. Training mirrored to a large extent the services with e-Commerce, ICT, food hygiene, marketing, book-keeping all mentioned. Particular mentions were made of ABTC and NAC as providers of support by a number of interviewees albeit they indicated that in a large measure they had identified the training or support themselves.

As with other question areas, there were both positive and negative responses to the issue of outputs, as indicated in the following table:

Positive		**Negative**	
Gateway is open to approach	20%	Don't know of any other services	72%
Highlighted potential market	25%	Difficulty in recruiting local employees	25%
How to get noticed	23%	Largely left to own devices	20%

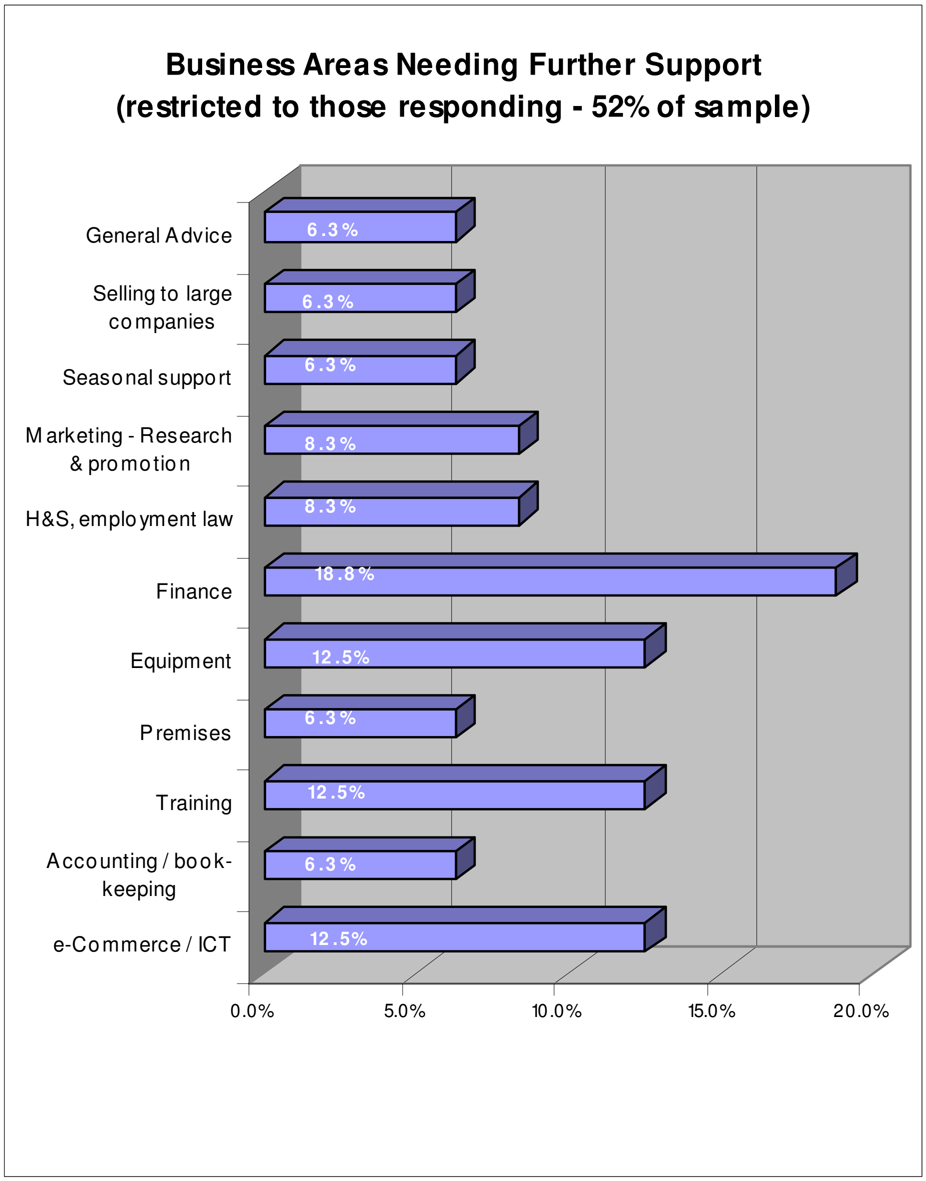
FUTURE

Questions were asked in respect of where the interviewee felt that further support would be useful. The results were restricted to those responding, i.e. any that said don't know or did not have a view (48%) were ignored from this analysis.

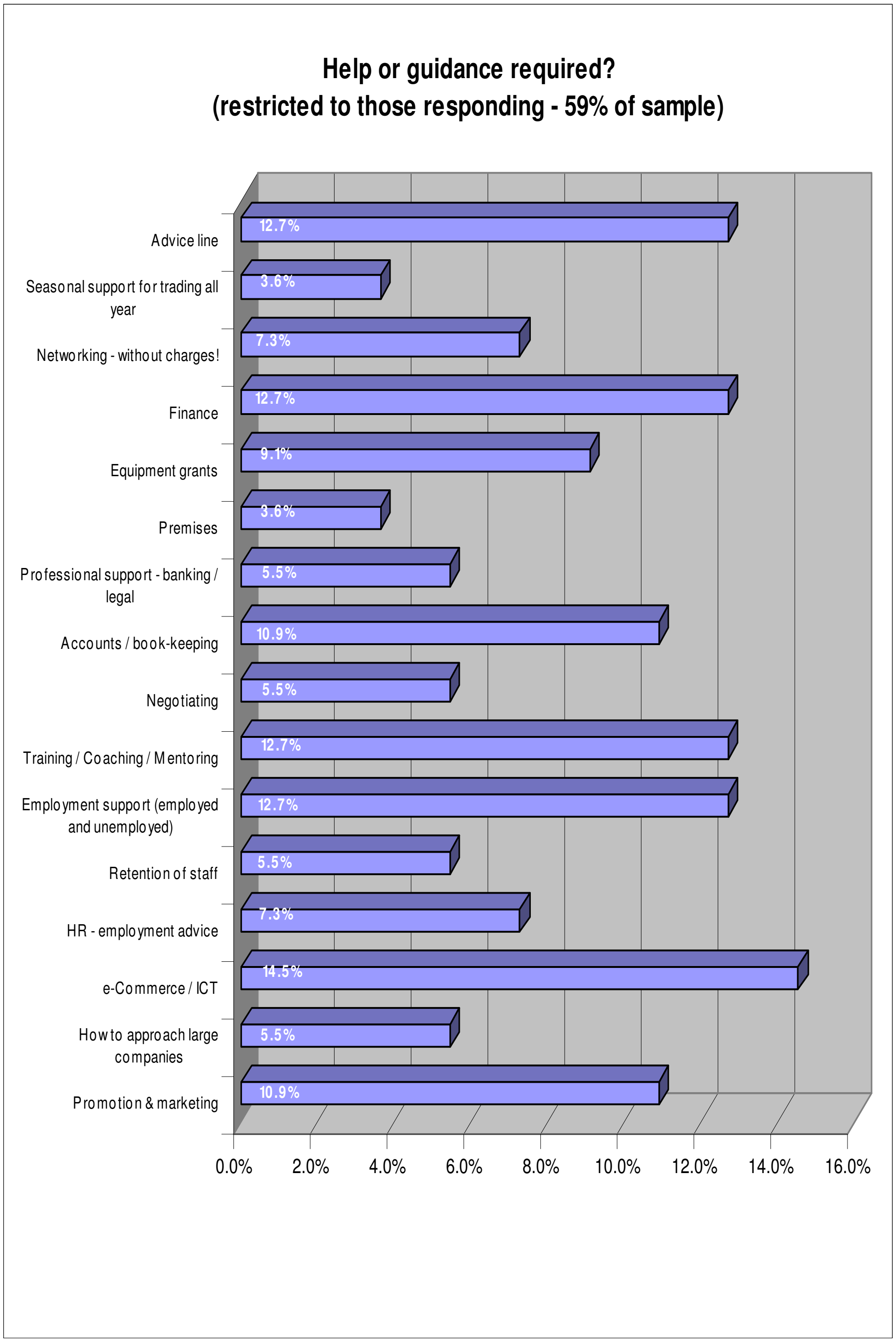
Unsurprisingly, access to Finance was noted as the most common need.

This was closely followed by e-Commerce / ICT with an indicative demand for services especially relative to website developments.

Other business and operational elements were noted as of interest as indicated.



It is noted that, in various question areas, the topics of H&S and employment law were raised regularly by a significant minority. It would be recommended that this should be expanded in the information sessions provided by the Gateway post start-up.



Other help and guidance was identified during the interview process, as follows, and again identified a range of services required at present by those responding to the questions.

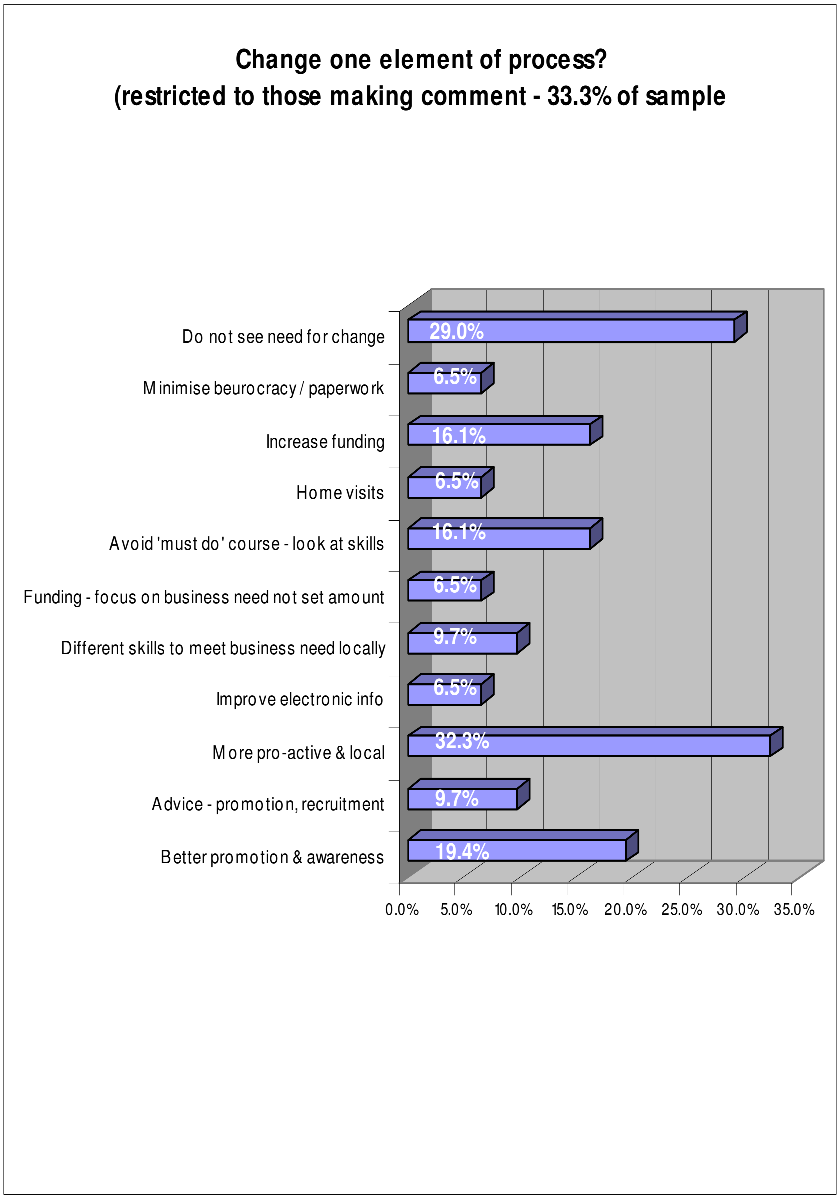
There is strong interest in availing of an advice line with the main feeling that this would be useful out of normal operating hours, e.g. early evening. This is suggested as the majority of responders indicated that they found it difficult to make contact during the day as they were working, as found during the review process.

Again, e-Commerce / ICT were identified as of particular interest to the interviewees. This was linked with a desire for promotion / marketing support for participants and information on how to approach larger companies.

Softer skills and support, e.g. negotiating, training, coaching or mentoring were identified during the review process as being of interest to a significant group and the issue of HR, employment advice, etc. were also highlighted.

Of interest, a number believed that, as they were a seasonal operation, support during the off-season would be useful; however, this would be impossible to support within current policy guidelines.

There was interest in Networking opportunities, however, in general, the desire was that this should be free of charge unlike the current ACCI, BNI, etc. networking approach where charges are levied or incurred.



All interviewees were asked to identify one element that they believed should be changed and the results restricted to those making responses.

The need for a pro-active approach was seen as the most important change required.

Other elements seen as important included increased funding, focus on the individual and their skills not insist that they 'must do course'.

There were a number of individual comments made that are summarised in the following for information:

Expansion of turnover and business – forecasts ranging from 25 – 100%	33%
Expand into new premises	18%
Employ staff	15%

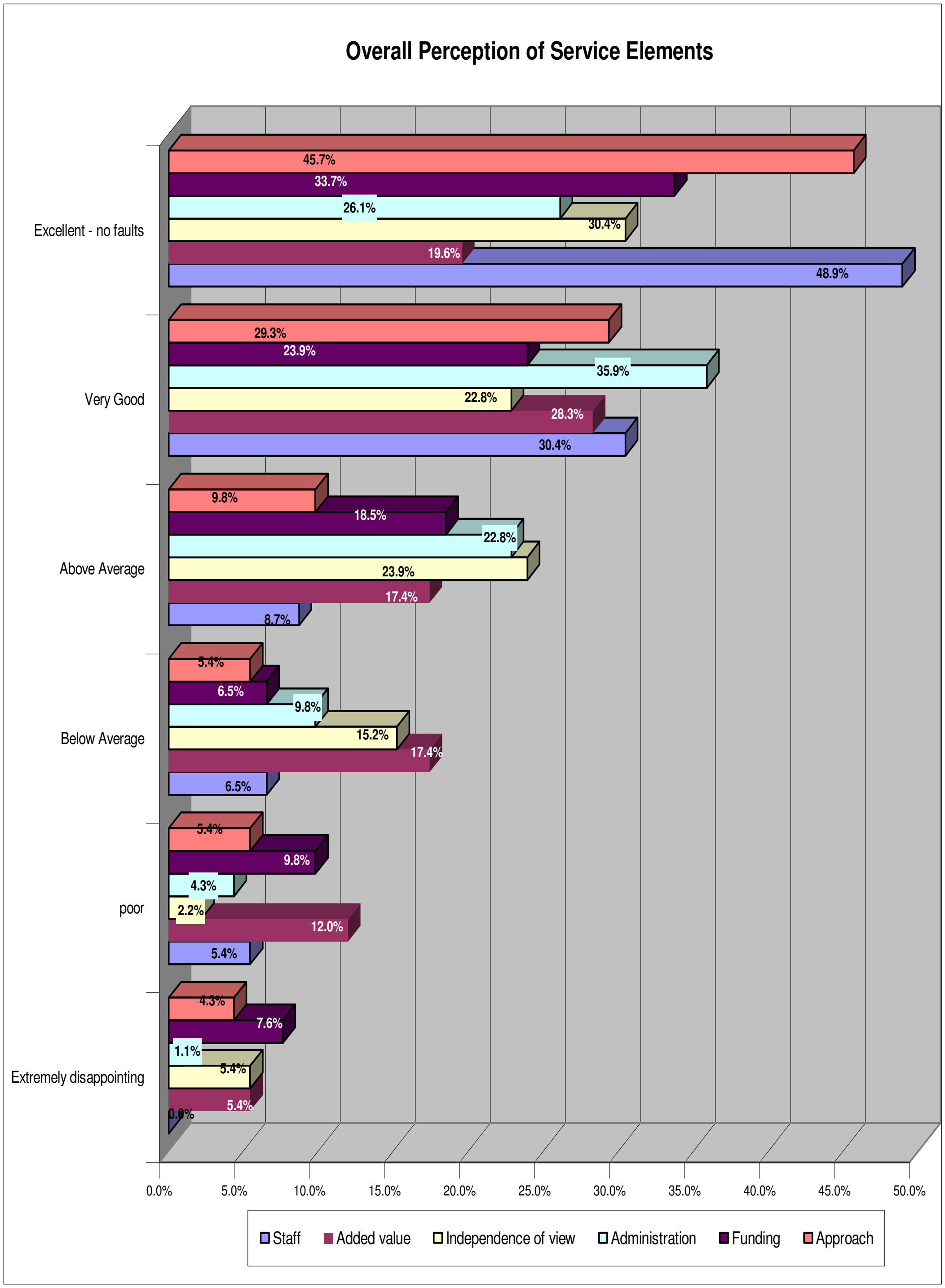
Some negative or concerning comments made summarised as following:

Considering giving up venture	22%
Growth would mean giving up full-time job	20%
Tourist Board changes may affect business	15%

The comment on existing full time work was made by a number of participants and should be investigated by SEA as to the effectiveness of the existing declaration form on start-up.

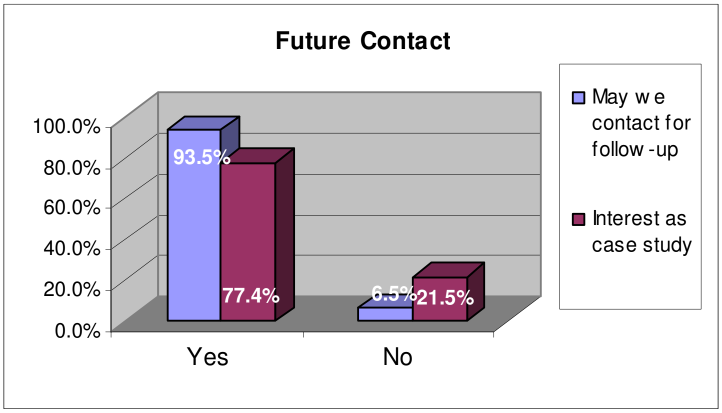
OVERALL VIEWS

To act as a check on the reported satisfaction levels, overall views of participants were sought on the key elements of the process and summarised in the following chart.



It is pleasing to note the positive findings of this review in all areas of the support provided. Of those who had reported a less than satisfactory experience, this appeared to be largely due to not getting all the finance and support they desired or a personality clash with the Adviser.

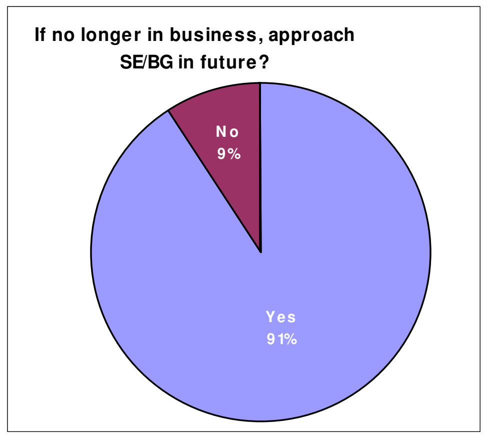
FUTURE CONTACT

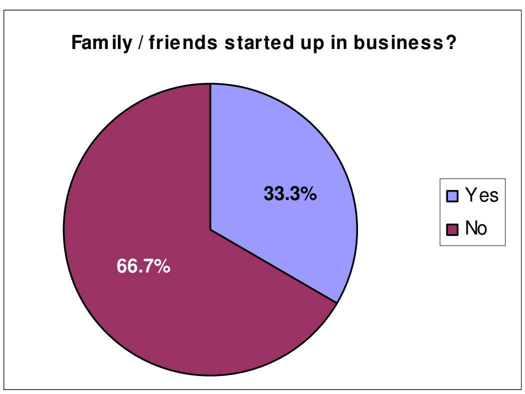


Some 93% of the sample was happy to be contacted by SEA and 77% interested in consideration as a case study.

The balance of the interviewees who indicated no interest were those who had ceased trading or, for some personal reason, were not interested.

It is positive to note that over 90% of the sample who ceased trading would be happy to make an approach to the Gateway in the future.





Interestingly, a third of the sample had seen a family member or a friend who had started up in business since their commencing trade.

A number (15%) had a seen a younger person supported by the PSYBT.

A common group saw friends / family enter similar venture as child-minder (12%)

OTHER COMMENT

A wide range of individual comments were received during the interview process and considered during the exercise as to their impact on the programme.

APPENDIX B

PUBLIC SECTOR STAKEHOLDERS

INTRODUCTION

Contact was made with relevant local stakeholders as summarised in the profile of interviewees and shown below using a semi-structured interview, based on the main questionnaire framework, to identify issues and comments on the fund, its guidance, procedures and future relevance in the market place.

PUBLIC SECTOR PARTNERS

The network of organisations surveyed covered the relevant support personnel in the following bodies:

- SE Ayrshire
- Business Gateway, Irvine, Ayr & Kilmarnock
- Girvan Horizons
- Access North Ayr
- North Ayrshire Council
- South Ayrshire Council
- East Ayrshire Council
- East Ayrshire Coalfields

ISSUES

During the review process a number of issues were identified and are summarised in the following. The relevant points are incorporated in the main reports conclusions and recommendations, as appropriate.

General

The volume of cases has increased over recent years reaching over 200 cases in the period to date. There was some concern if the support was removed whether the current performance of start-ups in SIP areas would reduce or be displaced to other areas of Ayrshire.

It is the belief of the stakeholders that only in around 10% of cases would the grant be a deciding factor with the balance of 90% likely to have started in any case. It is also noted that in SIP areas there is a greater preponderance of start-ups to operate from home and be of a smaller scale of operation than outwith SIP areas.

It is also indicated that the willingness to take on staff may be less in SIP areas than outwith, partially caused by the calibre of recruits available to businesses.

The access to SIP grant would also appear to influence applicants in SIP areas to embrace business planning more than would be the case otherwise. Interviewees also believed that the £500 may have a greater impact on business start-ups in SIP areas than those start-ups outwith the designated areas due to difficulties in accessing finance.

Process

There were a few comments on the process and eligibility with interviewees recognising that the geographic areas were clearly defined. However this, very occasionally, caused difficulties due to candidates possibly being one house / wrong side of the street outwith the area. Staff understood the areas from the guidelines, however, when faced with clients and need to double check location, can cause difficulties in developing relationships.

In respect of management, the scheme guidelines are quite clear and any issues are responded to quickly by SEA. The process is on a 1:1 relationship with ideally continuity of contact by Gateway Advisor who places grant support in context. A follow-up schedule is planned on a 3: 6: 12: 24 and 36 month basis from start-up on a mix of phone and personal call.

The decision of a personal call is made based on the assessment of the business scale and needs at the discretion of the Advisor.

It was indicated that the SIP classification for eligibility is a bit of a blunt instrument and may disadvantage some individuals from outwith areas but may need support. It may be an option to consider specific classifications or thematic groups for eligible candidates, e.g. LTU, Allowances, e.g. Health, PSYBT, etc. open to all Ayrshire as a 'discretionary' support to help the business start-up.

This is also the case in regards to amount of support, e.g. a standard grant of £500 is not always necessary, e.g. the window-cleaner example. It may be preferable to offer support appropriate to the project with an overall average of £500 being targeted. This would allow a number to gain c£1k whilst others are restricted to £200.

This process may be more difficult for the Advisor, as it would involve negotiation on the appropriate level of help that is needed, but the need for flexibility in amount is also noted from the business reviews. It is also noted that a grant may not always be the most appropriate form of support as it does not focus the business and, again, discretion for the Advisor on whether a grant or favourable loan etc should be available.

Impacts

In general, all interviewees felt that the level of impacts was low, with a main output being getting the candidates off benefits. It was indicated that within the SIP areas there was a minimal awareness of self-employment as an option and, through the support programme, a number of case studies / role models were being seen.

However, the general belief was that even though the programme of support has been in place for four years, the main impacts will be over the longer term. There was some concern that, if the support is withdrawn, access to support to encourage start-ups will be constrained and may reduce the longer term level of start-ups in the targeted areas.

There has been minimal cross programme or organisational activity due to eligibility criterion, however, there has been good access to training support services. One main issue has been confidence and motivation of the main candidates coming forward. There is a need to boost confidence levels and then move forward with development plans.

Future

There is a general belief that the support mechanism is helping to increase the level of start-ups in the local SIP areas, however, statistical evidence is harder to identify. The stakeholders all indicate a belief that the support should continue in some form given the relatively low level of budgetary impact foreseen.

Funding is a critical element in the start-up mix and a more targeted approach than the blanket £500 grant may be favoured. This could take into account level of capital expenditure, promotional material requirements, initial stocks, etc. that are much higher for some businesses than others, e.g. window cleaner Vs small manufacturer / ICT supplier.

There was a belief that the focus may be better presented on more detailed business training and ICT support with book-keeping and sales and marketing training especially relevant. The concept of establishing an evening help-line for 2 evenings per week was considered as an option as most businesses cannot access services during the day. This should be further evaluated with the target audience but may be relevant to all start-ups as businesses often find difficulty in speaking or seeking advice in the day-time, as experienced during the business survey.

If one change could be made to the programme, there was a general desire to remove the post-code element and focus on needs rather than location. This led to comments that as is a 'discretionary' fund, should it be automatically awarded for, e.g. PSYBT start-ups, who are already likely to have been receiving supplementary support.

Conclusions / Issues

Overall, the Gateway appears to have an approach that meets with client expectations; however, as identified in the business survey, the regularity of contact does not appear to take place. However, this may be due to recollection of the business given the varying and competing issues for their attention. This process was not an audit and it may be advisable for SEA to consider a review of the process and regularity of follow-up.

The programme is welcomed by the stakeholders working in SIP areas as it provides a tool to support individuals who may have difficulty with accessing the more traditional funding routes. A number of suggestions to use discretion both in respect of level of support, whilst retaining an average level of £500, and type of support, e.g. grant / loan, were made and should be considered.

The provision of an evening advice helpline is believed to resonate with the needs of the business start-up and should be piloted within the coming year, resources permitting.

One area of concern relates to the indication of regular contact with recipients in line with 'Discretionary Fund' practice. This appears not to be recognised by a number of recipients from the business survey and should be reviewed within the monitoring framework of SEA. This leads to a recognition that an enhanced form of longitudinal evaluation should be considered albeit recognising the resource implications may not be appropriate given the budget allocation for the support programme.

APPENDIX C
C1 Business Survey Questionnaire
Scottish Enterprise Ayrshire

Business Gateway – Discretionary Support
SUMMARY PERFORMANCE

INTRODUCTION

Introduce JacoByte – summarise the background to the call:

JacoByte Ltd has been requested by SEA to carry out a short review of the supplementary support that you accessed on starting your business - Business Gateway Start-up Discretionary Fund (£500). This review will support SEA in establishing the future of the initiative and whether, amendments to any aspects or, follow-up action is required.

Input from recipients is important to identify the good as well as areas for development in respect of the project support and any details will be treated in the strictest confidence.

Confirm that the contact is happy to participate and agree an appropriate time to call - offer a range of <20 minutes to allow for the survey.

INTERVIEW

Re-affirm purpose - to assess the performance of the Business Gateway Start-up Discretionary Fund it is useful to consider performance since the support was provided. It is accepted that, realistically, the project will not have been the sole reason for any jobs created or increased business performance but may have been of some assistance.

Assure interviewee that details will be kept strictly confidential with figures to be accumulated on a gross basis to avoid any direct tracking to individual businesses with results used in comparison with standard trends in business performance, where available.

Ensure that happy to proceed.

Response by:

Name				Company	
Commenced Trading				Ceased Trading	
Still trading	Yes	No	If not, why not?		
Are you VAT registered	Yes	No			
Is this your main employment	Yes	No	If not, what is main job		
Address					
Telephone / fax					
e-Mail					
Web					

1. GENERAL

This section will look at the main benefits from the support provided? Open discussion leading to a focused review of specific areas of impact as follows.

1.1	Why did you decide to set up in business?		
1.2	Are other family members already in business?		
1.3	When you were considering setting up, what locations did you consider as an operational base?		
1.3.1	Why did you choose to set up in …………?		
1.4	What support did you receive from the public sector – cash and support / advice? (note whom and details)		
1.4.1	Clarify when support received / training attended		
1.5	How did you identify the options for your initial location decisions and possible support?	Prompt:	
		Internal search	
		Colleague / friend	
		Gateway Adviser	
		Consultant	
		Other - please specify	
1.6	What difference/s did you see in your business as a result of the support provided? Note comment:	Prompt:	
		Financial	
		Marketing	
		Operational	
		Managerial	
		Personnel	
		Absenteeism	
		Labour Turnover	
		Training	
		Other	
1.7	Was the £500 grant support a deciding factor when starting up the business?	Yes	No
1.8	Would you have started in business without the grant?	Yes	No
1.9	Could you estimate what the influence of the support provided was on the difference made?		

None					Totally due
0%	20%	40%	60%	80%	100%

2. PROCESS

Review the process undertaken and how the recipient viewed the process.

2.1 Considering who identified the potential support for your business - was there sufficient information available and provided on the support, whether verbal or on paper?

2.2 What was your impression of the time taken to agree what support could be offered and the communications from and to the Business Gateway?

2.3 Has there been any follow-up contact and if so has this been beneficial, if not would this have been of benefit?

2.4 If you were asked to identify areas where the services could be improved what would those be?

Free Comment

Suggest:

Promotion & awareness	
Business review / assessment	
Assistance in process	
Establish longer term support	
Review on completion	
Follow-up service / review	

2.5 Would you be able to identify where the support provided originated?

Free Comment

Suggest:

Business Gateway	
Scottish Enterprise Ayrshire	
Scottish Office / Executive	
European Union	
Local Authority	
SIP - Access North Ayr Girvan Horizons Girvan Connections North Ayr SIP SCOOP Family Connection DNA Better N'hood Serv Fund East Ayrshire Coalfields EA Employment Initiative EA Action Team for Jobs	
Other	

3. IMPACTS

During the evaluation we are seeking to identify any impacts seen as a result of the support provided – details confidential not for reporting apart from aggregation.

3.1 Would you be able to indicate / estimate what impacts on your business have been seen whether of sales, jobs or other impact? Define what growth can be attributed to support provided?

If trading – attempt to get figures over recent periods / years

If ceased trading attempt to get general indicator of performance whilst operational

Financial	Sales Turnover	At Start	Now
	0 - £24,999		
	£25k - £57,999		
	£58k - £99,999		
	£100k - £149,999		
	£150k - £249,999		
	£250k - £499,999		
	£500k+		
	Gross Profit %age		
	Net Profit before Interest & Tax %age		
Jobs	**Full Time** (minimum 35hours per week)		
	Part Time Number & Hours worked		
	Category:		
	Category:		
	Category:		
Training outputs			
Skills and abilities (non-quantifiable)	Cultural, lower absenteeism, turnover of labour, loyalty, attitude		
Other Services	Did you access other SE/BG services (e.g. Employee Lifeskills)		
Others			
Future	Turnover or Net Profit (guestimate)		

3.2 Have you seen any change/s in the company that are not easily quantifiable? If so what?

(e.g. change of idea, direction, new premises, from sole trader to partnership, ltd.co.)

Comment e.g. Cultural, Attitudinal, Approach or Aspirational?

4. FUTURE

This area of the survey will explore new ideas for support and support needed by businesses as well as delivery mechanisms.

4.1 Would you have areas in your business where support could be considered for development as part of the programme, which would be helpful for your business?

4.2 What help or guidance could we develop / provide in the future?

4.3 If you could change one element of the process or support what would it be?

4.4 If no longer in business:
If you were considering starting another new business in the future, would you approach Scottish Enterprise / Business Gateway for assistance?

5. CONCLUSION

5.1 What were the positive / negative aspects of the process and support provided?

	Grading*	Yes	No	Comment
Staff				
Added Value				
Independence of view				
Administration				
Funding				
Approach				
Other				

* Graded 1 (poor) to 6 (Ex.)

5.2 How, if at all, could the following be improved:

Evaluation of needs	
Support provided	
Follow up support	

5.3 As a result of your experience, have any other family members / friends decided to start up in business?

5.4 Would you have any other comments or observations on the support that we have not touched upon?

THANK INTERVIEWEE FOR TIME AND REAFFIRM THAT INFORMATION WILL BE TREATED AS CONFIDENTIAL.

ONLY IF THEY REQUEST VISIT OR CONTACT WILL THIS REQUEST BE PASSED TO SEA.

IT MAY BE THAT WE WISH TO FOLLOW UP FOR MORE IN-DEPTH DETAIL OR SEEK INPUT TO THE NEW APPROACH / FINDINGS - ASCERTAIN WILLINGNESS TO PARTICIPATE.	
YES (by telephone, email?)	NO - reasons?
If SE/BG were interested in using your company as a Case Study, are you happy to be considered?	
YES	NO
ANY OTHER NOTES RE INTERVIEW COMMENTS	

APPENDIX D Statistical Reports East Ayrshire SIP areas

KS09a Economic activity
All people aged 16 - 74

Area	All people aged 16-74	Percentage of people aged 16 - 74										Percentage of unemployed people aged 16 - 74			
		Economically active					Economically inactive								
		Employees [3]													
		PT [1]	FT	Self-employed [3]	Un-employed [4]	Full-time student [5]	Retired	Student	Looking after home/ family	Permanently sick/ disabled	Other	Aged 16 - 24	Aged 50 and over	never worked	Long-term un-employed [2]
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Scotland	3731079	11.12	40.25	6.60	3.97	3.03	13.89	4.28	5.51	7.44	3.89	27.84	17.97	11.89	33.61
Auchinleck	2563	10.03	30.51	4.41	7.14	1.48	16.89	3.63	7.45	13.58	4.88	23.50	12.57	8.20	45.36
Catrine, Sorn and Mauchline East	2595	10.60	34.37	7.17	5.55	1.16	15.88	4.28	6.51	10.29	4.20	29.17	18.75	5.56	38.19
Cumnock East	2608	11.92	37.92	3.83	7.21	1.99	14.49	3.14	6.52	9.28	3.68	27.13	16.49	5.85	39.89
Cumnock West	2752	11.08	38.74	6.40	4.91	1.82	16.79	3.96	4.83	8.68	2.80	22.22	21.48	5.19	38.52
Dalmellington	2426	10.72	28.44	5.15	6.06	1.28	14.01	3.30	7.71	17.02	6.31	33.33	15.65	10.20	42.86
Drongan, Stair and Rankinston	3115	10.79	33.68	8.41	5.36	2.05	13.19	2.57	8.09	10.88	4.98	31.74	16.77	7.78	39.52
Mauchline	2700	11.19	38.96	8.81	4.30	1.78	15.89	3.11	6.04	6.85	3.07	23.28	25.00	6.90	30.17
Muirkirk, Lugar, Logan	2451	8.94	30.93	5.43	7.02	0.94	14.89	4.16	8.45	14.16	5.10	29.07	15.12	8.14	36.05
New Cumnock; Ochiltree, Skares, Netherthird	2874	8.91	33.33	5.85	6.65	1.36	16.42	2.57	8.70	10.65	5.57	16.75	25.13	8.90	41.88
Ochiltree, Skares, Netherthird and Craigens	2581	9.61	36.73	7.75	5.46	2.09	13.37	4.53	7.44	8.56	4.46	29.79	12.06	12.77	32.62
Patna and Dalrymple	2918	11.34	33.82	5.59	5.31	1.37	14.63	2.95	7.61	13.16	4.22	33.55	7.74	10.32	30.97

Footnotes:
1 For the Census, part-time is defined as working 30 hours or less a week. Full-time is defined as working 31 or more hours a week.
2 "Long-term unemployed" are those who stated they have not worked since 1999 or earlier.
3 'Employees' and 'Self-employed' excludes full-time students.
4 'Unemployed' excludes full-time students.

North Ayrshire SIP areas

KS09a Economic activity **All people aged 16 - 74**

Area	All people aged 16-74	Percentage of people aged 16 - 74											Percentage of unemployed people aged 16 - 74			
		Economically active					Economically inactive									
		Employees [3]														
		Part-time [1]	Full-time [1]	Self-employed [3]	Un-employed [4]	Full-time student [5]	Retired	Student	Looking after home/ family	Permanently sick/ disabled	Other		Aged 16 - 24	Aged 50 and over	Who have never worked	Who are long-term un-employed [2]
a	b	c	d	e	f	g	h	i	j	k	l		m	n	o	p
Scotland	3731079	11.12	40.25	6.60	3.97	3.03	13.89	4.28	5.51	7.44	3.89		27.84	17.97	11.89	33.61
Ardrossan	7918	11.21	34.31	4.07	7.43	2.79	13.53	4.28	7.09	10.60	4.70		27.38	17.52	7.99	36.39
Beith	4644	10.75	42.81	5.28	3.94	2.24	14.81	3.81	5.68	7.36	3.32		30.60	19.67	9.84	25.14
Dalry	3929	10.56	39.45	4.76	5.42	2.19	16.31	3.39	6.62	6.72	4.58		19.25	20.66	7.04	41.31
Dreghorn	3092	12.52	44.89	4.50	4.56	3.36	12.19	3.33	5.01	6.86	2.78		26.24	22.70	5.67	34.04
Irvine	24342	11.45	38.17	4.37	6.78	2.78	13.14	3.49	6.46	8.90	4.45		32.24	15.52	10.48	33.21
Kilbirnie	5355	9.69	39.87	3.75	5.68	2.07	15.35	3.60	6.29	9.30	4.39		34.54	11.84	10.20	31.25
Kilwinning	11691	11.02	39.93	4.19	6.01	2.91	12.62	4.11	6.40	8.78	4.05		33.71	17.92	6.97	31.01
Saltcoats	8012	10.40	31.86	4.14	7.13	2.68	16.54	4.01	7.63	10.82	4.79		29.77	16.29	10.86	36.78
Springside	875	12.69	34.63	4.11	6.74	1.14	12.34	2.51	6.86	11.43	7.54		25.42	15.25	3.39	32.20
Stevenston	6666	9.84	32.28	3.17	7.58	2.25	14.91	3.98	7.83	12.89	5.28		31.29	14.06	9.50	36.44

Footnotes:

1 For the Census, part-time is defined as working 30 hours or less a week. Full-time is defined as working 31 or more hours a week.

2 "Long-term unemployed" are those who stated they have not worked since 1999 or earlier.

3 'Employees' and 'Self-employed' excludes full-time students.

4 'Unemployed' excludes full-time students.

South Ayrshire SIP areas

KS09a Economic activity

All people aged 16 - 74

Area	All people aged 16-74	Percentage of people aged 16 - 74											Percentage of unemployed people aged 16 - 74			
		Economically active					Economically inactive									
		Employees [3]														
		Part-time [1]	Full-time [1]	Self-employed [3]	Un-employed [4]	Full-time student [5]	Retired	Student	Looking after home/ family	Permanently sick/ disabled	Other		Aged 16 - 24	Aged 50 and over	Who have never worked	Who are long-term un-employed [2]
a	b	c	d	e	f	g	h	i	j	k	l		m	n	o	p
Scotland	3731079	11.12	40.25	6.60	3.97	3.03	13.89	4.28	5.51	7.44	3.89		27.84	17.97	11.89	33.61
Ayr Whitletts	2655	12.62	28.85	1.73	8.70	1.96	12.09	3.95	9.04	13.67	7.38		37.23	10.39	15.15	31.60
Girvan Ailsa	2499	10.40	35.49	8.28	3.84	1.52	20.29	2.84	5.48	7.32	4.52		28.13	17.71	12.50	37.50
Girvan Glendoune	2656	13.40	32.94	3.99	6.78	1.47	16.27	3.65	7.15	9.34	5.01		28.33	11.67	11.11	35.56

Footnotes:

1 For the Census, part-time is defined as working 30 hours or less a week. Full-time is defined as working 31 or more hours a week.

2 "Long-term unemployed" are those who stated they have not worked since 1999 or earlier.

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