

# 1 Executive Summary

## 1.1 Introduction

This report details the findings of the fifth wave of the Department of Trade and Industry (DTI) Business Support Cross Product Monitoring Survey, a survey of various DTI Business Support Product users.

The fifth wave focused on the following products:

- Knowledge Transfer Partnerships (KTP);
- Grant for Investigating an Innovative Idea (GIII);
- Grant for Research and Development (GRD);
- Support to Implement Best Business Practice (SIBBP);
- Small Firms Loan Guarantee (SFLG);
- Selective Finance for Investment in England (SFIE)

In order to measure the client experience and subsequent impact of the various products, the DTI commissioned Ipsos MORI to conduct a comprehensive piece of research across the business support products mentioned above. Each of the products has been monitored in one of the previous survey waves, either in its current form, or as previously delivered before the business support transformation, which took place in 2002.<sup>1</sup> So for the first time the DTI have the opportunity to observe trends in the performance of the 'maturing' products. Ipsos MORI conducted the research during September to December 2005.

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<sup>1</sup> In wave 2 beneficiaries of TCS (now KTP), GIII, Smart (now GRD) and the Small Firm Loan Guarantee Scheme (now SFLG) were interviewed. In wave 3 beneficiaries of Regional Selective Assistance (now SFIE) were interviewed and in wave 4 SIBBP.

## 1.2 Research Objectives

The key objective of this survey was to provide data for six of the DTI business support products, to populate their 'balanced scorecards' and to feed into future full impact evaluations.

In particular the survey seeks to provide:

- Evidence about the expected impact and effectiveness of the products;
- Measures of satisfaction with customer delivery;
- Business participant profile data;
- Evidence about the business context and goals which prompted the users to take up the support;
- Information about alternative support sources, information sources and marketing channels used.

In addition to these results-based aims, this survey also carries important methodological aims, as follows:

- To implement refinements to the approach suggested by the results of the first four surveys (including adaptations to the questionnaire) - whilst maintaining consistency and comparability with previous surveys where appropriate;
- To provide suggestions for further refinements to future waves.

### **1.3 Methodological overview**

In order that the Cross Product Monitoring Surveys provide consistent and comparable data across programmes and over time, the same methodological approach adopted in previous surveys was used for this survey – namely telephone interviews conducted using CATI (Computer Assisted Telephone Interviewing).

The six products covered in wave 5 were previously surveyed in separate waves, and so a single questionnaire was produced from the three existing ones, which took into account feedback from meetings with the product managers and other DTI officials.

Once drafted, the questionnaire was road-tested with a small sample of beneficiaries (six in total) across four of the different products (GRD, SFIE, KTP and GIII). A copy of the final questionnaire is included in Appendix A of the main report.

The main fieldwork period began on 29 September 2005 and continued until the 2 December 2005. In total 1,774 interviews were completed across the fieldwork period.

## 1.4 Sampling strategy and response rates

The survey was completed using a random sample in order to maximise the robustness of the data collected. Table 1.4.1 provides a breakdown of the usable sample loaded including the response and refusal rates.

Table 1.4.1 Beneficiary response rates – successful applicants

	<b>KTPs</b>	<b>Glls</b>	<b>GRDs</b>	<b>SIBBP</b>	<b>SFLG</b>	<b>SFIEs</b>
Usable sample loaded	524	522	647	622	221	307
Interviews achieved	362	359	471	277	142	140
Response rate (based on usable sample)	<b>69%</b>	<b>69%</b>	<b>73%</b>	<b>45%</b>	<b>64%</b>	<b>46%</b>
- Completed interviews with successful applicants	350	348	419	277	142	134
- Completed interviews with unsuccessful applicants	12	11	52	0	0	6
Refusals	140	109	122	278	51	72
Refusal rate	<b>27%</b>	<b>21%</b>	<b>19%</b>	<b>45%</b>	<b>23%</b>	<b>23%</b>
Others (hard / soft appointment; number busy; no answer)	22 (4%)	53 (10%)	54 (8%)	67 (11%)	28 (13%)	95 (31%)

The table shows a number of interviews were completed with unsuccessful applicants for KTP, Gll, GRD and SFIE. The reason for this is that some respondents, where a decision was pending when the contact list was compiled, had subsequently been rejected at the time of interviewing. The DTI wanted to collect feedback from unsuccessful applicants to see how they rated their overall experience.

In order to collect a sufficient sample size of unsuccessful applicants for analysis, the decision was made to supplement the interviews collected from the original sample files, with sample drawn from the unsuccessful applicants included on the contact lists. The purpose was to achieve a sample size to provide strong indications of their general attitudes as opposed to robust data.

Table 1.4.2 (overleaf) shows the number of interviews completed with unsuccessful applicants from the original sample files, and the amount of sample drawn to supplement these from applicants identified as unsuccessful on the contact lists.

Table 1.4.2 Interviews with unsuccessful applicants

	<b>KTPs</b>	<b>Gllls</b>	<b>GRDs</b>	<b>SFIes</b>
Interviews collected with unsuccessful applicants from original sample files	12	11	52	6
Additional usable sample loaded for unsuccessful applicants	14	31	0	42
Interviews achieved	1	10	0	12
Total number of interviews achieved with unsuccessful applicants	13	21	52	18

## 1.5 Analysis

The survey findings included in this report have been analysed by product. Following discussions with the DTI it was decided to present the two population groups of SIBBP separately in the charts and tables – those who had undertaken the Business Performance Diagnostic and those who went onto consultancy project funded through the SIBBP grant.

Analysis of the data for successful and unsuccessful applicants is presented separately in the report. Due to the low base size for unsuccessful applicants, percentages are not given but the number of respondents selecting each option.

Comparisons with the results of previous surveys are also shown where they have been published. However, in making comparisons the differences in the bases the responses are based on should be taken into account. These occur for two reasons:

- The routing of the questionnaire – a number of edits was made to the questionnaire following the pilot to reduce the questionnaire length (see section 3.1);
- Changes in how questions were analysed – in previous survey periods those projects that had been abandoned were excluded from the customer satisfaction ratings for successful applicants, however, they have been included in the analysis of successful applicants in wave 5.

Where differences are highlighted, between the breaks or the survey periods, they are significant at the 95% confidence level unless stated otherwise. Differences are significant when they represent a true relationship in the population, rather than a chance finding that has resulted from drawing a sample of the population.

## **1.6 Summary measures - results**

The findings in this executive summary detail the results for a number of summary measures.

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 products and about the business context in which they were used. The main topics addressed by the survey were:

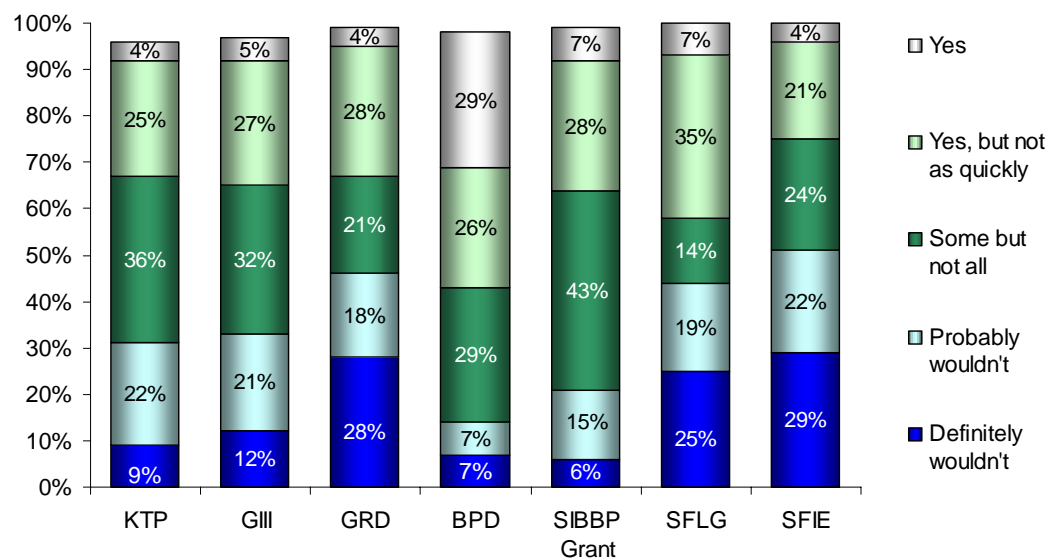
- Participation in the product
- Profile of participants
- Business context 1: Goals and motivations for participation
- Business context 2: Alternatives available to business participants
- Additionality
- Quality and satisfaction ratings
- Impact and effectiveness
- Marketing information channels
- Unsuccessful applicants
- Scorecard measures

## 1.6.1 Additionality

As in previous waves of this survey, a generic measure of additionality has been used as the key indicator of additionality levels, and for the purposes of identifying non-additional interventions for use in the assessment of the impact, outcomes and benefits of the programmes to participants.

Fig 1.6.1.1 shows that for the vast majority of beneficiaries, the products offered them something additional, with less than 10% stating they would have achieved the same results had they not participated. The exception is BPD where 29% claimed they would have achieved the same results.

**Fig 1.6.1.1 Additionality (D5/D5\_1)**



Base: All respondents in progress or complete (wave 5) - KTP (321); GIII (329); GRD (399); BPD (136); SIBBP Grant (141) SFLG (141); SFIE (128).

The scorecard measure for additionality is the proportion of respondents who have rated the interventional as fully additional (those who would definitely or probably wouldn't have achieved the same results) or partially additional (those who would have achieved some but not all of the results and those that would have achieved the same results, but not as quickly). The only change in this measure compared with previous waves was for GIII participants where there was a significant fall (from 63% to 34%).

## 1.6.2 Overall satisfaction

Fig 1.6.2.1 shows participants' overall satisfaction with their total experience of each product and compares this with the results from previous waves. The chart shows the proportion of respondents who stated they were either very or fairly satisfied.

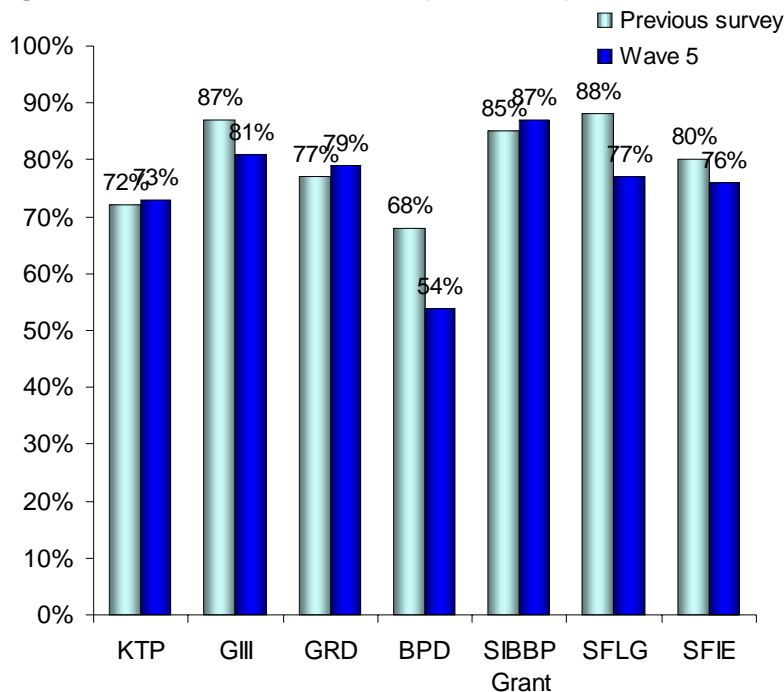
Overall satisfaction with the majority of products was relatively high, with approximately three out of four respondents expressing satisfaction. There is however, a marked difference between the two SIBBP products with 87% of those who had gone on to the grant satisfied compared to 54% who had undertaken the diagnostic only.

It might be expected that SIBBP Grant recipients were more satisfied overall than those who had undertaken the BPD only as they received greater tangible benefits in terms of the financial assistance.

SFLG and BPD respondents were less likely to be satisfied with their overall experience of the product in wave 5 than in the previous survey. There was a directional decrease in satisfaction for GIII from 87% to 81%, although this was not significant.

Overall satisfaction for SIBBP beneficiaries was consistent between waves 4 (73%) and 5 (70%).

**Fig 1.6.2.1 Overall satisfaction (B2a - B10)**



Base: Previous survey & wave 5 – All respondents  
 KTP (146, 350), GIII (52, 348), GRD (164, 419), BPD (214, 136), SIBBP Grant (93, 141), SFLG (200, 142), SFIE (250, 128)

Where relevant, unsuccessful applicants were also asked about their overall satisfaction with the product. As might be expected, the majority of unsuccessful applicants to KTP, GRD and SFIE were dissatisfied with their overall experience. GIII applicants seem to be relatively less dissatisfied than the other products although this is not subject to significance testing.

### 1.6.3 Impact and effectiveness

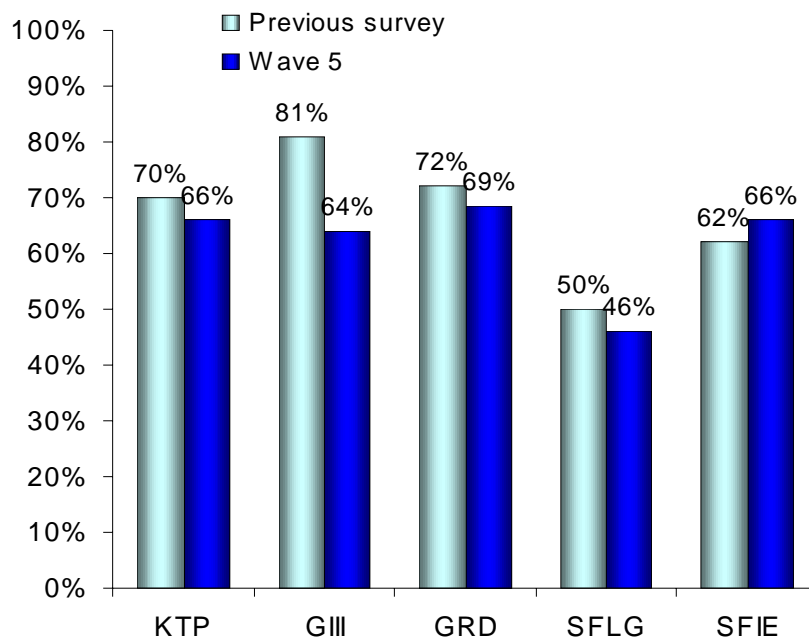
#### 1.6.3.1 Increased innovation activity

Fig 1.6.3.1.1 shows the proportion of beneficiaries that have benefited, or expect to benefit, to a high extent from increased innovation activity. The individual benefits included within this analysis are introduction of new or significantly improved products or processes; introduction of new or significantly improved management practices; and improved management of innovation processes.

Comparisons with the results of previous surveys are shown for KTP, GIII, GRD, SFLG and SFIE. This outcome was not included as a measure for SIBBP in wave 4.

The results were largely consistent with the exception of GIII where respondents were less likely in wave 5 than wave 2 to have or expect to benefit from increased innovation activity (64% vs. 81%)

**Fig 1.6.3.1.1 Increased innovation activity (D3\_2 / D3\_3 / D3\_10 - A04)**



Base: Previous survey & wave 5 - All respondents excluding abandoned or unsuccessful  
 KTP (146, 321); GIII (52, 329); GRD (164, 399); SFLG (200, 142); SFIE (250, 96)

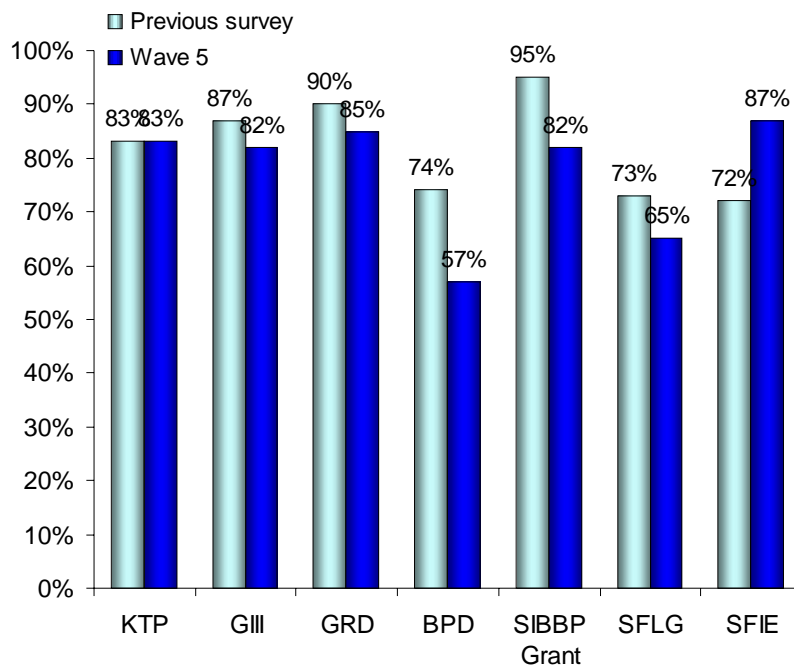
#### 1.6.3.2 Businesses improving productivity and competitiveness

Fig 1.6.3.2.1 shows comparisons with the results of previous waves in the proportion of beneficiaries who recorded improved productivity and competitiveness. The individual benefits included within this analysis are improved exchange of information with key customers or suppliers; introduction of new or significantly improved products or processes; introduction of new or significantly improved management processes; improved staff knowledge or skills; improved ability to identify and access external expertise; improved management of innovation process; improved technical understanding or capability; reduced costs; improvement in sales; and increased efficiency.

The benefits included for BPD, SIBBP Grant and SFIE differ in order to match how this measure was calculated in waves 4 and 3 respectively. For BPD and SIBBP Grant introduction of new or significantly improved products or processes was excluded while improved marketing strategy was included. For SFIE the following benefits were excluded: improved exchange of information with key customers or suppliers; improved ability to identify and access external expertise; improved management of innovation process; and improved technical understanding or capability.

The score for businesses improving productivity and competitiveness was lower for BPD and SIBBP Grant beneficiaries in wave 5 compared to wave 4 (57% vs. 74% - BPD; and 82% vs. 95% for SIBBP Grant). This resulted in a decrease for all SIBBP beneficiaries from 80% in wave 4 to 70% in wave 5, while it was higher for SFIE in wave 5 than wave 3 (87% vs. 72%) The remaining products did not experience any significant differences when compared to the previous survey period.

**Fig 1.6.3.2.1 Businesses improving productivity and competitiveness (D3\_2 / D3\_3 / D3\_10 / D3\_4 / D3\_9 / D3\_11 / D3a\_1 / D3a\_2 / D3a\_3 - A06)**



Base: Previous survey & wave 5 - All respondents excluding abandoned or unsuccessful  
 KTP (146, 321); GIII (52, 329); GRD (164, 399); BPD ( 214, 136); SIBBP Grant (93, 141); SFLG (200, 142); SFIE (250, 96)

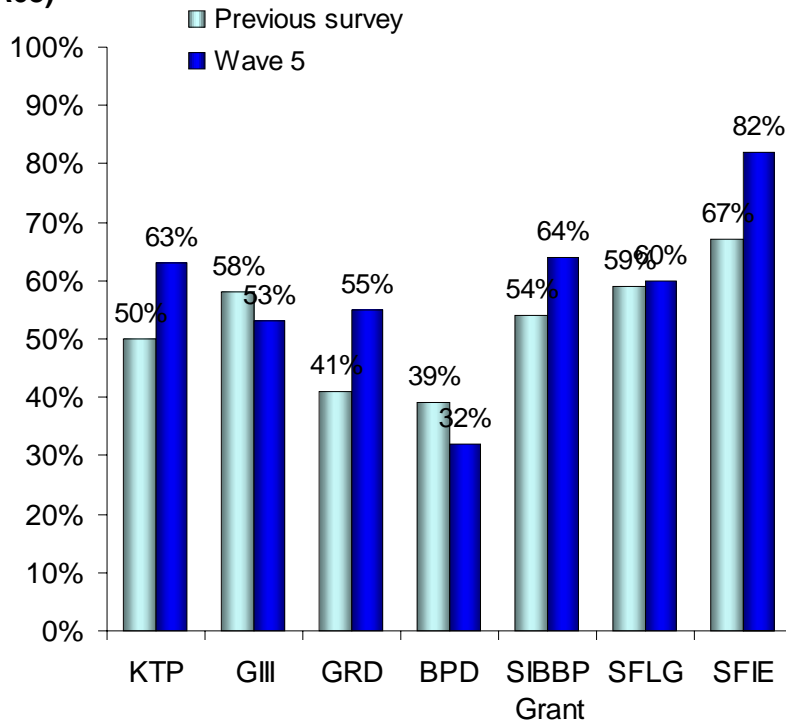
### 1.6.3.3 Improved business performance

For the purposes of this report a number of the individual benefits are taken together as an overall measure of improved business performance. The individual benefits included within this analysis are reduced costs; improvement in sales; and increased efficiency.

Fig 1.6.3.3.1 shows the proportion of beneficiaries that have benefited, or expect to benefit, to a high extent from improved business performance.

KTP, GRD and SFIE respondents were all more likely in wave 5 than wave 2 to experience improved business performance. BPD beneficiaries experienced a directional decrease wave on wave while SIBBP Grant recipients experienced a directional increase, which meant that SIBBP beneficiaries overall was fairly consistent (44% wave 4; 48% wave 5).

**Fig 1.6.3.3.1 Improved business performance (D3a\_1 / D3a\_2 / D3a\_3 - A68)**



Base: Previous survey & wave 5 - All respondents excluding abandoned or unsuccessful  
 KTP (146, 321); GIII (52, 329); GRD (164, 399); BPD ( 214, 136); SIBBP Grant (93, 141); SFLG (200, 142); SFIE (250, 96)

## 1.6.4 Estimated benefit of participation

Table 1.6.4.1 shows the mean and median value of estimated benefits to beneficiaries of participating in the products. It has been calculated net of non-additionality (that is with non-additional interventions classified as £0) and halved for those respondents who experienced partial additionality.

Data is included for wave 5 and the previous wave on which the product was last surveyed. Comparisons with previous surveys are not shown for SFIE as the calculation does not seem to be comparable to that used at wave 3.

The mean benefit was highest for GRD beneficiaries at £1.34 million, followed by SFIE beneficiaries at £0.79 million. With the exception of SFLG, the mean values were all higher than the previous survey wave. Equivalent data was not published for BPD and SIBBP Grant in wave 4, but the mean for all SIBBP beneficiaries was £81,000 in wave 4 and £29,000 in wave 5.

There was a large discrepancy between the mean and median values for each of the products, with the possible exception of SIBBP Grant. This is due to the presence of some high outliers.

**Table 1.6.4.1 Estimated benefit - net of non-additionality and halved if only partially additional (E5a-c / E6 / E7a-h)**

Mean £000s

	KTP	GIII	GRD	BPD	SIBBP Grant	SFLG	SFIE
Wave 5	504	435	1,388	21	36	332	791
Previous survey	443	209	626	N/a	N/a	512	*

Median £000s

	KTP	GIII	GRD	BPD	SIBBP Grant	SFLG	SFIE
Wave 5	75	4	62	1	14	41	128
Previous survey	38	43	40	N/a	N/a	75	*

Base: Wave 2 - All successful applicants KTP (88); GIII (34); GRD (86); SFLG (146)  
 Wave 4 - All respondents BPD (214); SIBBP Grant (93)  
 Wave 5 - All respondents who provided full responses across questions E5 / E6 – KTP (160); GIII (143); GRD (183); BPD (57); SIBBP Grant (64); SFLG (75); SFIE (75)  
 \* The estimated benefit for SFIE from wave 3 has not been included in this report as it was calculated in such a way to make any comparison meaningless

## **1.7 Methodological Recommendations**

### **1.7.1 Warm-up letter**

A warm-up letter or email was sent to all potential contacts ahead of fieldwork being completed in order to try and maximise response rates. The letter included a warning that financial questions would be asked relating to company turnover and the costs and benefits of their participation in the product.

Ipsos MORI would advise that 'warm-up' letters continue to be used prior to fieldwork beginning but that they are re-worded so it is made clear that the financial information is just one element of the survey and that if respondents are unable to estimate – either because they do not have access to the data or it is simply too early to tell – then there are other elements of the survey such as the application process and their motivations for taking part that the DTI would like to receive feedback on.

### **1.7.2 Validation of financial data**

A number of case studies were completed with beneficiaries who recorded high financial outliers in terms of the estimated benefit of product participation (see Appendix C.1). These outliers can have a considerable impact on the means for each of the products; therefore it is essential to ensure that the financial data is recorded accurately. Ipsos MORI re-contacted 17 beneficiaries with high financial outliers and in three cases their set of responses to the benefits questions needed to be amended.

It is recommended in future waves that at the end of the benefits questions the interviewer reads out a summary of their responses to the respondent to verify they have recorded their data accurately.

### **1.7.3 Questionnaire length**

Following the first day of pilot interviews it was apparent that the average interview length would be in excess of 30 minutes. A number of cuts and edits were made to the script to reduce the interview length. The average interview length was still in excess of 20 minutes and Ipsos MORI would recommend that the questionnaire be reviewed thoroughly before use in future waves.

### **1.7.4 Re-contact question and linking data**

At the outset of the project the DTI requested that Ipsos MORI explore the possibility of linking data from respondents who participated in wave 5 and previous waves. Unfortunately this was not possible, due to the phrasing of previous re-contact questions. However, in wave 5 questions were added that asked firstly if the respondent was willing to be re-contacted to take part in similar surveys conducted on behalf of the DTI, and secondly if they would be willing for their data to be sent by Ipsos MORI to another research company. In order to allow the DTI to link data and monitor changing trends in attitudes it is recommended that these questions remain the same.

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