Report

Synovate
Mount Offham
Offham
West Malling
Kent
ME19 5PG

Tel +44 (0)1732 874450
Fax +44 (0)1732 875100
www.synovate.com

DTI Business Support Cross Product Monitoring Survey

Overview Report

Prepared for	DTI
Prepared by	Synovate
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1. Executive Summary

1.1 Introduction

This report details the findings of the Department of Trade and Industry (DTI) Business Support Cross Product Monitoring Survey, a survey of various DTI Business Support Scheme users, including participants in:

- Electronics Design Program (EDP);
- Construction Best Practice (CBP);
- Manufacturing Advisory Service (MAS);
- Industry Forums including:
    - The Society of Motor Manufacturers and Traders Limited (SMMT);
    - Process Industry Centre For Manufacturing Excellence (PICME);
    - The Metals Industry Competitive Enterprise (MICE);
    - The UK Lean Aerospace Initiative.

The research was conducted by Synovate, during August and September 2003.

The DTI provides support to UK industry through a number of business support programmes and wish to put in place a new monitoring system, to eventually cover each of the new support programmes. The results from these monitors will then be used to feed into:

- In-depth impact evaluations;
- Balanced scorecards;
- Business support policy development.

In order to measure the client experience and subsequent impact of the various support schemes the DTI commissioned Synovate to conduct a comprehensive piece of research, across the aforementioned business support schemes.

1.2 Research Objectives

The specific research aims for this project were:

- To provide baseline data across a number of measures, including:
    - Customer satisfaction;
    - User profiles;
    - Reasons for take-up;
    - Alternatives considered;
    - Information channels used.

- To provide data to feed into in-depth assessments of the impact and effectiveness of each scheme, taking account of additionality, substitution and displacement.

As well as these specific research objectives, a further aim was to refine and test the survey methodology, and in particular the questionnaire and definitions for some of the key survey based measures, which are to be standardised to the extent feasible for use in future monitoring surveys.

1.3 Methodology

In order that results could be compared across the portfolio of support schemes, whilst remaining flexible enough to remain relevant within the context of each individual scheme, it was decided that the research should be undertaken by telephone using, as far as possible, a common questionnaire.

Whilst minor text substitution and question routing was developed to ensure that questions were relevant to the specific schemes being measured, the core of the questionnaire was kept consistent.

The questionnaire, which averaged 20 minutes, was fully piloted prior to the start of the main fieldwork. The pilot checked the flow, clarity, relevance and length of the questionnaire. A copy of the final questionnaire is appended to this report.

Fieldwork was conducted during August and September 2003.

Where a named contact was provided in the sample database, respondents were sent a pre-contact letter prior to being telephoned to explain the purpose of the research and reassure them of its confidential nature.

The survey was introduced as a survey on behalf of the DTI, to evaluate the effectiveness to businesses of various activities and schemes supported by the Department.

In total 120 EDP, 140 CBP, 76 MAS, 97 SMMT, 20 PICME, 15 MICE and 13 Aerospace Industry Forum participants were interviewed. Interviews were conducted amongst a sample of companies known to have participated in each of the schemes.

The table below shows the response rates and how these compare across the various schemes covered by this wave of research.

Table 1.3 Survey Response Rates - Comparison Across Schemes

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Total number of contacts provided[1]	636	408	185	320	405
Total number of useable contacts[2]	392	265	150	204	279
Total number of interviews completed	120	140	76	97	145
Response rate	31%	53%	51%	48%	52%
Refusal rate	12%	8%	17%	11%	10%

1.4. Summary Measures - Results

The findings in this overview summary section detail the results for a number of summary measures[3] some of which are suitable for use in balanced scorecards. It is proposed that a number of these findings are taken forward to become the scorecard measures in the new monitoring system to cover all of the new business support schemes which have objectives similar to those included in this survey.

In addition to questions used for the scorecard measures, the survey questionnaire also included a number of related questions which were designed to allow consistency checks on the scorecard measures, and to gather other information about the effectiveness of the schemes and about the business context in which they were used. The main topics addressed by the survey were:

- Participation In The Scheme
- Profile Of Participants
- Business Context 1: Goals And Motivations For Participation
- Business Context 2: Alternatives Available To Business Participants
- Additionality
- Quality And Satisfaction Ratings
- Impact And Effectiveness

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[1] This is the total number of in-scope (i.e. with correct level of intervention and with the intervention taking place within required timescales) contacts provided with full contact details

[2] However, a number of the in-scope contact details proved to be inaccurate, for example unobtainable numbers, the business could not remember taking part in the scheme etc. Therefore, the total number of useable contacts are as shown in this row of the table.

[3] In addition to this overview report is an Annex detailing the findings for all the other measures not included in this overview.

- Marketing Information Channels
- Scorecard Measures

1.4.1 Business Context 1: Goals And Motivations For Participation

1.4.1.1 Reasons For Participation

Respondents were asked to focus on the most recent occasion on which they had participated in the scheme, and give their specific reasons for deciding to take part in the scheme. These data were gathered via an open question, and individual responses coded into common themes.

The table below shows how the reasons for participation compare across the schemes covered by this wave of research.

Table 1.4.1.1 Reasons For Participation - Comparison Across Schemes[4]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
To gain knowledge	25%	33%	11%	5%	5%
Help with developing a new product	48%	0%	4%	2%	0%
Improve productivity	3%	9%	26%	27%	33%
Advice on new equipment	26%	3%	14%	8%	7%
Improve process efficiency	1%	5%	17%	28%	27%
Reduce wastage/costs	3%	4%	4%	19%	21%
To benchmark ourselves	4%	14%	3%	1%	3%
To learn LEAN production techniques	0%	5%	20%	9%	9%
Evaluate performance	2%	14%	1%	4%	3%
To receive funding	14%	1%	7%	0%	3%
Improve staff skills	3%	4%	4%	10%	10%
Improve company generally	2%	8%	7%	4%	8%
Evaluate scheme	2%	11%	4%	2%	1%
To help other companies	1%	12%	1%	3%	3%
Customer driven	4%	2%	0%	15%	12%

Respondents gave a wide variety of reasons for participation. Those participating in EDP were much more likely to take part in order to gain ‘help with developing a new product’, those participating in CBP more likely to want to ‘gain knowledge’, whilst

[4] As an approximate ‘rule of thumb’, and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

MAS and the Industry Forum participants were wanting to ‘improve productivity’ and ‘improve process efficiency’.

1.4.1.2 Main Motivation For Participation

Respondents were read the following series of possible motivations for participation in the scheme and asked which they felt most closely applied to them:

- *When we first decided to take part in the <scheme> it was the conditions in the marketplace that really made our company consider it*
- *It was a desire to grow our business that really made our company consider it*
- *It was more that the DTI or some other organisation had suggested it that made our company decide to take part*
- *It was hearing about the experience of another company, which had used it, that really made us decide to take part.*
- *It was a key customer who persuaded us to take part*

The table below shows how the main motivation for participation compares across each of the schemes covered by this wave of research.

Table 1.4.1.2 Main Motivations For Participation - Comparison Across Schemes[5]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Desire to grow business	41%	35%	47%	22%	26%
DTI or other organisation	24%	12%	9%	3%	3%
Market conditions	13%	19%	26%	35%	35%
Experience of another co.	7%	9%	4%	10%	10%
Key customer	3%	8%	3%	27%	19%

A desire to grow their business was the main motivation for EDP, CBP and MAS participants, whilst participants of the various Industry Forums were more likely to have been influence by market conditions as well as by a key customer.

EDP participants were at least twice as likely as those participating in the other schemes to have been influenced by the DTI or another organisation.

[5] As an approximate ‘rule of thumb’, and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

1.4.1.3 Growth Objectives

Respondents were asked what growth objectives they have for their business over the next five years. The table below shows how the growth objectives for each of the schemes covered by this wave of research compare.

Table 1.4.1.3 Growth Objectives - Comparison Across Schemes[6]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Remain the same size	8%	14%	7%	10%	11%
Become smaller	1%	2%	1%	4%	3%
Grow moderately	38%	51%	51%	53%	54%
Grow substantially	49%	24%	36%	29%	28%

By far the majority of scheme participants interviewed are planning to grow their businesses either moderately or substantially over the next five years. Very few are aiming to stay the same size. EDP participants tend to be more bullish about their growth objectives than companies participating in the other schemes covered by this wave of research. Around half of EDP participants are planning substantial growth compared with between 24% and 36% across the other schemes.

1.4.2 Business Context 2: Alternatives Available To Business Participants

1.4.2.1 Perceived Alternatives

Scheme participants were asked *'bearing in mind your objectives when you first decided to participate in the <scheme>, were there any viable alternative sources of information, advice or support available to you, either that you would have had to pay for or that were being offered free of charge?'*

[6] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

Respondents who thought that there were alternatives were asked what these alternatives were. The table below shows how the perceptions of alternatives compare across the schemes covered by this wave of research.

Table 1.4.2.1 Perceived Alternatives - Comparison Across Schemes[7]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Any alternative?					
Yes	40%	38%	45%	55%	58%
No	53%	56%	49%	38%	37%
Alternatives					
Consultants	14%	4%	25%	32%	34%
Other businesses	8%	5%	4%	2%	2%
Higher Education Institutions	5%	2%	3%	4%	3%

Those participating in the various Industry Forums were more likely than other scheme participants to feel that there were alternatives. The alternatives mentioned most often were consultants.

1.4.3 Impact And Effectiveness

1.4.3.1 Usage Of External Sources Of Expertise And Advice

Respondents were asked whether as a direct result of participation they had increased their use of any external sources of expertise or advice for ideas about new or improved business practices and processes, or whether they have used any new sources of expertise or advice.

[7] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

The table below shows how the usage of external sources of expertise and advice compares across the various schemes covered by this wave of research.

Table 1.4.3.1 Any Increase In Usage Of External Expertise And Advice - Comparison Across Schemes[8]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Yes	33%	31%	30%	36%	33%
No	65%	67%	68%	64%	67%

In this respect, all of the schemes covered by this wave of research perform similarly, with between 30% and 36% indicating that they have increased their use of external expertise and advice since participating in the scheme.

1.4.4 Market Complementarity

The purpose of this measure is to provide a means of monitoring the extent to which the support offered meets a business need, which would not otherwise be met by the market. The following question was asked of the scheme participants interviewed in an attempt to ascertain the level of market complementarity for the scheme:

'To what extent would you agree with the statement that <scheme> has provided me with something I could not have got from any other source'? Using a scale of 1 to 5, where 5 is 'agree strongly' and 1 is 'disagree strongly'.

[8] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

The table below shows how the market complementarity results for each of the schemes covered by this wave of research compare.

Table 1.4.4 Market Complementarity - Comparison Across Schemes[9]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
5 – Agree strongly	18%	9%	12%	12%	11%
4	24%	28%	30%	30%	32%
3	25%	38%	32%	30%	30%
2	14%	16%	11%	14%	14%
1 – Disagree strongly	17%	8%	11%	11%	9%
‘4’ or ‘5’	43%	37%	42%	42%	43%
Mean score	3.1	3.2	3.2	3.2	3.2

Overall, the balance of opinion is marginally in favour of agreement with the statement, with between 37% and 43% of the participants interviewed agreeing that ‘the scheme provided them with something that they could not have got from any other source’ but only between 22% and 31% disagreeing.

It is proposed that ‘market complementarity’ is taken as one of the balanced scorecard measures, and that the measure should be reported in the following two forms:

The proportion of respondents giving a rating of ‘4’ or ‘5’

And, the mean score

[9] As an approximate ‘rule of thumb’, and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

1.4.5 Additionality

The following question was asked of the all participants interviewed in an attempt to ascertain the level of full additionality, partial additionality and non-additionality for each scheme:

Which of the following best describes your view on the contribution your participation in the <scheme> has made to your firm?

We would have achieved similar results anyway
We would have achieved similar results, but not as quickly
We would have achieved some but not all of the results
We definitely wouldn't have achieved similar results

Supplementary questions designed to allow consistency checks on this additionality question are covered in the each of the full reports on the respective schemes, which can be found at annexes B, C, D, E and F.

The table below shows how the additionality results for each of the schemes covered by this wave of research compare.

Table 1.4.5. Additionality - Comparison Across Schemes[10]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Would have achieved similar results anyway	15%	14%	5%	5%	3%
Would have achieved similar, but not as quickly	24%	28%	22%	19%	17%
Would have achieved some, but not all, results	29%	43%	46%	52%	54%
Definitely wouldn't have achieved similar	21%	11%	22%	24%	23%
None of these	11%	4%	4%	1%	1%
Full additionality	21%	11%	22%	24%	23%
Partial additionality	53%	71%	68%	70%	72%
Full & partial additionality	74%	82%	91%	94%	95%

[10] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

With the exception of EDP, additionality levels across the schemes covered by this wave of research are high (in terms of combined full and partial additionality). However, it should be borne in mind when interpreting the EDP result that this is a direct consequence of the fact that 11% of the EDP participants interviewed felt that none of the four additionality options applied to them.

It is proposed that 'additionality' is taken as one of the balanced scorecard measures with the measure of additionality selected for the scorecard measures being:

Full and partial additionality

1.4.6 Overall Satisfaction

The table below shows how the overall satisfaction results compare across all of the support schemes covered by this wave of research.

Table 1.4.6 Overall Satisfaction - Comparison Across Schemes[11]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
5 – Very satisfied	25%	11%	38%	38%	37%
4	41%	46%	47%	41%	46%
3	20%	37%	12%	18%	14%
2	8%	4%	1%	1%	1%
1 – Very dissatisfied	6%	1%	1%	2%	1%
'4' or '5'	66%	56%	86%	79%	83%
Mean score	3.7	3.6	4.2	4.1	4.2

Generally, reactions are positive, most notably for MAS and the various Industry Forums, with between 56% and 83% 'very' or 'fairly' satisfied with their total experience, and between just 2% and 14% dissatisfied in any way.

It is proposed that 'overall satisfaction' is taken as one of the balanced scorecard measures. The two measures of overall satisfaction selected for the scorecard measures are:

The proportion of respondents giving a rating of '4' or '5'

And, the mean score

[11] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

1.4.7 Clarity Of Expectation Setting

All those participants interviewed who had mentioned that they had taken part in specific, named activities under the scheme were asked to indicate the extent to which they felt that the scheme advisor/engineer had been clear about what they should expect both in terms of the format content and delivery of the scheme and the business outcomes.

The table below shows how the clarity of expectation setting results compare across each of the schemes covered by this wave of research.

Table 1.4.7 Clarity Of Expectation Setting – Comparison Across Schemes[12]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Format, content, delivery					
5 – Very clear	30%	11%	39%	48%	47%
4	33%	39%	46%	38%	41%
3	24%	33%	14%	9%	10%
2	3%	2%	0%	2%	1%
1 – Not at all clear	4%	0%	0%	0%	0%
Not given any indication	4%	7%	0%	2%	1%
Business outcomes					
5 – Very clear	18%	9%	29%	30%	27%
4	38%	27%	46%	43%	47%
3	22%	38%	18%	23%	21%
2	6%	7%	1%	2%	2%
1 – Not at all clear	3%	0%	0%	0%	0%
Not given any indication	9%	9%	4%	2%	2%
Average ‘4’ or ‘5’	60%	43%	80%	80%	81%
Average mean score	3.8	3.6	4.2	4.2	4.2

[12] As an approximate ‘rule of thumb’, and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

In general, participants interviewed were more likely to feel that the scheme advisor/engineer was ‘very clear’ about what to expect in terms of the format, content and delivery of the scheme than the business outcomes. However, few participants indicated that the advisor/engineer, having explained what they should expect, was unclear.

It is proposed that ‘clarity of expectation setting’ is taken as one of the balanced scorecard measures with the two measures selected for the scorecard measures being:

> *The average proportion of respondents giving a rating of ‘4’ or ‘5’ across the two aspects*
>
> *And, the average of the mean scores*

1.4.8 Quality

In addition to rating overall satisfaction with their experience to date of participating in the support scheme, respondents were also asked to rate the quality of the scheme in six respects. Participants were asked to rate each of six service aspects using a scale of 1 to 5 where 5 is ‘very good’ and 1 is ‘very poor’.

The table below shows how the quality ratings results compare for each of the schemes covered by this wave of research.

Table 1.4.8 Quality Ratings - Comparison Across Schemes[13]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Appropriateness of advice					
Good ('4' or '5')	71%	64%	79%	82%	84%
Average ('3')	19%	29%	18%	18%	16%
Poor ('1' or '2')	9%	7%	3%	0%	0%
Communications					
Good ('4' or '5')	64%	49%	75%	76%	78%
Average ('3')	22%	36%	22%	18%	17%
Poor ('1' or '2')	12%	7%	1%	5%	4%
Competence & knowledge					
Good ('4' or '5')	68%	65%	91%	89%	88%
Average ('3')	21%	21%	7%	10%	10%
Poor ('1' or '2')	8%	4%	3%	0%	1%
Attitude of staff					
Good ('4' or '5')	83%	74%	97%	93%	92%
Average ('3')	10%	14%	3%	6%	7%
Poor ('1' or '2')	4%	1%	0%	0%	1%
Value for money					
Good ('4' or '5')	78%	55%	87%	65%	69%
Average ('3')	14%	33%	11%	27%	26%
Poor ('1' or '2')	8%	8%	0%	7%	5%
Honesty & impartiality					
Good ('4' or '5')	76%	79%	86%	90%	93%
Average ('3')	18%	16%	12%	7%	5%
Poor ('1' or '2')	4%	2%	3%	1%	1%
Average '4' or '5'	73%	64%	86%	83%	84%
Average mean score	4.0	3.8	4.3	4.3	4.3

Satisfaction across the service areas varies considerably, with 'attitude and professionalism of staff' and 'honesty and impartiality' rated particularly highly across each of the schemes.

[13] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

It is proposed that 'quality' is taken as one of the balanced scorecard measures with the two measures selected for the scorecard measures being:

> *The average proportion of respondents giving a rating of '4' or '5' across these 6 service aspects*
>
> *And, the average of the six mean scores*

1.4.9 Hard Business Performance Outcomes

For the purposes of this report, 'reduced costs', 'increased sales' and 'increased productivity' are taken together as a measure of 'hard business performance'.

The table below shows how the hard business performance outcome results compare across all of the schemes covered by this wave of research.

Table 1.4.9 Hard Business Performance Outcomes - Comparison Across Schemes[14]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Net of non-additionality					
'4' or '5' for any	29%	15%	43%	52%	53%
'3', '4', or '5' for any	43%	44%	70%	74%	78%
Average mean score	2.0	1.8	2.3	2.6	2.6
Benefit felt 'to no extent'	44%	45%	28%	17%	18%
Expect to feel in future	3%	3%	11%	0%	2%
Inclusive of non-additionality					
'4' or '5' for any	30%	16%	43%	52%	53%
Average mean score	1.8	1.7	2.3	2.5	2.5

Around half of both MAS and Industry Forum participants have benefited from hard business performance outcomes. EDP and CBP participants are, however, much less likely to report benefits in this respect.

It is proposed that 'hard business performance outcomes' is taken as one of the balanced scorecard measures, with results reported net of non-additionality[15].

[14] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.
[15] That is, with those respondents indicating non-additionality included in the base, but with any positive ratings given by them not taken into account.

The two measures of 'hard business performance outcomes' selected for the scorecard measures are:

> *The proportion of respondents giving a rating of '4' or '5' for any of 'reduced costs', 'improved sales' of 'improved productivity', <u>net of non-additionality</u>*
>
> *And, the average of the three mean scores, <u>net of non-additionality</u>*

1.4.10 Increased Innovation

For the purposes of this report, 'the introduction of new or significantly improved products or processes' and 'the introduction of new or significantly improved management practices' are taken together as a measure of 'increased innovation'.

The table below shows how the increased innovation results compare for each of the schemes covered by this wave of research.

Table 1.4.10 Increased Innovation - Comparison Across Schemes[16]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Net of non-additionality					
'4' or '5' for either	46%	31%	36%	43%	46%
'3', '4', or '5' for either	58%	58%	68%	69%	73%
Average mean score	2.3	2.4	2.6	2.5	2.5
Benefit felt 'to no extent'	23%	17%	17%	19%	17%
Expect to feel in future	2%	2%	7%	1%	3%
Inclusive of non-additionality					
'4' or '5' for either	47%	34%	36%	43%	46%
Average mean score	2.1	2.3	2.5	2.4	2.4

Across all of the schemes covered by this wave of research, the majority of participants benefited, at least to some extent, from 'increased innovation'.

[16] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

It is proposed that 'increased innovation' is taken as one of the balanced scorecard measures, with results reported net of non-additionality[17]. The two measures selected for the scorecard measures being:

> *The proportion of respondents giving a rating of '4' or '5' for either 'the introduction of new or significantly improved products or processes' or 'the introduction of new or significantly improved management practices', net of non-additionality*
>
> *And, the average of the two mean scores, net of non-additionality*

1.4.11 Increased Productivity And Competitiveness

For the purposes of this report, 'improved exchange of information with key customers or suppliers' and 'improved staff skills' along with 'reduced costs', 'increased sales', 'increased productivity', 'the introduction of new or significantly improved products or processes' and 'the introduction of new or significantly improved management practices' are all taken together as a measure of 'increased productivity and competitiveness'.

The table below shows how the increased productivity and competitiveness results compare across the schemes covered by this wave of research.

Table 1.4.11 Increased Productivity And Competitiveness - Comparison Across Schemes[18]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Net of non-additionality					
'4' or '5' for any	54%	46%	58%	75%	75%
'3', '4', or '5' for any	65%	69%	83%	92%	93%
Average mean score	2.1	2.2	2.4	2.6	2.6
Benefit felt 'to no extent'	13%	7%	8%	2%	1%
Expect to feel in future	3%	4%	12%	1%	3%
Inclusive of non-additionality					
'4' or '5' for any	57%	49%	59%	76%	76%
Average mean score	2.0	2.1	2.3	2.6	2.6

[17] That is, with those respondents indicating non-additionality included in the base, but with any positive ratings given by them not taken into account.

[18] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

Around three quarters of Industry Forum participants feel that they have benefited from increased productivity and competitiveness, whilst EDP, CBP and MAS participants are much less likely to feel that they have benefited in this respect.

It is proposed that 'increased productivity and competitiveness' is taken as one of the balanced scorecard measures, with results reported net of non-additionality[19]. The two measures selected for the scorecard measures being:

> *The proportion of respondents giving a rating of '4' or '5' for any of the seven measures of 'productivity and competitiveness', net of non-additionality*
>
> *And, the average of the seven mean scores, net of non-additionality*

1.4.12 Benefits In Relation To Costs

Having assessed both the direct and indirect costs of participation, the support scheme participants interviewed were asked to consider the benefits of taking part in the scheme, however intangible, in relation to the costs.

Responses in terms of the benefits in relation to the costs were then combined with the direct and indirect costs to calculate '£ estimated benefit' at an individual respondent level. The table below shows the benefits in relation to the costs and the £ estimated benefit for each of the schemes covered by this wave of research, with those respondents indicating non-additionality removed.

Table 1.4.12 £ Estimated Benefits - Comparison Across Schemes[20]

	EDP	***CBP***	***MAS***	***SMMT***	***All Industry Forums***
Base: All respondents	*120*	*140*	*76*	*97*	*145*
Zero	13%	8%	4%	2%	1%
Less than the costs	8%	11%	8%	14%	11%
About equal to the costs	17%	26%	13%	13%	12%
Greater than the costs	58%	47%	70%	67%	71%
£ Estimated Benefit – Mean score, net of non additionality and based only on those respondents giving complete data	*£187,000*	*£30,100*	*£34,600*	*£131,000*	*£151,000*

[19] That is, with those respondents indicating non-additionality included in the base, but with any positive ratings given by them not taken into account.
[20] As an approximate 'rule of thumb', and based on a worst case scenario, differences of less than 15 percentage points across schemes should be treated with caution.

There is an enormous amount of variation in the assessments of '£ estimated benefit'. Thus, the mean score can vary quite considerable from the median value. It should also be noted when interpreting the £ Estimated Benefit that a significant proportion of the non-additional participants interviewed are not included in this analysis, either because they felt unable to put a monetary value on the costs of participation or felt unable to assess the benefits.

Given these results, it is felt that these estimates of '£ estimated benefit' may not necessarily be robust, and may well not adequately reflect the situation across the universe of support scheme participants. However, it is proposed at this stage that a measure of '£ estimated benefit' is taken as one of the balanced scorecard measures, with results reported <u>net of non-additionality</u>[21].

[21] That is, with those respondents indicating non-additionality included in the base, but with any positive ratings given by them not taken into account.

1.5 Methodological Recommendations

One of the specific aims of this research wave was to refine and test the survey methodology, and in particular the questionnaire and definitions for some of the key survey based measures. Whilst the survey approach was generally found to work well, we do have some recommended refinements both to the sampling approach and the questionnaire itself.

1.5.1 Sampling

Problems were encountered in sourcing representative and timely samples for the majority of the schemes covered by this wave of research.

In many cases we have been unable to determine, with any certainty, the size of the universe of participants. Further problems were encountered in terms of both defining and compiling sample frames. Obtaining contact names and telephone numbers was also problematic for some of the schemes.

We would strongly recommend that a single, central database of support scheme participants is developed. Not only will this then serve as a convenient sampling frame for future monitoring surveys, but will also provide valuable management information in its own right.

1.5.2 Questionnaire

Whilst the extensive qualitative and quantitative piloting phase meant that many of the potential problems with the questionnaire were rectified prior to the live fieldwork being conducted, a number of further refinements were identified at the analysis stage.

1.5.2.1 Additionality

Which of the following best describes your view on the contribution your participation in <scheme> has made to your firm?

> *We would have achieved similar results anyway*
> *We would have achieved similar results, but not as quickly*
> *We would have achieved some but not all of the results*
> *We definitely wouldn't have achieved similar results*

The EDP results particularly highlighted the fact that these four options are not exhaustive, with 11% of the EDP participants interviewed feeling that none of these four categories applied to them.

Whilst understanding of these options is the subject of some further qualitative work being conducted shortly, it is our recommendation at this stage that a fifth response option is provided, *'we probably wouldn't have achieved similar results'*, to be interpreted as an indicator of partial additionality.

The analysis phase highlighted a further potential problem with the current additionality question in that it may not have been clear to the respondent whether or not they should disregard the costs of participation when answering, or indeed whether they should take into account any subsidy they may have received. We would recommend that this is clarified within the question in future waves.

1.5.2.2 Proportion Of Turnover Accounted For By Top 4 Customers

Roughly what proportion of your firms sales – in terms of value rather than the number of transactions – would be accounted for by your top 4 customers?

And has the proportion of sales to your top 4 customers increased or decreased in any way since you first participated in <scheme>?

Increased
No change
Decreased

IF DECREASED
Would you say that this decrease is related in any way to your participation in <scheme>?

Contrary to expectations, across all of the schemes included in this wave of research, significant numbers of participants indicated that their reliance on their top 4 customers had actually increased since their involvement with the scheme.

Whilst the reasons for this are to be probed in the forthcoming qualitative work, we would recommend that, in future research waves, those indicating an increase in the proportion of their sales accounted for by their top 4 customers are asked to clarify whether they feel that this is related in any way to their participation in the scheme.

1.5.2.3 Benefits

In this survey wave, respondents were asked to quantify the benefits of participation in the scheme (by relating them to the direct and indirect costs of participation), but no reference was made to the time period over which these benefits would be felt.

Although this is to be an area of investigation in the forthcoming qualitative phase, at this stage we would recommend that consideration is given to including some form of clarification as to the time periods over which participants expect to feel benefits. For example, do they see the benefit as being a 'one-off', or do they expect further benefits next year? What, in their opinion, is the 'lifetime' of the benefits?

Whilst we feel that the quantification of benefits through relating them to the costs generally works well, it is not appropriate for participants assessing both the direct and indirect costs as zero. We would recommend that an alternative questioning approach is taken for this group in future survey waves.

1.5.2.4 Activities Taken Part In

Which of the following types of events and activities has you firm ever participated in or received as part of <scheme>?

Both at the piloting stage and during fieldwork it became clear that the various events and activities were not always easily recognisable by their 'names' in the eyes of the participants, which will have inevitably led to some degree of error in the information collected in this respect.

Whilst it should be possible to provide more detailed descriptions of each of the activities and events, we would invite consideration of whether this information could be included within the support scheme database recommend earlier in this report. In our opinion, this would provide the most accurate source of data, removing problems of 'event recognition'.

1.5.2.5 Additional Question Areas

The following have been suggested as additional question areas:

- Past usage of any sources of business support
- Impact of the scheme on profit per employee

2. Introduction

This report details the findings of the Department of Trade and Industry (DTI) Business Support Cross Product Monitoring Survey, a survey of various DTI Business Support Scheme users, including participants in:

- Electronics Design Program (EDP);
- Construction Best Practice (CBP);
- Manufacturing Advisory Service (MAS);
- Industry Forums including:
    - The Society of Motor Manufacturers and Traders Limited (SMMT);
    - Process Industry Centre For Manufacturing Excellence (PICME);
    - The Metals Industry Competitive Enterprise (MICE);
    - The UK Lean Aerospace Initiative.

The research was conducted by Synovate, during August and September 2003. This report follows an overview presentation of the survey findings in September 2003.

The DTI provides support to UK industry through a number of business support programmes. These programmes can differ greatly both in nature and intensity, but all have the common aims of:

- Improving competitiveness of UK industry;
- Improving productivity;
- Facilitating the take-up of commercial best practices.

Following the recent review of its business support activities, the DTI is currently implementing a major transformation programme in this policy area. The Department's numerous business support programmes are being closed, and replaced by a much smaller portfolio of programmes.

New appraisal mechanisms have been developed to ensure that each of the new programmes has a sound economic rationale and a clearly defined set of policy objectives linked to the high-level productivity objective in the DTI's Public Service Agreement. These include having mechanisms for both the evaluation and monitoring of the new schemes in place right from the outset.

To this end, the DTI wish to put in place a new monitoring system, to eventually cover each of the new support programmes. The results from these monitors will then be used to feed into:

- In-depth impact evaluations;
- Balanced scorecards;
- Business support policy development.

In order to measure the client experience and subsequent impact of the various support schemes the DTI commissioned Synovate to conduct a comprehensive piece of research, across the aforementioned business support schemes.

3. Research Objectives

DTI wish to use the results of the survey in conjunction with other sources of information, both to inform business support policy development and to inform the design of future waves of the business support monitoring survey. The survey results will also be used as one source of evidence for periodic in depth impact evaluations of business support programmes.

The specific research aims were:

- To provide baseline data across a number of measures, including:
  - Customer satisfaction;
  - User profiles;
  - Reasons for take-up;
  - Alternatives considered;
  - Information channels used.

- To provide data to feed into in-depth assessments of the impact and effectiveness of each scheme, taking account of additionality, substitution and displacement.

As well as these specific research objectives, a further aim was to refine and test the survey methodology, and in particular the questionnaire and definitions for some of the key survey based measures, which are to be standardised to the extent feasible for use in future monitoring surveys. Therefore, with a view to extending this approach to all of the new support programmes, this first survey wave carried the additional methodological aims of:

- Testing the survey methodology;
- Testing the questionnaire content and definitions;
- Providing evidence-based recommendations for future refinements.

4. Methodology

In order that results could be compared across the portfolio of support schemes, whilst remaining flexible enough to remain relevant within the context of each individual scheme, it was decided that the research should be undertaken by telephone using, as far as possible, a common questionnaire.

Whilst minor text substitution and question routing was developed to ensure that questions were relevant to the specific schemes being measured, the core of the questionnaire was kept consistent.

The questionnaire, which averaged 20 minutes, was fully piloted prior to the start of the main fieldwork both quantitatively and qualitatively. These pilots checked the flow, clarity, relevance and length of the questionnaire as well as the content. A copy of the final questionnaire is appended to this report.

Fieldwork was conducted during August and September 2003.

Where a named contact was provided in the sample database, respondents were sent a pre-contact letter prior to being telephoned to explain the purpose of the research and reassure them of its confidential nature.

The survey was introduced as a survey on behalf of the DTI, to evaluate the effectiveness to businesses of various activities and schemes supported by the DTI.

4.1 Electronics Design Programme

For participants of the Electronics Design Programme interviews were conducted amongst a sample of companies known to have participated in the program.

4.1.1 Sample

In order to interview a sample of businesses that had participated in EDP a full listing of companies was provided. The listing included company name but no contact details. To obtain contact details each of the eight EDP Support Centres were asked to provide the contact name and telephone number for the companies that had used their support centre. The result was a total of 636 contacts being provided[22].

A total of 120 interviews were completed representing an overall response rate of 31%.

[22] This is the total number of in-scope (i.e. with correct level of intervention and with the intervention taking place within required timescales) contacts provided with full contact details.

4.1.2 Survey Mechanics

The sample provided classified EDP participants according to the level of intervention they had received from their Support Centre. To ensure that only those having received a ‘significant’ intervention were interviewed, only those listed on the database as having completed a feasibility study were included in the research. Those completing their first feasibility study in the last 3 months were excluded from the sample.

The person with whom the interview was conducted varied from company to company. We asked to speak to the named contact in the first instance, but if they felt someone else in their company was better placed to talk about their company’s experience of EDP we accepted this referral.

4.2 Construction Best Practice

For participants in the Construction Best Practice scheme interviews were conducted with a sample of companies known to have participated in the program.

4.2.1 Sample

In order to interview a sample of businesses that had participated in CBP we were provided with two random selections from the CBP databases. The listings included a contact name and telephone number along with the type of support each company had received. In total 408 CBP contacts were provided[23].

A total of 140 interviews were completed representing an overall response rate of 53%.

4.2.2 Survey Mechanics

The sample provided included details of the types of interventions participants had received. To ensure that only those having received a ‘significant’ intervention were interviewed, only those listed on the database as having taken part in at least one of the following events were included in the sample:

- BP club members;
- CIEF events;
- CPN events;
- KPI workshops;
- Learning by doing;
- ‘Personal contact’.

[23] This is the total number of in-scope (i.e. with correct level of intervention and with the intervention taking place within required timescales) contacts provided with full contact details.

Interviews were conducted with those that had participated in the scheme between July 2001 and April 2003.

The person with whom the interview was conducted varied from company to company. We asked to speak to the named contact in the first instance, but if they felt someone else in their company was better placed to talk about their company's experience of CBP we accepted this referral.

4.3 Manufacturing Advisory Service

For the Manufacturing Advisory Service, interviews were conducted amongst a sample of companies known to have participated in the scheme.

4.3.1 Sample

In order to interview a sample of businesses that had participated in MAS a full listing of all 'level 4' MAS contacts was provided. The listing contained company name but no contact details. In order to obtain the contact details of the MAS participants the regional centres were asked to provide contact names and telephone numbers wherever possible. Telephone numbers for the remaining companies were obtained via yell.com. This resulted in 185 contacts being provided[24].

A total of 76 interviews were completed representing an overall response rate of 51%.

4.3.2 Survey Mechanics

Only respondents who had been deemed to have received a 'level 4' intervention, according to the MAS database, were interviewed.

Interviews were conducted with those that had participated in the scheme between September 2002 and March 2003.

The person with whom the interview was conducted varied from company to company. Where we had a named contact we asked to speak to the named contact in the first instance, but if they felt someone else in their company was better placed to talk about their company's experience of MAS we accepted this referral. In instances where just a company name and no named contact details were provided we asked to speak to 'the person responsible for business development' and then established the person best qualified to speak about the company's experience of the MAS scheme.

[24] This is the total number of in-scope (i.e. with correct level of intervention and with the intervention taking place within required timescales) contacts provided with full contact details.

4.3.3 Qualitative Follow-Up

In addition to the main quantitative research study, in-depth qualitative follow up research was conducted amongst MAS participants in order to gain some greater understanding of the issues emerging from the quantitative research. The findings from this qualitative research amongst MAS participants can be found in an Annex of this report.

4.4 SMMT Industry Forum

For the SMMT Industry Forum, interviews were conducted amongst a sample of companies known to have participated in the scheme.

4.4.1 Sample

In order to interview a sample of businesses that had participated in SMMT the full customer database was provided. The database included contact name and telephone number along with details of the type of support each company had received. In total 320 contacts were provided[25].

A total of 97 interviews were completed representing an overall response rate of 48%.

4.4.2 Survey Mechanics

The sample provided included details of the type of support participants had received. To ensure that only those having received a 'significant' intervention were interviewed, only those listed on the database as having taken part in at least one of the following events were included in the sample:

- o Master Classes;
- o Supply Chain Groups;
- o Real Time Workshops.

Those taking part in SMMT for the first time in the last 3 months were excluded from the sample.

The person with whom the interview was conducted varied from company to company. We asked to speak to the named contact in the first instance, but if they felt someone else in their company was better placed to talk about their company's experience of SMMT we accepted this referral.

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[25] This is the total number of in-scope (i.e. with correct level of intervention and with the intervention taking place within required timescales) contacts provided with full contact details.

4.5 Other Industry Forums

In addition to the SMMT Industry Forum, participants in PICME, MICE and the Aerospace Industry Forum were included in this wave of research.

4.5.1 Sample

Despite only very limited sample being available for this three adaptation programmes, the sampling approach and survey mechanics for each replicated, as far as possible, the approach detailed for SMMT. Full customer databases were provided for each of these schemes with named contact and telephone number. In total 405 contacts were provided (320 SMMT, 23 PICME, 27 MICE and 35 Aerospace)[26].

A total of 145 interviews were completed amongst Industry Forum participants (97 SMMT, 20 PICME, 15 MICE and 13 Aerospace) representing an overall response rate of 52%.

4.5.2 Survey Mechanics

All participants deemed to have received a ‘significant’ intervention were included in the sample and only those currently in progress, or having taken part in their Industry Forum for the first time in the last 3 months, were excluded from the sample.

The person with whom the interview was conducted varied from company to company. We asked to speak to the named contact in the first instance, but if they felt someone else in their company was better placed to talk about their company’s experience of the scheme we accepted this referral.

4.5.3 Ceramics Industry Forum

Due to very limited sample being available (only 12 in-scope contacts) for the Ceramics Industry Forum (CIF) it was not possible to conduct any robust quantitative research amongst CIF participants. Instead it was decided to conduct some more in-depth qualitative research amongst this group. The discussion guide followed a similar format and content to the main quantitative questionnaire but was able to allow for more in-depth discussion of emerging issues. The findings from this qualitative research amongst CIF participants can be found in an Annex of this report.

[26] This is the total number of in-scope (i.e. with correct level of intervention and with the intervention taking place within required timescales) contacts provided with full contact details.