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**Growth Vouchers Programme:  
Phase One Qualitative  
Assessment Report**

JANUARY 2015

RESEARCH

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# Glossary

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

Term	Definition
	<ul style="list-style-type: none"> <li>• South London and the South East: Enterprise First (as part of Cavendish Consortium)</li> <li>• West Midlands: Coventry and West Midlands Chambers of Commerce LLP</li> <li>• Online route: BE Group</li> </ul> <p>Their role is to recruit businesses to the Programme through marketing activities, check eligibility, carry out diagnostic assessments with businesses and assess claims for funding. While their contractual remit sits within the above locational boundaries, Delivery Partners also carry out assessments with businesses from regions not covered by the trial.</p>
<b>Enterprise Nation</b>	Enterprise Nation designed, and manages the Online Marketplace. They are an organisation geared towards supporting businesses with publications, events and through developing business communities.
<b>Growth Accelerator Programme</b>	Another Government funded business support Programme that is separate and distinct from the Growth Vouchers Programme.
<b>Growth hubs</b>	A single place for businesses to go for local advice and support.
<b>Growth Vouchers Programme</b>	The Growth Vouchers Programme was launched in January 2014 and ends in March 2015. It is intended to provide subsidised strategic business advice to around 20,000 small businesses through randomly allocated vouchers. Each voucher is worth up to £2,000. It can be used to cover half the cost of advice in one of five advice themes.
<b>Logic model</b>	Logic models are used as a visual tool to help evaluate the effectiveness of programmes. A logic model has been used to set out the goals of the Growth Vouchers Programme, and the intended pathway to these goals.
<b>Online Marketplace</b>	The Online Marketplace, managed by Enterprise Nation, contains over 2,750 accredited Advice Suppliers across the five advice themes. Businesses can search this online list of Advice Suppliers, based on their experience, qualifications and membership of a professional body. 8,500 suppliers who are not Growth Vouchers accredited are also listed. The Marketplace can be accessed here <a href="https://Marketplace.enterprisenation.com/">https://Marketplace.enterprisenation.com/</a>
<b>Small business</b>	A small business is an enterprise employing between 0 and 49 employees.
<b>Randomised Controlled Trial (RCT)</b>	Randomised Controlled Trials are a research method used to establish impact. They involve a control group who does not receive an intervention / treatment and effects are compared with those who do. Participants are randomly allocated to either group.

# Executive Summary

## The Growth Vouchers Programme

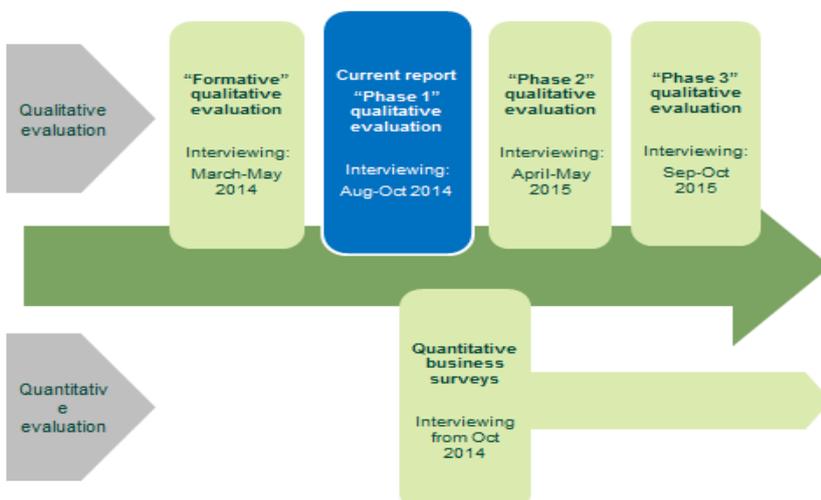
The Growth Vouchers Programme (GVP) was launched on 27 January 2014 and is scheduled to close on 31 March 2015. It is primarily a research programme that also aims to offer business support to thousands of businesses and will answer the overall policy question: do businesses that use external advice perform better than those that do not? More specifically, the programme aims to test the following questions:

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

GVP offers an advice needs assessment to every business that applies for a Growth Voucher. The assessment's aim is to help businesses systematically think about their current business practices, growth strategy and the type of business advice that can benefit them. Majority of businesses then receive a voucher to buy subsidised advice in one of the five areas: finance, marketing, leadership and management, IT, and recruiting and managing businesses. Each voucher contributes a maximum of £2,000 towards the purchase of advice from the Online Marketplace that was set-up to help businesses with finding an advice supplier.

## Programme evaluation

**As the figure below shows the initial “formative” evaluation was carried out during March-May 2014 to assess how the Programme was working during its first months of implementation, and to highlight any implementation issues that needed addressing.** This report covers the first wave of the “main” evaluation of the GVP that evaluates how well it is working, highlights factors that prevent the take-up of business support, and explores any early impacts of participating in the Programme.



Future reports will continue to explore how the Programme addresses market failures, and focus on the longer term Programme impacts. It may be useful for the readers to keep in mind that these findings in this report are based on interviews with a small proportion of businesses and findings are not

The use of qualitative research allows in-depth consideration of respondent's personal circumstances and so is the best way to explore the kinds of complex challenges, barriers, and concerns that are affecting the managers of the England's smallest businesses. It should be noted that selective nature of the programme and the smaller numbers involved in this sort of qualitative research mean that the results cannot be taken as being representative of businesses in general; the quantitative elements of the research (not covered in this report) will provide a more detailed and representative estimate of programme impact.

This report draws on evidence gathered in 182 in-depth interviews with participating businesses, Delivery Partner (DP) staff and Advice Suppliers (AS).

### Accessing the programme

The Programme has been successful at reaching the businesses it was designed to help: those with at least moderate growth ambitions and that have not used strategic advice in the past. As we found at the formative stage, the majority of businesses accessing the Programme do have ambitions for growth. However, some businesses fall outside of the primary target for the programme, with around one in three businesses having used strategic advice in the past.

Delivery Partners have been intensifying their marketing campaigns by developing a range of ways to promote the Programme and by refining the key messages conveyed in their marketing materials. This is having a positive impact – businesses interviewed for this report were most likely to say they heard about the Programme through direct contact with Delivery Partners and Advice Suppliers. In the formative interviews (carried out around 6 months previously in March and May 2014) it was less common for businesses to say they had heard of the Programme through these channel.

### The diagnostic assessments and voucher allocation

In the main, businesses are happy with the design and implementation of the Programme. As we found at the formative stage, the business advice assessment (or diagnostic) routes are working well; the online route is considered quick and simple, while the personal route adds value because businesses appreciate the opportunity to discuss their long-term aims with an engaged and knowledgeable advisor who nevertheless sits 'outside' the business. Within the personal route, Delivery Partners prefer face-to-face diagnostics as they provide extra insight through non-verbal cues. There have been improvements to the personal diagnostic since the formative evaluation: personal diagnostics tend to be longer; businesses and Delivery Partners report that businesses' views are challenged to a greater extent during diagnostics; and diagnostics cover more advice about choosing and managing an Advice Supplier.

### Using the voucher

Six in ten businesses have either made an appointment with an Advice Supplier from the Marketplace or intend to do so – similar to the findings at the formative stage in March and May (five in ten). Just under three in ten businesses do not intend to use the voucher, again this is similar to what businesses reported at the formative stage. The leading reason businesses give for not using the voucher is lack of cash available for adding their 50% share in buying advice. More recent applicants to the programme are less likely to have cited problems with the Online Marketplace. Although the Online Marketplace is functioning well, businesses and Delivery Partners suggested improvements in the range of suppliers available, especially to address lower adviser availability in some locations.

Twelve businesses had made an appointment with an advice supplier. Several of these said they already knew they needed advice, and had been researching advice that might be available. Some of these businesses were willing to pay for advice, others reported not using advice unless it was free of cost. Those that were willing to pay in full may not have used advice because of doubts about the benefits of advice, reliability of suppliers and advice being low priority activity. For many, the Programme offered the necessary push to action, and for some vital funds.

### **Programme performance and operational experiences**

Delivery Partners continue to enjoy collaborative and supportive working relationships with BIS and with each other. They would however value more timely communication about central government marketing activities, such as mass mail outs, which impact on service delivery. Experiences of getting help using the Online Marketplace from Enterprise Nation appear to be smoother than in the earlier stages of the Programme, however Enterprise Nation can still be slow to respond to technical queries.

### **Advice received and Impact of the Growth Voucher Programme so far**

Findings in this section are based on the 45 businesses that were followed-up in this evaluation, having first been interviewed during the formative evaluation. The aim was to explore what advice they had received since the formative evaluation, what action had been taken as a result, and what had been the overall impact of their participation in the Programme.

Since the formative evaluation, more of these businesses visited an advisor (3 at the formative stage and 14 at phase 1). Businesses had received different types of advice, from mentoring and coaching to training and information sessions, through both telephone and face-to-face approaches. While businesses did receive advice related to their chosen theme, both businesses and Advice Suppliers mentioned that more 'general' business advice could be given alongside it, and that it was common for advice to be given across two or three different themes.

Around half of businesses followed-up at the Phase 1 stage attributed positive changes, such as changes in management practices and business planning, within their business at least partly to their participation in the Programme. As expected, these tended to be 'softer changes', with harder metrics (such as increased turnover or number of employees) being more difficult to attribute to the Programme at this stage.

## Conclusions

The Growth Vouchers Programme is meeting its overall objective of delivering a business support intervention with built in RCT and research elements. The design and delivery of the programme is also working well. The programme is communicating effectively to reach its target audience and overcome potential issues associated with the random allocation of vouchers. There have been no significant issues with the logistical elements of the programme, such as arranging and implementing the diagnostics delivered both online and face-to-face and the back office system which underpin the programme has worked well.

A key challenge for the programme remains the use of the vouchers themselves. This is of central importance for maximising the impact of the programme and measuring benefits of advice impact. The Department has taken steps to increase the number of businesses engaging in the programme, including a national marketing campaign, with some success. The focus is now on maximising the proportion of these businesses which redeem their vouchers. Suggestions for improvement in this respect include increasing the number and variety of Advice Suppliers on the Marketplace, greater guidance for businesses on choosing a supplier, and enabling businesses to pay for advice in instalments.

There are early positive signs that the Programme is delivering real benefits to businesses; around half of businesses followed up for this evaluation attribute positive change within their business at least partly to their involvement with the Programme.

# Introduction

## Background, aims and objectives

The Growth Vouchers Programme was launched on 27<sup>th</sup> January 2014 and is scheduled to end on 31<sup>st</sup> March 2015. It is primarily a research programme to answer the overall policy question: do businesses that use external advice perform better than those that do not?

### The Programme in brief

The Programme aims to attract 20,000 businesses to undertake a 'diagnostic' – a Business Advice Assessment that helps businesses to decide which one of five advice 'themes' will best suit their growth needs. The themes are: finance and cash flow; recruiting and developing staff; improving leadership and management skills; marketing, attracting and keeping customers; and making the most of digital technology.

Three-quarters of businesses will then be given a voucher of up to £2,000 to cover half the costs of strategic business advice in their chosen theme, provided by suppliers from the Online Marketplace.

### The Randomised Controlled Trial

This research element of the Growth Vouchers Programme involves a Randomised Controlled Trial (RCT), in which businesses are randomly allocated to different 'conditions' and then followed over five years to establish which conditions create the greatest growth impact for businesses.

For example, businesses will be randomly allocated to either receive an online diagnostic that they carry out themselves, or a 'personal' one that is carried out one-to-one with an expert advisor. The different randomised conditions are described in detail in the next chapter.

The RCT aims to answer the following more specific questions:

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

### Eligibility criteria

To be eligible for the Programme's main RCT, a business must have been trading for at least one year; have fewer than 50 employees; be registered in England; have a turnover or balance sheet of at most Euro10 million; have not paid for strategic business advice in

the last three years and not have exceeded the limit for state aid of €200,000 over the previous three financial years.

In August 2014, the eligibility criteria changed such that businesses trading for less than one year become eligible. In addition, at the same time, business of up to 250 employees became eligible to apply for the Programme. However, these businesses are not part of the research element of the Programme, and are not interviewed for this evaluation.

## The current report

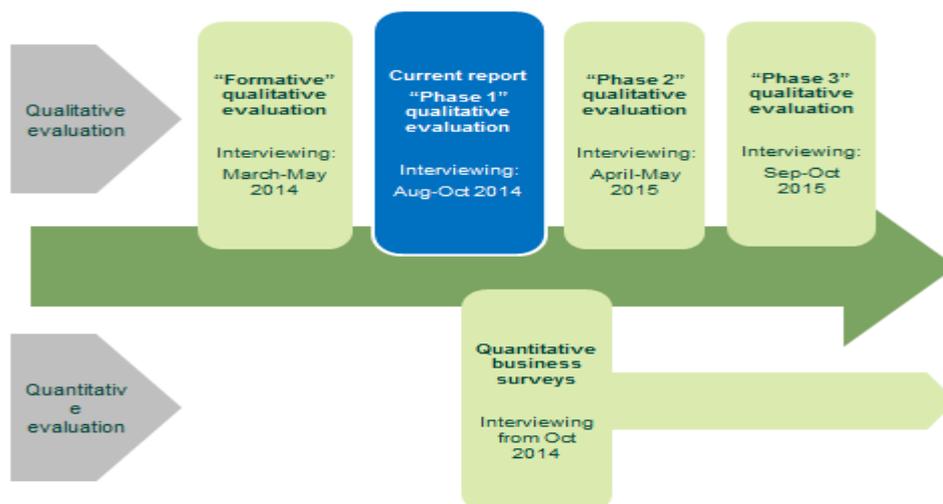
This report presents findings from the Phase 1 qualitative evaluation; this first ‘main’ evaluation of the Growth Voucher Programme aims to understand how well it is working, highlights the market failures preventing the take-up of business support, and explores any early impacts of the Programme amongst the businesses taking part. This report is intended for policy makers and researchers to inform the design and implantation of future business support programmes.

Fieldwork was conducted during August and October 2014.

A previous ‘formative’ evaluation was carried out during March-May 2014 to explore how the Programme was working during its early implementation stages, and to highlight any process issues that needed addressing. Future reports will continue to explore how the Programme addresses market failures, and focus on the longer term impacts the Programme on businesses.

Figure 1.1 below shows the position of the current evaluation and report in the context of the wider evaluation.

**Figure 1.1: Position of current report within wider evaluation**



The more detailed objectives of the three-phase qualitative evaluation are to:

- a. Monitor that the Growth Vouchers are delivered and the programme is implemented according to the Randomised Controlled Trial (RCT) protocol. This will also identify factors and areas of the programme implementation that are

working well and those that need to be improved.

- b. Document the customer journey from voucher applicants' point of view and assess how various elements of the customer journey are working in practice. Also, how any barriers could be removed (this is expected to cover the business recruitment process, interaction with Delivery Partners, Programme landing page, online application, online diagnostic, face to face diagnostic, and finding an Advice Supplier etc).
- c. Understand the way in which the success of the Programme is being achieved as well as establish the exact barriers to greater impact. For example, where the Programme does show a positive impact on businesses, it is important to know exactly which conditions created this impact. Equally, should the Programme not show an impact, we will need to understand whether this is because the *Programme* failed to deliver the right type of advice, or that the *advice* failed to have any impact.

## Research methodology

The core evaluation method for the Growth Voucher Programme is a Randomised Controlled Trial (RCT), in which businesses are allocated randomly to different 'conditions': such as having a business advice assessment online or in person, or receiving a voucher that can be redeemed for external advice, or not receiving one. The evaluation involves conducting interviews with businesses within each 'condition' over a period of around five years in order to explore what impact the Programme has had, and whether the impact has been different for businesses allocated to the different conditions.

The Phase 1 qualitative evaluation is based on in-depth qualitative interviews and was conducted in August – October 2014. Its three components include:

- Semi-structured interviews with 120 businesses, which were conducted either by face-to-face (12) or by telephone (108);
- In-depth interviews or observations with 34 Delivery Partner staff; and
- In-depth interviews with 25 Advice Suppliers.

More detail on each of these components is given below.

### Interviews with businesses

The 120 interviews with businesses were split between businesses interviewed for the first time in Phase 1 (75 businesses) and those who had already been interviewed during the formative phase in March-May (45 businesses).

In order to assess whether the presence or absence of a voucher – the monetary aspect of the support – has an impact in itself, around a quarter of the businesses interviewed at phase 1 had *not* been allocated a voucher. The exact split of this voucher allocation among interviewed businesses can be seen in Appendix 1.

## **New businesses**

In order to assess effectiveness of changes in programme implementation, we have interviewed 75 businesses that applied to the Growth Voucher Programme after May 2014. 75 interviews were conducted with businesses for the first time in the Growth Voucher Programme evaluation. They had all completed a Business Advice Assessment up to 3 months prior to the Phase 1 interview and were spread across each of the five advice themes.

Interviews were conducted with both those who had been allocated a voucher and those that had not. These businesses provide insight into how the Growth Voucher Programme process was working at the time of interview (August – October 2014) and whether any changes are necessary / possible that could remove barriers for businesses or create greater Programme impact. Following the formative evaluation, examples of changes made to the Programme as a result of feedback in interviews included: further development of the search function on the Online Marketplace, businesses only have to pay 50% of the cost of advice (rather than the full cost and then being reimbursed for 50%), and clearer information provided to businesses upfront on the various Programme conditions, for example that the allocation of vouchers is random.

Interviews first gathered basic details about the business such as their main activity, length of time trading, number of staff, etc (section A), and then went on to explore how the business heard about and became involved with the Programme (section B), their views of the online application process and the Business Advice Assessment they received (sections C and D), their understanding of the process of voucher allocation (section E), their experience of the Online Marketplace (section F), and businesses' overall views on the Programme (section G). The structure of the 'new business' interview can be seen in Appendix 2

## **Businesses followed up at Phase 1**

Because one of the objectives of the assessment is to understand what impact businesses have experienced, we interviewed 45 businesses that were first interviewed during the Formative Evaluation stage between March-May 2014, who had completed a Business Advice Assessment in January-February 2014. For these businesses, Phase 1 is a follow-up to establish the ongoing impact of the Programme.

Interviews first checked basic details about the business collected in the formative stage such as the business's main activity, length of time trading, number of staff, etc. (section A), and then went on to explore what the business had done, or not done, in relation to seeking business advice since they were last interviewed (section B), any changes that had occurred (section C) and the business's overall views on the Programme (section D). The structure of the 'followed up business' interview can be seen in Appendix 2.

Because one of the objectives of the assessment is to understand how the Programme is working, and how the greatest impact is achieved, it is important to speak to the organisations delivering the Programme – the **Delivery Partners** who carry out the Business Advice Assessments, and the **Advice Suppliers** who sell the business advice - in order to explore how any barriers to greater impact could be removed.

## Interviews with Delivery Partners

Interviews with Delivery Partners involved senior personnel, operational managers, advisers, administrators, marketing staff and customer service staff at the different organisations delivering the Programme. The topic guide used to steer interviews can be found in Appendix 2. Interviews first explored participants' professional background and key changes to delivery models (section A). This was followed by Delivery Partners' approaches to recruiting businesses to the Programme (section C), the application process (Section D), the delivery of business advice assessments (section E) and their views towards the online marketplace (Section F). Following this, interviews examined early impacts of the Programme (section G) and experiences of delivering the programme (Section H). Interviews concluded by asking Delivery Partners for overall views and experiences of Programme design and delivery. Researchers also observed business advice assessments, with consent from businesses and advisers, to contextualise interview data and understand how assessments were being conducted in practice.

## Interviews with Advice Suppliers

The Advice Suppliers that took part in the research were all registered as Growth Voucher Suppliers on the Online Marketplace. Five Suppliers per advice theme took part, and all 25 had provided advice to businesses with a Growth Voucher. Interviews with Suppliers were conducted using a topic guide, (see Appendix 2). In the interviews, Suppliers were first asked basic information about their organisation such as the kind of advice they provide, how long they have been trading, the number of staff they employ and the number of sites and branches (section A). They were then asked about barriers businesses face to using advice (Section B) and their understanding and views of the Growth Vouchers Programme policy aims and programme design (section C). Following this, interviews explored how Advice Suppliers had heard of the Programme, their experiences of registering with the Online Marketplace and how they were resourcing the Programme (section D). The next section of the topic guides explored experiences of engaging with businesses coming through the Programme (section E) and the nature of advice supplied to them (section F). Interviews then explored operational experiences of delivering the advice for the Growth Vouchers Programme including partnership working and communications (section G) and the final section of topic guides gathered Suppliers' overall views about the Programme (section F).

Further details about the research methodology and interview topic guides can be found in the Technical Appendix for this report in section 1 and 2.

## Research parameters

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

Interviews with Delivery Partners and Advice Suppliers used a face-to-face, in-depth interviewing approach where interviews are based around an open discussion of the respondents' experiences, allowing plenty of time for the interviewer to probe and gather further detail. The number and type of respondents were selected purposively to encompass the range and diversity of views and experiences rather than to be statistically representative, as is appropriate when carrying out longer, in-depth interviews such as this. This means the prevalence of particular views and experiences within all those who

completed the diagnostics cannot be estimated on the basis of these interviews, and the reporting of these findings deliberately avoids giving numerical values.

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

## Structure of the report

Integrated findings from the three elements of the evaluation are presented in the following chapters. **Chapter 2: Programme aims and design** gives more detail on the policy context of the Programme, and describes how the Programme has been designed in order to achieve its overall aims. **Chapter 3: Assessing the Programme** explores whether the Programme is reaching the intended types of businesses, the extent to which an increase in marketing is driving businesses to apply, and whether the information available to businesses is effectively communicating the purpose of the Programme. **Chapter 4: The Business Advice Assessments and Voucher Allocation** looks at how the Business Advice Assessments (carried out by Delivery Partners) are working in practice, and considers the kinds of market failures that are preventing businesses getting external advice. **Chapter 5: Using the Voucher** focuses on the extent to which vouchers are being converted into advice, businesses' experience of using the Online Marketplace, and what market failures may be preventing businesses taking the step of choosing an advisor. **Chapter 6: Programme Performance and Operational Experiences** explores the Programme from the perspective of Delivery Partners and Advice Suppliers, in terms of what is working well, and what challenges are being faced. **Chapter 7: Advice received and impact of the Growth Voucher Programme so far** follows the businesses that were first interviewed at the Formative Stage of the research, between March and May in 2014, and then interviewed again for the Phase 1 evaluation between August and September. The chapter particularly focuses on the businesses that bought advice, what advice they received, and what impact it has had on their business.

# Programme aims and design

## Chapter summary

- Small and medium sized enterprises (SMEs) account for the vast majority of all private sector businesses and close to half of all private sector turnover, and therefore these businesses have a key role to play in bringing about economic recovery through job creation and innovation.
- However, many small businesses face challenges and constraints to growth. The role of business advice and support is to address these constraints and therefore help businesses to grow. However, long-standing market failures in the business advice market for micro and small businesses mean that the needs of these businesses have gone largely unmet, meaning the aforementioned constraints to business growth often remain strong.
- These failures in the business advice market include: lack of awareness that advice is available, where to look for it, lack of ability of businesses owners to accurately diagnose their own business needs, low tendency of business owners to 'step back' from the challenging day to day running of the business and think about their business more strategically.
- Even when advice is provided, take-up often remains low due to market failures such as a lack of confidence in the advice itself to provide good value for money, lack of understanding of the value of advice, and a related lack of confidence (and perceived lack of time) to choose the most suitable provider.
- To address these market failures, BIS has put forward several initiatives including the £30 million Growth Vouchers Programme. The Growth Voucher Programme is designed to provide businesses with a Business Advice Assessment to determine what advice is most needed by the business, as well as a 'voucher' for subsidised business advice. This chapter explains the design of the Programme in detail.
- Alongside the Programme, BIS is conducting a ground-breaking evaluation of the Programme using a Randomised Control Trial (RCT) approach, in order to answer the overall policy question: "do businesses that use external advice perform better than those that do not?"
- The Programme and RCT has been designed specifically in order to address specific market failures and unknowns in the area of small business support.

## Policy context

Developing policies on business support – essentially deciding what support should be provided, by what means, to what businesses, under what circumstances, is incredibly challenging; of the hundreds of business support schemes currently running in the UK, few are systematically analysed to determine what actually works for small businesses.

Evaluating schemes in a robust way in order to determine what works for businesses is difficult; businesses are not entities that can be observed under laboratory conditions. The factors that affect their success or failure can be multiple and complex, and difficult to tease apart. Related to this is the fact that businesses are run by people, and people's decision making and behaviour can be driven by a myriad of factors unrelated to business support, or a lack of it. It is therefore difficult to establish whether the advice itself helps these businesses to grow, or whether they would have grown in any case for other reasons such as the owner's mind set.

Businesses can also take years to display the effects of interventions, making it more difficult to attribute causation.

Additionally, take-up of external business support is low amongst small businesses, another key challenge for policy makers to address. Studies suggest a number of reasons for this, including lack of awareness amongst businesses, lack of interest or perceived need, the complexity of the marketplace making it difficult to navigate, lack of liquid assets within small businesses to use on something that is not generally considered essential.

Despite these difficulties, the importance of small businesses to the UK economy ensures continued research into what advice will most help them grow is a worthwhile, even an essential, endeavour: small and medium sized enterprises (SMEs) account for the vast majority of all private sector businesses, almost 60 per cent of private sector employment and close to half of all private sector turnover (BIS, 2013d). Therefore these businesses have a key role to play in bringing about economic recovery through job creation and innovation (Roper, 2013). As such, stimulating growth among SMEs forms an important part of the Coalition Government's plans for improving the UK economy.

However, recent research by IFF Research and Durham Business School (2013), suggests that small businesses can face substantial barriers to growth in the form of **vision constraints** (i.e. a lack of ambition amongst owners to grow their business) and **internal constraints** (i.e. limited capacity to deal with obstacles within to the business such as cash flow, access to finance, complying with regulations and employing staff).

To stimulate growth amongst this specific group of businesses it is important to understand these constraints, and to ensure that the advice and support that is available for small businesses directly addresses these areas of difficulty. These constraints are discussed in more detail below.

### **Vision constraints**

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

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

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

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

The key here is changing the focus and perspective of the owner, so that they become open to devoting time and effort to working **on** the business, rather than **in** the business. Fundamentally, changing the business owners' mind sets is the gateway to opening up further aspects of engagement and developing capacity.

### **Internal constraints**

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

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

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

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

The literature suggests that the idea of taking on staff is also something that small businesses (particularly those with little or no experience of employing staff) find concerning, which can prevent them from growing. Specifically, small businesses mention

uncertainty about what the process of recruitment actually involves, as well as worries about finding the right person for the job (and what action to take if the person does not turn out to be 'right'), increased legal risks and regulations, as well as the costs and time involved with recruitment, interviewing and getting a new employee 'up to speed'. That said, small businesses accustomed to taking on staff did not have the same concerns, and in fact described the processes involved as easy and the outcome generally satisfactory.

An additional key finding is that businesses with a higher level of self-reported competence in these areas consider them less concerning. Therefore, increasing businesses' perceived competence in these areas through business support could result in small businesses that are not daunted by these areas, and develop the confidence and knowledge required to, for example, take on staff, keep up with regulation, and ultimately grow.

### **Business advice provision**

The role of business support in this context is therefore to address these internal and external constraints on businesses, and give business owners the awareness, knowledge and motivation necessary to actively work on growing their business. In fact, according to recent evidence, small businesses which grow are more likely to have sought and obtained strategic business advice (BMG Research, 2012; BIS, 2013b).

However long-standing market failures in the business advice market for micro and small businesses mean that the needs of these businesses have gone largely unmet, or partially met, in terms of support and advice provision to help them overcome the aforementioned barriers to growth (Atherton et al, 2002).

These market failures include: lack of awareness amongst businesses that advice is available, where to look for it, lack of ability of businesses owners to accurately diagnose their own business needs, or even a lack of consideration of, or interest in, getting business advice at all.

Even when businesses are aware of advice being provided, take-up often remains low amongst small businesses. This is in part explained by market failures in the form of a range of concerns experienced by businesses, such as doubts about whether the benefits will outweigh the time and expense involved in obtaining advice; lack of trust and confidence in advice providers and concerns about being able to find appropriate support (CEEDR et al, 2011).

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

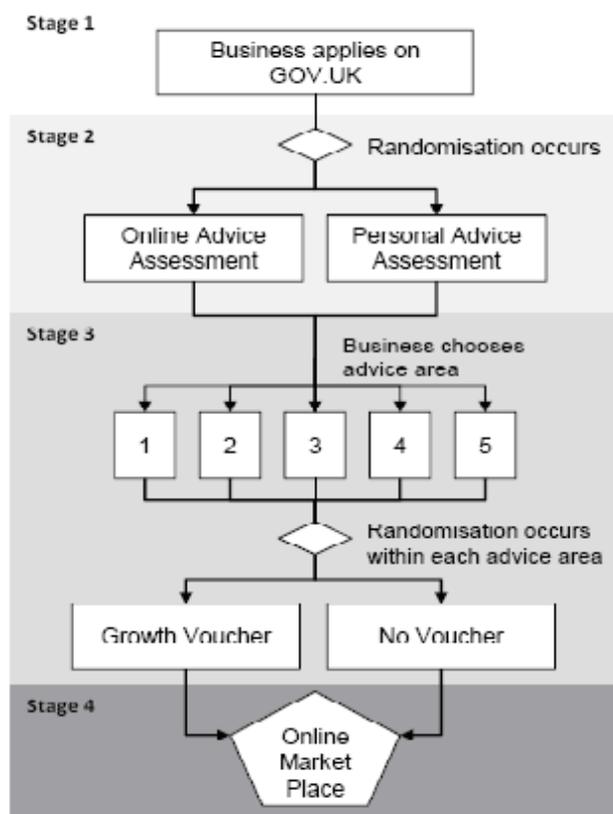
In this context BIS have created the £30 million Growth Vouchers Programme, an extensive research programme to investigate how different kinds of business support impact small business.

## **The Growth Vouchers Programme**

### **The customer journey in detail**

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

- **Stage 1:** Businesses apply to the Programme online at [www.gov.uk/apply-growth-vouchers](http://www.gov.uk/apply-growth-vouchers). At this stage businesses are assessed for their eligibility to the Programme.
- **Stage 2:** Eligible businesses are randomly allocated to either an online or personal assessment of their business advice needs. Personal assessments are carried out by the Delivery Partners – usually face to face but in some cases over the telephone or skype
- **Stage 3:** Businesses receive a recommendation for advice in one of five areas, this suggestion is not binding, before selecting their preferred area of advice. Businesses are then told whether they have been allocated a voucher or not. This allocation is random with 75 per cent of businesses receiving a voucher.
- **Stage 4:** Businesses select a Supplier from the list of approved providers on the Online Marketplace hosted by Enterprise Nation. The Marketplace contains hundreds of Suppliers of advice in each of the five areas. Suppliers are selected on the basis that they are a member of a professional body, and have a clear policy of complaint resolution.
- **Stage 5:** Businesses arrange to receive their advice and agree a price. Vouchers cover up to half of the cost of advice, up to a maximum of £2,000 excluding VAT. Businesses may pay more than £2,000 if they choose, but the maximum they can claim is £2,000. In the early months of the Programme, businesses paid the full amount of the voucher upfront and then submitted a claim form in order to be reimbursed the voucher amount. This was adjusted after feedback from the formative evaluation suggested some businesses struggled to pay the full price of the advice upfront; after August 2014 business only had to pay the reduced amount, and suppliers claimed the voucher amount.
- **Stage 6:** Businesses submit a claim for their subsidy. They have to provide evidence that the invoice has been paid and details of the advice they received. Claims are paid in less than 30 days.

**Figure 2.1 Business journey through the Growth Voucher Programme**

The Programme has been designed to explore the known market failures that prevent business advice being used by small businesses, and other key unknowns in this area. These market failures and unknowns are listed below, along with a description of how the Programme has been designed in response.

**Inability of businesses to accurately diagnose what support they need:** to explore this, the Programme offers a Business Advice Assessment at two different ‘levels’ – a ‘light touch’ online option that the business works through themselves in order to identify what kind of support would be best for the business, and a more involved personal option carried out over the telephone or face to face with an advisor. Business entering the Programme are randomly allocated to one of these two routes, in order to then compare what impact the different types of Assessment has on businesses.

**Businesses’ perception that they cannot afford advice:** to explore whether small businesses need financial help to utilise external advice, the Programme involves randomly allocating businesses to one of two conditions – either the business is allocated a Growth Voucher that can be redeemed for up to 50% of the cost of business advice (up to a maximum of £2000), or the business is not allocated a voucher. However, *all* businesses, whether they receive a voucher or not, benefit from a Business Advice Assessment (as described above), and all business are given access to an online marketplace called the Online Marketplace – a directory of approved business advice suppliers. The research element of the Programme will establish whether it is the subsidy that drives the take-up of advice, or whether (amongst the control group that do not receive a voucher) the Business Advice Assessment is sufficient to motivate them.

**Businesses' uncertainty / lack of trust when choosing advice suppliers:** A key issue that can prevent small businesses using business support is uncertainty around the quality or legitimacy of advisors in a crowded market. The design of the Programme will assess the extent of this market failure, by ensuring that the Business Advice Assessment involving an advisor (as opposed to the online option) includes advice and guidance specifically on choosing, and working with, an advisor.

**Businesses' lack of awareness as to the need for, or value of, business advice:** A further issue that can prevent take-up of advice amongst small businesses is a lack of awareness regarding the need for, or the value of, such advice. In particular, a lack of liquid assets can prevent many small businesses from spending scarce funds on a service with which they are relatively unfamiliar. As above, to test the extent of this market failure, the design of the Programme involves a one-to-one Business Advice Assessment with an expert, which aims to impress on businesses the value and need for such advice. The alternative condition, the assessment of business need carried out online by the business itself, will of course offer no such reassurances.

**Lack of awareness around what areas of advice are most effective for business growth:** A question that has not been extensively tested within business support research is, is there a certain area of advice that will provide greatest impact to small businesses? This is being addressed in the current research by offering five main advice 'themes' to businesses, which mirror several common barriers experienced by small businesses. Part of the evaluation will involve analysing business impact by each of the advice themes to explore whether some create more impact than others. The themes are discussed further below.

Every eligible business that applies for the programme will be given support in the form of a short diagnostic to help them identify their business support needs. Three-quarters of these businesses receive a voucher of up to £2,000 to cover half the cost of purchasing strategic business advice (they must choose an accredited supplier from the Growth Vouchers Online Marketplace).

### **The randomised control trial (RCT)**

RCTs are considered to be the gold standard in establishing whether causal relationships exist between an intervention and outcomes. They are widely used in medicine, there has been significant growth in their use in international development (with the establishment of organisations such as 3ie and others), and in recent years there has been an appreciable emphasis on their application in domestic economic and social policymaking (Haynes, et al, 2012).

More specifically, there has been some application of RCTs in evaluating welfare and employment policies. Their use in education research is also growing with the establishment of the Education Endowment Foundation in the UK, whose objectives include to secure the evidence of what works in addressing under-performance among disadvantaged children at school. These developments in education have been emerging alongside the work of the Behavioural Insights Team (BIT), initially based in the Cabinet Office. BIT have used RCT approaches in a number of fields addressing issues as diverse as operational procedures within JobCentres and the impact of providing householders instruction in how to operate their home heating systems more effectively.

This present study, however, represents one of the few RCTs<sup>1</sup> testing means of offering business support, and the first on this scale. As such it represents a significant step forward. It has to be said, however, that the use of RCTs within the social policy landscape has its critics. Commentators suggest that the understanding of causation that underpins RCTs does not take sufficient account of context and its importance in determining the effectiveness of programmes (Pawson and Tilly, 1997; and more recently Befani, 2013, among others). Furthermore, other commentators note as the inability of RCTs to take into account what they refer to as ‘supporting factors’ that are essential to facilitating success (Cartwright and Hardie, 2012).

These critiques point to the need for mixed-method approaches to understanding impact, potentially combining RCTs with other methods in order to promote both learning and accountability in evaluation. RCTs on their own it is claimed do little to provide an explanation of the impact of programmes – they merely provide a statistical description of a programme’s effectiveness. This is useful evidence in terms of making resource allocation decisions and in determining whether public funds have been spent wisely. However, in terms of learning more about what works, for whom and in what circumstances, RCTs should be part of a wider programme of research. It is these considerations that have informed the mixed methods approach adopted in the present study.

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

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

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

- Do businesses that are given a Growth Voucher perform better or worse than those not given one?

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<sup>1</sup> Others include NESTA’s 2013 Creative Credits A randomized controlled industrial policy experiment, the World Bank’s 2012 paper What are we Learning from Business Training and Entrepreneurship Evaluations around the Developing World? and Calderon et al’s 2013 Business Literacy and Development: Evidence from a Randomized Controlled Trial in Rural Mexico

- Do businesses assessed online perform better or worse than those assessed face to face?
- Which of the five themes of subsidised advice creates the greatest return?

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

### The delivery model

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

The Online Marketplace has been designed and is hosted by Enterprise Nation, an organisation geared towards supporting businesses with publications, events and through building business communities. Advice Suppliers and organisations who can provide strategic business advice under the five themes are registered and promote their services on the Online Marketplace. Only accredited advisers can supply advice to businesses who receive a Growth Voucher. To become accredited, suppliers must provide professional accreditation details to Enterprise Nation, along with evidence of indemnity insurance and experience of providing advice for more than one year.

### The logic model

The specification for the evaluation contains a draft logic model for the Growth Vouchers Programme (BIS, 2013c). The logic model sets out the goals of the Programme and the intended pathway to these goals. It makes explicit six key steps in the pathway (inputs, activities, outputs, immediate outcomes, interim outcomes, ultimate outcomes) and the causal links between them. The draft logic model can be found in the Technical Appendix for this report in Appendix 3.

The logic model will be modified following the evaluation to encompass findings on what the necessary inputs and key activities are, what outcomes and ultimate impacts are felt by small businesses, and crucially map the causal links between the two.

# Accessing the programme

## Chapter Summary

- The Growth Voucher Programme is largely targeting the 'right' kinds of businesses as the majority were not actively seeking advice at the time they applied for the Programme and had at least moderate ambitions for growth.
- That said, around a third of businesses report having received strategic advice in the last three years. This indicates that ineligible businesses have been able to bypass the validation checks that were in place prior to August 2014. This check was included in the eligibility criteria to reduce deadweight in the Programme and ensure it is only engaged with by businesses facing market failures. Although these businesses were not intended the participants, the majority voice experiences of market failures in the pursuit of strategic advice and thus do not represent genuine deadweight.
- Businesses appear to have a good general understanding of the Programme's purpose and the random allocation of Growth Vouchers. The aspect of the Programme which seems to be the less understood is the role of diagnostic, which businesses still feel must be a further eligibility check.
- Delivery Partners have been intensifying their marketing campaigns by developing a range of ways to promote the Programme and by refining the key messages conveyed in their marketing materials.
- Delivery Partners cited several challenges to promoting the Programme including restricted financial resources and low profile of the Programme (particularly at the national level) before the national marketing campaign began [see page 34].
- Advice Suppliers are taking a greater role in recruiting businesses and are using social media, 'word of mouth' via trusted sources and events to promote the Programme. Some Suppliers however are opting not to promote the Programme because they fear the non-allocation of vouchers may reflect negatively on them.
- The online application process is working well overall and Delivery Partners also feel the validation process is working effectively. Delivery Partners feel they are meeting the two week deadline for booking appointments although some are experiencing high cancellation rates at the diagnostic stage.
- The majority of businesses feel that the online application process and the arrangement of appointments with Delivery Partners is straightforward.

This chapter begins by describing the characteristics of businesses that have accessed the Growth Vouchers Programme (GVP). It then moves on to consider the approaches used by Delivery Partners and Advice Suppliers to promote the Programme - what is felt to be working well as well as challenges experienced and planned strategies to increase engagement. The chapter considers how participating businesses became aware of the Growth Voucher Programme and the extent to which they understand the programme. The chapter then goes on to discuss experiences of the application process, specifically the eligibility check and the online and personal diagnostics. Throughout, the findings draw out improvements since the early part of the Programme.

## Characteristics of businesses interviewed

The Growth Vouchers eligibility check verifies that applicant businesses meet a number of key criteria to ensure that they are eligible for the Programme. This check is designed to ensure that access to the Programme is only granted to independent<sup>2</sup> businesses registered in the UK, with fewer than 250 employees that actively sell goods or services, and that have a turnover of less than €50 million per annum. On top of these characteristics ensured by the eligibility check, depth interviews with businesses' presented an opportunity to ascertain more about the characteristics of businesses participating in the Programme. These include:

- Their growth ambitions;
- The challenges they face;
- Their readiness to benefit from strategic business advice; and
- Their use of business advice in the past.

## Growth ambitions and challenges

As can be expected, the vast majority of businesses interviewed express ambitions for growth. However, there are also a small number of engaged businesses who do not intend to grow, but instead are focused on maintaining their current performance and, in a handful of cases, contemplating exit or succession strategies. This finding indicates that the Growth Vouchers Programme is reaching an audience who could benefit from receiving strategic advice, whether this advice is intended to stimulate growth, deliver stability or assist the business with changing hands.

Around two thirds of the businesses who voice an ambition to grow are able to identify explicit growth targets, such as increasing their workforce to a certain figure or expanding their business geographically into a new market.

*Ideally we'd like to have 20-50 people. That's what we feel is the level of staff required to be able to do what we would like to do, which is large projects with sizes in the region of £5-25m. We'd also like to work*

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<sup>2</sup> Businesses with no more than 25% owned by another business or organisation.

*beyond the UK, which to some extent we have started (doing) already, participating in competitions abroad.*

### **Architect, online diagnostic**

Of those businesses with specific growth ambitions, the majority cite modest targets, such as opening one more branch. Only a handful of businesses aim to achieve high growth targets, such as doubling their turnover. This indicates that the Growth Vouchers Programme is in line with its envisioned positioning as a 'mainstream' offer rather than one that prioritises high growth businesses only. However, it is worth noting that the modest growth ambitions held by most businesses may make it more challenging to establish the impact the Programme has had on turnover or employment as the effects may be small.

All engaged businesses are able to distinguish a key challenge currently affecting them. The fact that every business interviewed is able to identify the obstacles standing in the way of them achieving growth whilst the majority of engaged businesses are able to identify specific growth targets signifies the existence of a 'knowledge deficit' (Chrisman et al., 2005). In other words, the majority of businesses are aware of what they want to achieve in terms of growth and what needs to change in order to achieve it, but lack the entrepreneurial knowledge required to action these changes.

Businesses mention a variety of different challenges which are thought to be impeding further growth. The foremost of these are generating new business; improving cash flow; raising finance; and recruiting staff. In light of this, the challenges faced by engaged businesses align well with the themes of advice that the Growth Vouchers Programme offers and so can be considered as an appropriate vehicle through which the knowledge deficit of businesses can be resolved. This is supported by the perceived benefits of businesses thought the Growth Vouchers Programme would deliver; the majority were motivated to apply for it because they felt the Programme would stimulate significant growth.

There is some disparity in the frequency with which challenges are mentioned, which in turn highlights where the knowledge deficit amongst engaged businesses is most pronounced. Qualitative interviews indicate that a lack of entrepreneurial knowledge is most prevalent with regards to attracting new customers and generating cash flow and least prevalent with regards to improving digital technology and leadership and management skills. A small number of the challenges mentioned by firms do not fit into the five themes of strategic advice offered by the Growth Vouchers Programme. This is mainly due to the ambiguity of the challenges articulated, with just under one tenth of engaged businesses referring to 'general growth' as their biggest challenge.

## **Advice readiness**

Around one-third of the businesses interviewed had neither looked for nor considered the possibility of acquiring strategic advice before they applied for the Growth Vouchers. Meanwhile, a further third of businesses had contemplated the idea in order to stimulate growth, but had not actively sought out advice providers. These businesses had been restricted from seeking strategic advice prior to their application due to market failures that exist within business advice services. The market failures alluded to by businesses include prohibitive prices; an absence of trust or faith in advice providers; doubts about the potential benefit of obtaining advice; and a lack of knowledge and time to locate advice

suppliers. These market failures are therefore consistent with the categories of market failure that North et al. (CEEDR, 2005) outlined as prominent barriers to entry to business advice.

*I assumed I couldn't afford it so I didn't have a look at any or looked into it.*

**Healthcare consultant, face to face diagnostic**

*...you want to ask people who have the knowledge of your particular type of business, and in the south west that's not always there. I don't feel confident that if we asked people they would give us the help or information we needed.*

**Accountancy, face to face diagnostic**

Only one-third of businesses applying for Growth Vouchers had actively looked for strategic advice providers prior to their involvement with the Programme.

*I'd looked at advice providers because there's a company that's on BIS's approved list which is called Rucker Powered. This is an organisation that [a colleague] knows from previous networking and it's somebody he'd always wanted to use. I don't think it's gone any further as yet. No. I don't think they've even been approached yet about [costs].*

**Fire safety consultant, face to face diagnostic**

It is possible that some of the businesses who had already looked for strategic advice providers would have used advice from external providers without participating in the Growth Vouchers Programme, and hence could be considered deadweight. However, within this potential deadweight the vast majority of businesses had previously experienced or perceived there to be market failures that prohibited them from securing strategic advice, specifically with regards to cost and the ability to locate appropriate advisors. This suggests there is only a very small proportion of genuine deadweight engaged in the Programme and so little concern that a free-rider problem exists.

## History of advice seeking

In order to qualify for the Growth Vouchers Programme, the businesses interviewed must have not paid for strategic<sup>3</sup> business advice in the three years prior to entering the Growth Vouchers Programme<sup>4</sup>. If a business states during the eligibility check that they have received strategic business advice within this timeframe they are screened out. However, businesses are permitted to continue with the Programme if they have accessed day-to-day<sup>5</sup> business advice. By the time of the depth interviews few businesses recalled that

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

<sup>4</sup> In August 2014 the eligibility criteria for the Growth Vouchers Programme was altered and so is now available to those who have paid for strategic advice in the three years prior to engaging with the Programme

<sup>5</sup> By 'day-to-day' business advice we mean discrete, short term advice provided by an accountant, solicitor or as a member of a business organisation on things such as completing annual business accounts or understanding legal / regulatory requirements.

this was an aspect of the eligibility criteria and as a consequence there were a number of respondents who claimed to have paid for strategic business advice in the three years prior to applying for the Programme.

A little under a half of all businesses interviewed have received some form of business advice, either strategic or day-to-day, in the three years prior to engaging with the Programme. Of these businesses, around nine-tenths incurred a cost to receive advice, with the remaining tenth receiving business advice for free. In cases where the business had not paid for advice it was largely sourced on an informal basis from peers and university faculty.

*Just general day to day business advice from retired business people through the university*

**Designer and distributor of camouflage fabric, online diagnostic**

Around one-fifth of the businesses that used external sources of advice in the three years prior to accessing the Programme used day-to-day advice providers, usually accountants. Therefore, the majority (around four-fifths) of businesses that had made use of external advice services within this timeframe had accessed strategic advice providers.

*Business mentoring advice, because we are a small company growing an outside business consultant just to review what we we're up to and to get his help and vision on moving forward. And we also had strategic advice from Scottish Enterprise scheme a few years ago because our warehouse is based on the Scottish borders so we had funding from them as well. On the strategy side looking at all aspects of the business and helping promote thought and plans on how to move the business forward.*

**Designer and manufacturer of giftware, face to face diagnostic**

In theory, the businesses who have accessed strategic advice in the past should not be participating in the Programme as they did not meet the eligibility criteria at the point of their application. However, it is worth noting that despite using strategic advice during the three years before they engaged with the Growth Vouchers Programme these businesses do not appear to represent deadweight. This is because none of the businesses interviewed were in a position to purchase strategic advice if they hadn't been involved in the Programme and many are affected by the market failures the Programme was designed to alleviate. Moreover, this group of businesses are more likely than those who had only accessed day-to-day business advice to book a session with an advisor. This is potentially due to business with experience of strategic business advice having a better appreciation of its value.

## **Introduction to the Programme**

### **Promotional activities of Delivery Partners and Advice Suppliers**

#### **Delivery Partners**

Delivery Partners' models for marketing the Programme mirror those observed in the early phases of the Programme. They vary between Delivery Partners and are driven largely by

the size of available marketing budgets and Delivery Partners' organisational structures. The delivery models include:

**Dedicated:** where the Programme is promoted primarily by a dedicated marketing team/s of 3-4 staff members. Advisers play a more secondary role and promote the Programme as part of their day-to-day work, for example by leaving literature in business centres and mentioning the Programme in passing to potentially eligible businesses. This model is supported by a relatively sizeable marketing budget.

**Integrated:** where marketing responsibilities are distributed among the range of Delivery Partner staff without a dedicated marketing function. Marketing is incorporated into the day-to-day activities of staff – for example at events or when visiting clients. This delivery model is supported by a more modest marketing budget.

Operational models for promoting the Programme are also informed by Delivery Partners' Organisational structures. Delivery Partners comprise of single organisations with dedicated marketing teams, a consortium of organisations with dedicated marketing teams, and a 'hub and spoke' model of a lead organisation with a set of local branches undertaking their own marketing campaigns using an integrated approach (where responsibility for marketing is spread across different staff roles).

Delivery Partners have been increasing efforts to meet sample targets since a slow-down in applications following the Programme launch. Delivery Partners with dedicated marketing staff have expanded their operations by employing additional marketing staff, usually an additional member of staff contracted either on full or part-time basis or hiring a call centre. Those with both dedicated and integrated models have also deployed telemarketing staff to undertake recruitment calls.

The Programme's lead Delivery Partner is not contractually obliged to promote the Programme. However it has been delivering marketing in-kind to help increase engagement with the Programme. In the absence of a marketing budget they use lower-cost online options such as social media campaigns and generally integrate promotional work with their day-to-day activities (e.g. during routine interactions with businesses). These mirror the strategies used at the start of the Programme.

Delivery Partners have been intensifying their marketing campaigns since the beginning of the Programme. In common with the early part of the Programme, Delivery Partners are continuing to market the Programme in a variety of ways, as shown in the diagram below:

Figure 3.1 Marketing channels used by Delivery Partners

<b>Social media</b>	Linked In and Facebook pages and Twitter campaigns
<b>Email campaigns</b>	Email-shots to members and business networks, email signatures linking to information about the Programme
<b>Websites and blogs</b>	Programme information provided on Delivery Partner websites and in blogs
<b>Intermediary organisations</b>	Dissemination via Suppliers and other organisations - e.g. Chambers, Federation of Small Businesses, local Growth Hubs and Local Enterprise Partnerships
<b>Events</b>	Networking events, seminars and talks, conferences, courses and workshops hosted by Delivery Partners or others
<b>Routine interaction with</b>	Promotion during routine interactions with businesses – e.g. literature distributed in offices, in meetings and in routine correspondence with clients
<b>Literature</b>	Leaflets, postcards and newsletters

Delivery Partners reported a number of developments in their approach to marketing the Programme. They include the following:

- **Social media.** In addition to the types of social media mentioned above, Delivery Partners often interact with one another's Twitter campaigns to amplify the promotional message, by responding to or re-tweeting a tweet,.
- **Direct marketing.** The use of this approach has grown particularly among Delivery Partners who have been relying extensively on promoting the Programme through others and now want more direct involvement and control in marketing the Programme.
- **Using intermediary organisations.** This involves raising awareness of the Programme through other organisations with networks of potentially eligible businesses via regular communications such as emails and newsletters.
- **Case studies.** Case studies are now possible because more businesses have completed the customer journey. They are seen as an effective way of demonstrating the value of strategic advice and positive experiences of the

Programme. They have been used in local media and published on Delivery Partners' websites.

- **Marketing materials.** Some Delivery Partners have created infographics and leaflets which are downloadable for anyone wishing to market the programme. Examples include infographics that present the customer journey in a clear and attractive way and present simple statistics on the benefits of strategic advice.
- **Refined messaging.** This round of interviews has provided greater insights into the messages Delivery Partners are seeking to convey about the Programme in order to provide Programme information and make involvement more attractive to businesses. There is evidence that since the start of the Programme Delivery Partners have refined the key messages presented in their marketing materials to emphasise the following points:
  - **How businesses could benefit from the Programme**, and particularly the role of strategic advice in prompting growth and improvement. One way in which Delivery Partners are achieving this is through the use of case studies to illustrate the benefits of strategic advice.

*We've been trying to do things like push a lot of case studies out where people have used strategic advice in the past, even if it wasn't through the Growth Voucher scheme, to say how would that benefit the business, what do they get back out of it, how does it help them grow, what do they understand now that they didn't understand before; those sorts of things.*

**Delivery Partner, Strategic lead**

- **How accessible and inclusive the Programme is**, highlighting the straightforward application process and eligibility of businesses from the full range of sectors.
- **Vouchers are not guaranteed and are allocated randomly**, primarily to manage businesses' expectations. Some Delivery Partners have chosen to offset this message by also highlighting how valuable the business advice assessment would be, irrespective of the voucher outcome.
- **The rules governing the use of vouchers**, particularly that funding is only for strategic advice and that businesses can only use accredited Suppliers.
- **The level of funding available**, including the maximum contribution amount (but that businesses do not have to spend the full amount), the requirement to match fund the voucher and that the programme is available to businesses who may have been denied other funding streams (e.g. the European Fund).

## Advice Suppliers

As the Programme progresses, Advice Suppliers taking a greater role in recruiting businesses but willingness to promote the Programme is still not widespread. Suppliers can be grouped into the following three categories in terms of how actively they are promoting the Programme:

**Active promoters:** these Suppliers often used multiple strategies to promote the Programme. They feel responsible for promoting the Programme for two reasons. Firstly,

because they perceive it to be beneficial to themselves and to businesses (see below) and to a lesser extent, due to a sense of duty to support a publically funded programme reach its target audience.

*This is our tax payer's money so therefore let's give it [market it] to the people who need it most.*

### **Supplier, Making the most of digital technology**

**Passive promoters:** these Suppliers promote the Programme opportunistically, as and when they come across eligible businesses, or are planning to promote it but have not yet got round to doing so. They do not feel as strongly that marketing the Programme is their responsibility, seeing it largely as the role of central government who both designed the Programme and is presumed to have more marketing resources at its disposal.

**Non-promoters:** these Suppliers have chosen not to promote the Programme due to the possibility that potential clients may not receive a voucher.

As mentioned above, a key driver in Suppliers' decisions to promote the Programme is the extent to which they expect to benefit from it. Suppliers tend to promote the Programme if they feel it will raise their profile, attract new clients and engage new clients with the other services they offer, therefore leading to repeat business.

## **Experiences of promoting the Programme**

### **What worked well**

Delivery Partners feel the following activities have been working well in attracting businesses to the Programme:

**Large events.** The Programme is being promoted at large scale events such as business exhibitions / expositions and conferences. Activities include distributing flyers and tweeting at events, displaying Growth Vouchers banners and in some cases encouraging delegates to register an interest in the Programme. These businesses are then contacted at a later date and encouraged to register with the Programme. Large exhibitions have also provided an opportunity to meet third party / intermediary organisations willing to market the Programme to their clients and business networks.

**Smaller events.** The Programme is also promoted at smaller-scale conferences, seminars, and networking events. Some Delivery Partners considered these smaller scale events more effective at promoting the Programme than large scale events because they provide a more intimate space where the marketing and messaging of the Programme can be personalised to the needs of a given business.

**Case studies.** Delivery Partners have published written case studies and have also recruited businesses that have benefited from a Growth Voucher to promote the Programme to other business owners.

**Telemarketing.** For one Delivery Partner (one of the Coventry and West Midlands Chambers) hiring a telesales executive has reportedly helped to drive up applications. In some cases Delivery Partners have asked businesses to open the online application page during the call and talked them through the process of applying. Businesses were reported to have responded positively to this having seen how simple it is to apply. Telemarketing is however a relatively high cost option and Delivery Partners note that it is not always effective. For example it was particularly difficult to reach businesses during the summer holiday period.

**Social media.** Delivery Partners were using social media sites such as Twitter, Facebook and LinkedIn to engage with businesses. BE Group manage the Programme's LinkedIn group and Twitter campaign which Delivery Partners support with retweets and for which Enterprise Nation have provided graphics. These campaigns are complemented by Delivery Partner's own social media activities such as Facebook advertising, different Twitter campaigns based on the Growth Vouchers themes and groups and events that followers can join. Cavendish Consortium lead on #GVhour on Twitter every Monday 4-5pm (though this attracts mainly suppliers).

**Other online routes.** Websites and email campaigns were felt to be cost-effective and successful ways of recruiting businesses. Email was particularly effective where Delivery Partners had a list of existing businesses on their records who were likely to be interested in the Programme. In contrast mailing out literature by post was considered to be more costly.

**Third party organisations.** As discussed above Delivery Partners (as well as Enterprise Nation) are collaborating increasingly with intermediary organisations, including Advice Suppliers, and with small business networks to disseminate information about the programme. They feel working with these organisations is helping them to access businesses they may not otherwise reach.

**Advice Clinics:** Enterprise Nation has opened up an event space for small businesses at Somerset House, where Suppliers deliver one-to-one 'advice clinics' to businesses.

In terms of messaging, the overall approach of providing interesting informational content to attract businesses rather than the simple message of 'apply apply' was also felt to be working well.

It is however worth noting that Delivery Partners are still unable to accurately assess the effectiveness of individual marketing activities. In order to understand how well their activities are working, they are counting online traffic such as website 'click through' rates, emails, Tweets and Twitter followers. They also monitor the number of applications received after specific activities such as business events. Delivery Partners sometimes collect information on how businesses have heard of the Programme, although there is some doubt over the reliability of the responses.

*[...] It's the same with any business support programme in terms of does a client remember where you [they] found out about it and why they've come through to you?*

**Delivery Partner, operational manager**

Delivery Partners feel that in addition to the above marketing activities central government marketing is playing an instrumental role in recruiting larger numbers to the Programme. This includes the marketing activity led by BIS at the start of the Programme and the recent HRMC email-shot which led to a sharp spike in demand.

Collaborative working is also felt to be bolstering Delivery Partners' efforts. As mentioned above, Delivery Partners have been re-tweeting one other and in this way strengthening their social media campaigns. They have also been sharing good practice and resources, it was noted for example that Enterprise Nation had shared useful images and graphics. Delivery Partners also expressed appreciation for the expertise and advice that BIS marketing specialists have been providing. They also value their relationships with third party intermediary organisations, such as the Federation of Small Businesses, who as mentioned earlier, are increasing their reach.

Suppliers generally feel the Programme is best promoted through social media, by 'word-of-mouth' via trusted sources, and through events. Social media, including Linked-In and Facebook, is seen to be effective because it helps stimulate discussion, thereby engaging more businesses. Programme Suppliers also suggested that businesses are likely to buy into the Programme if it has been recommended to them by a trusted Supplier or other businesses. Events are also thought to provide an opportunity to reach high volumes of businesses and provide them with detailed information about the Programme.

In contrast to Delivery Partners there was a view among Suppliers interviewed that email is less effective simply because businesses receive so many promotional emails and are likely to overlook them.

## Challenges

Delivery Partners cited several challenges to promoting the Programme. Firstly, it was felt even among Delivery Partners with larger marketing budgets that the available financial resources to market the Programme were prohibitive. This was attributed to a government limit on the amount Delivery Partners could spend on direct marketing,

*Our problem with the marketing is that we're kind of doing marketing with one hand tied behind our back because of the government embargoes upon marketing spend. We have got a very small amount of spend that we're allowed to do on direct marketing so we're having to do our promotion via intermediaries, via events, you know, attending things and, and spreading the word, via social media and that kind of thing.*

**Delivery Partner, Strategic lead**

Delivery Partners also perceived there to be an under-marketing of the Programme by central government and welcomed recent email shots from HRMC and BIS' plans to launch another nationwide campaign. They felt the Programme needed a national high-profile push in conjunction with local campaigns to spread the message further and help boost applicants, as it had done when the Programme was launched. This view was echoed by Advice Suppliers.

As mentioned earlier, Delivery Partners were moving towards emphasising the value of the Programme in their promotional material. In addition, it was sometimes considered challenging to provide a simple and coherent description of the Programme, given the

added complexity of the randomised control element and the rules about how and with whom the voucher could be spent.

Businesses' own barriers to applying were a further challenge experienced by Delivery Partners in promoting the programme. As in the early part of the Programme, Delivery Partners cited the following three barriers:

- Lacking funds to pay for half the advice
- Misunderstanding some Programme conditions, such as match funding and advice being strategic
- Being put off by the Randomised Control trial element of the Programme.

In addition, they observed two further barriers among small businesses, who importantly form the Programme's primary audience. Firstly, not all small businesses could see the immediate relevance of strategic advice to their growth and preferred to focus spending on services and tangible products instead. Secondly, smaller businesses lacked the time to engage with the Programme.

Advice Suppliers continue to find it challenging to promote the Programme because they do not tend to come across eligible businesses and because the possibility of a negative voucher outcome is reportedly too off-putting for businesses. Like Delivery Partners, Suppliers have also found that many businesses lack sufficient funds or are uninterested in strategic advice.

Suppliers would still like better information to help them to market the Programme. Suggestions include a Programme summary giving details on issues such as the purpose of the Programme and the process of applying that Suppliers could distribute or use to script their conversations with businesses. Suppliers also want help in developing a better understanding of different Programme steps, such as the application and claims processes, in order to inform businesses.

### **Planned strategies to increase engagement**

At the time Delivery Partners were interviewed they were planning a number of forthcoming marketing activities. Firstly, more direct marketing was planned across Delivery Partners and particularly among those who had been promoting the Programme largely through third party intermediary organisations. One strategy that was in the pipeline was email shots followed by telemarketing. Delivery Partners were also developing a new range of marketing materials such as posters. More digital marketing was also being planned, including dedicated pages on Delivery Partners' websites and further use of social media.

Delivery Partners were also planning re-launch events to promote the Programme changes and present successful businesses case studies.

*[We] are also inviting some businesses [to a re-launch of breakfast events] that have been awarded the Growth Voucher as almost 'Growth*

*Voucher Ambassadors' so they can just explain to their peers how simple, and hopefully beneficial, the process was*

**Delivery Partner, Adviser**

Wider suggestions from Delivery Partners and Advice Suppliers for improving the marketing of the Programme included:

- A government funded nationwide media campaign on TV or radio
- Promoting the Programme in routine correspondence between the government and businesses (e.g. HMRC letters and letters sent about Employers Allowance)
- A prominent figurehead for the Programme, such as James Caan on the Start-Up Loans programme.

### How businesses heard about the program

The businesses interviewed have heard about the Growth Vouchers Programme from a wide range of sources. The most common channel through which businesses became aware of the Programme was through direct contact with Delivery Partners and Advice Suppliers; around two fifths of businesses mentioned these channels as the way they first became aware of the Programme. This marks a big change from the formative evaluation, in which only 1 in 8 businesses mentioned being approached by an Advice Supplier and a very small proportion cited contact with a Delivery Partner.

*That was through the Hampshire Chamber of Commerce, if I remember rightly I attended one of their events, and I think subsequently as a follow up I got follow up email news letters from them and publicity for the Growth Voucher scheme was contained in one of those.*

**Recycling Consultant, online diagnostic**

*It was a company called Ascensor. We were approaching them for advice on digital marketing and that kind of point of view, they basically provided us with a quote for the works and they said there is a growth voucher scheme that could possibly help you with the longer strategy and the consultancy side of it and possibly subsidise some of the costs.*

**Management consultant, face to face diagnostic**

Although Delivery Partners are one of the primary channels through which businesses became aware of Growth Vouchers, these organisations are only mentioned by those based in three of the six regions Delivery Partners are responsible for. These regions include the West Midlands, the East of England and North London and the online route. Out of these three regions, the vast majority of businesses who mention Delivery Partners as the channel through which they heard of the Programme had either used the online route or had a face-to-face diagnostic based in the West Midlands. This indicates that the BE Group and the Coventry and West Midland Chambers of Commerce LLP have been the most proactive Delivery Partners at recruiting businesses to date.

Depth interviews with businesses also highlight the role of Advice Suppliers in spreading awareness of the Growth Vouchers Programme. This practice is not strictly within the remit of Advice Suppliers; these companies and individuals are intended to provide strategic

advice to participants after they have been recruited and assessed in terms of eligibility by Delivery Partners. However, in some cases Advice Suppliers have informed businesses of the program via social media, by approaching them spontaneously or through established connections and networks. Such promotion by Advice Suppliers has helped to increase participation in the Programme, but has in turn introduced competition between suppliers beyond the Online Marketplace.

Just under one third of businesses became aware of the Programme via word of mouth from friends and business contacts or from the recommendations of accountants. Many of the friends and business contacts who recommended the Growth Vouchers Programme to respondent businesses were already participating in the scheme themselves. Other less significant channels through which businesses became aware of the Programme include business forums and networking events, online searches for available funding and from press coverage of the Growth Vouchers Programme

## Understanding of the programme

The majority of businesses (over four-fifths) understood when they applied for the Programme that its purpose is to provide participants with a contribution to the cost of strategic advice. The same proportion of businesses also knew that Growth Vouchers would be allocated on a random basis. A smaller proportion of businesses (around a quarter) are aware that there are five advice themes on offer in the Programme, but the majority are only able to name one or two advice themes. Most business representatives are only able to recall the advice theme they had originally earmarked as the most beneficial for their business, or the theme recommended to them during the diagnostic.

When asked whether they understood the purpose of the diagnostic, feedback from businesses highlight that there was generally poor comprehension of its role in the Programme. Moreover, just under half of the businesses interviewed are unable to provide any response to questions concerning their understanding of the diagnostic. This latter group could potentially be the result of the difficulties associated with recollecting understandings from six months ago.

Of those who are able to provide feedback on their understanding at the time of the diagnostic, only around one quarter of businesses are aware of its purpose, i.e. to identify the strategic advice best suited to businesses.

*I think it was to try and help us work out what we needed and steer us in a helpful direction in terms of how we could take the business forward.*

**Energy efficiency consultancy, telephone diagnostic**

Around one quarter of businesses thought the diagnostic was a continuation of the application process or intended to check their eligibility to participate in the Programme.

*To clarify which of the specific strategic areas I'd be potentially eligible to get the GV funding for. I suppose for the advisor, to see if I was eligible material, if there was a synergy there and then to put me into the lucky dip.*

**Interior designer, telephone diagnostic**

Some businesses thought the diagnostic was a means to obtain more information on the Programme and others believed the diagnostic was going to be the point at which the business would find out if they were going to receive a voucher.

*To give me a yes or a no as to whether I'd qualified for the voucher.*

### **Manufacturer and distributor of industrial machine components, telephone diagnostic**

A lack of understanding amongst businesses about what the diagnostic is intended for signifies a potential area of improvement in the Programme. If businesses are unaware that the diagnostic is intended to identify the theme of strategic advice most appropriate for the business' needs and instead consider it to be another eligibility check or opportunity to get information about the Programme, then they are unlikely to acknowledge the value of the recommendation given and instead focus upon their own idea of what is required. In light of this, it might be necessary to provide more information about the purpose of the diagnostic before businesses take part in a diagnostic.

## **Applying for the programme**

### **The online application process**

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

The first stage of applying for a Growth Voucher is completed online by all businesses. Beginning on the landing page [www.gov.uk/apply-growth-vouchers](http://www.gov.uk/apply-growth-vouchers), businesses are first taken through five short (yes / no) questions that ascertain their eligibility for the Programme. These questions can be seen below in figure 6.1.

Figure 6.1 Eligibility check questions

Answer the questions below to find out

---

Eligibility      Application Form      Confirmation      Outcome      You're Done!

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

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

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

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

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

**Next >**

[I do not want to proceed](#)

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

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

The online application process is felt to be working well by Delivery Partner staff who described it as quick and simple to complete. It is considered suitable for small businesses because it is clear and not too intensive in terms of the amount and detail of financial information required.

The earlier problem of businesses being unaware of the need to select a Delivery Partner to complete their application seems to continue although to a lesser extent than before. Improvements in this area are due to better guidance and layout of the application pages which make the requirement more obvious to businesses. It was suggested that an alternative to businesses selecting a Delivery Partner themselves could be automatically matching them to their nearest Delivery Partner using their postcodes in order to ensure each Delivery Partner receives equal numbers of businesses. However, it was said that BIS wants the choice to be with businesses, particularly those located outside of the Programme pilot areas.

Currently businesses needing support can call a generic business support helpline managed by the lead Delivery Partner through which they can speak to advisers who have been trained on the Growth Vouchers Programme.

Around 20-30 businesses contact the lead Delivery Partner every month. While this is considered to be a relatively small number, advisers report fielding a substantial number of queries about the Programme rules, the part of the process they are in, what happens next and how they can select a Delivery Partner.

Businesses generally find the online application process to be quick and easy, supporting the opinions of Delivery Partners. The majority of participants claim that the application took between ten and thirty minutes to complete—most business included the online diagnostic in this estimates as they thought it part of application. Businesses felt online journey could be done without additional information or assistance from others.

*“Really easy to follow it didn’t take too long. You kind of knew where you where with it, that was the biggest thing that drew me into it you could fill it in online and it would give you an answer straight away.”*

#### **Mechanic, online diagnostic**

Although it was generally thought of positively, several businesses refer to the online application process as ‘repetitive’ and ‘laborious’. However, this negative feedback should be approached with a degree of caution as some of it was provided by businesses that were not given a voucher. Others, meanwhile, find the online application to be challenging as they are required to input business records and information that they consider to not be readily available.

*To do something online like that you really want to be able to do it in one go without having to go oh, I’ve got to go off and find this now. You couldn’t go through to scan what information you needed to collect together in advance because you had to enter the information on that screen and submit before it would let you move onto to the next screen.*

#### **Leadership training provider, telephone diagnostic**

Details about what information about the business is required to complete the application are available on the first page of the Growth Vouchers website (Figure 6.2). But, like the eligibility criteria, it appears beneath the link to the application and so has the potential to be overlooked.

Figure 6.2 **Business information required to complete the online application**

**What you'll need**

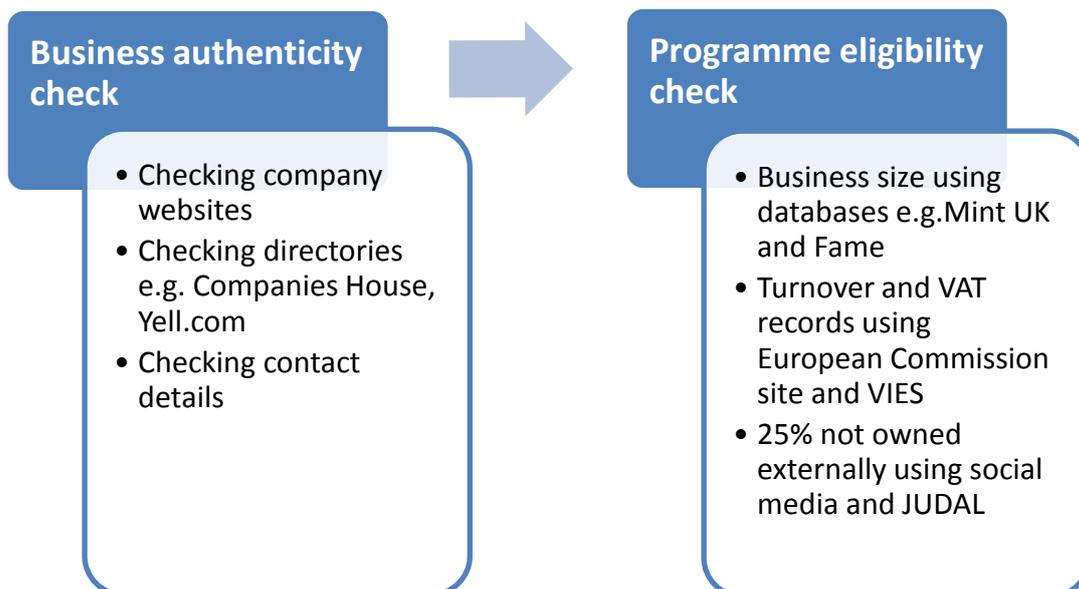
You'll need the following things to complete your application:

- Companies House registration number or Unique Taxpayer Reference (UTR) from HMRC
- registered business address
- business turnover details
- VAT registration number (if you're registered)
- PAYE number (if you have one)
- contact phone number
- email address

### The validation process

Delivery Partners carry out validation checks on applications to ensure businesses are both genuine and eligible for the Programme. The process closely resembles that undertaken at the start of the Programme, though Delivery Partners have introduced additional checks. The process is summarised in figure 6.1 below.

Figure 6.3 **Additional eligibility checks introduced into the Growth Voucher application**



Businesses are re-contacted and offered the opportunity to check and correct any discrepancies if information on their application is unclear and / or businesses are found to be ineligible. Validation checks tend to require more effort for sole traders who are usually asked to provide further information, including evidence of a unique tax reference, and PAYE number. Some newer companies tend not to have unique tax references, however they are told that they can be provided at a later date.

Delivery Partner staff feel the timeframe of two days to complete validation checks is feasible – providing there is no unexpected surge in applications. They also think the validation process is working well now and valued having a number of sources against which they can cross check businesses' details and eligibility.

They did however point to three types of challenges associated with validation checks:

**Full authentication of applications.** It was acknowledged that ineligible businesses can pass the validation process with erroneous information that cannot be validated, for example whether they have had advice before.

**Requesting further information from businesses.** Chasing businesses for further information is felt to be time consuming, particularly sole traders who tend to be slower to respond.

**Lack of screening around ability and willingness to use the voucher.** The current eligibility criteria do not take into account of whether businesses have the funds or the interest in redeeming their vouchers, in fact this element is entirely dependent on the business's own assessment of their suitability. Delivery Partner staff have no discretion to screen out these types of businesses or prevent them from proceeding through the Programme and ultimately receiving a voucher. It is suggested that eligibility checks could do more to screen out businesses without the power or willingness to spend their voucher, though it is also acknowledged this assessment could be difficult.

## Booking appointments

While overall Delivery Partners report meeting the two week timeframe for contacting businesses and arranging appointments, there have been times in recent months when this has been more challenging. For example, businesses were less contactable in the Summer holiday period. Smaller enterprises such as micro-businesses and sole traders are still found by some Delivery Partners to be hard to reach. While email has been found to be a good alternative to phone calls to stimulate a response it can still be difficult to schedule a diagnostic within two weeks because these businesses tend to be busy.

Geographical differences were also reported, whereby large cities such as London were found to be easier to arrange personal diagnostics in compared to more rural settings because transport links and availability of nearby advisers are better.

In addition to arranging a suitable time to book appointments, some administrators or advisers also take the opportunity to explain the Programme in more detail during their first phone calls with businesses. The level of information provided at this stage varies and

includes the purpose of the diagnostic, an explanation that voucher allocation is random and not guaranteed, and details of the adviser.

After the initial phone call some Delivery Partners contact businesses again to remind them that their diagnostic is approaching, and this is felt to improve attendance rates. High cancellation rates have been raised as a key frustration for freelance advisers who are only paid for completed diagnostics. Although they are not paid for communicating with businesses outside of the diagnostic, they have begun making advance calls to avoid cancellations, non-attendance and the number of businesses who are unsuitable for the Programme, such as those unable to match funding. Making this initial contact has however led to them spending a lot of time answering queries. One adviser described it as,

*A lot of effort for little remuneration!*

**Delivery Partner, Adviser**

Other Delivery Partner staff were of the view that the HMRC email-shots have led to higher non-attendance rates alongside a much welcomed rise in Programme applicants. This is presumed to be because the non-targeted nature of the email-shot has reached more applicants who are less serious about the Programme.

The majority of businesses interviewed describe the process of arranging an appointment for a personal diagnostic to be straightforward and expedient.

*I can't remember whether I was prompted to contact somebody or whether they contacted me but again it was straightforward. The process of making an appointment was really straight forward. It all happened very fast: filling in the application, scheduling the appointment, attending it and being notified that we were allocated a voucher. I think the whole process probably took under a week.*

**IT & management consultant, face to face diagnostic**

# The Business Advice Assessments and Voucher Allocation

## Chapter summary

- Overall, the business advice assessment (or diagnostic) routes are working well, in that businesses do not report major problems accessing either the online or personal diagnostic routes, and are generally satisfied regardless of diagnostic channel.
- The online route is considered quick and simple, while the personal route adds value in that businesses appreciate the opportunity to talk about their long-term aims with an engaged and knowledgeable individual who nevertheless sits 'outside' the business. The value added is perhaps 'softer' than originally envisaged, with few businesses reporting that their personal diagnostic caused them to re-evaluate or reassess their business.
- Advisers still generally prefer face-to-face assessments, finding that non-verbal cues offer greater insights, and like holding diagnostics in businesses' premises. Skype is used increasingly by Delivery Partners; it is considered a good alternative to face-to-face but can be interrupted by bad connections.
- Diagnostics follow the same structure but appear to be longer on average than six months previously. This may, in part, be because advisers are spending more time discussing the process of spending vouchers in efforts to drive up conversion rates. The more structured diagnostics are now more discursive, with the aim of adding more value than the online diagnostic.
- While telephone diagnostics cannot offer the benefits of body language and non-verbal cues they are less demanding on time and travel. There is little evidence to suggest that businesses get a different level of service from the telephone or face-to-face routes.
- Delivery Partners feel the diagnostic tools are working effectively to identify the correct theme in a relatively short space of time. Only minor amendments have been made to them in recent months.
- Challenges in delivering diagnostic assessments include some businesses still lacking knowledge about the Programme and becoming less engaged in the session. Advisers also sometimes find it difficult to challenge theme preferences or pick one theme that cannot be changed at a later date.

This chapter focuses on business advice (or diagnostic) assessments. The chapter draws on interviews with Delivery Partners and businesses to describe the design and delivery of the online and personal routes, highlighting developments since the beginning of the Programme. It then explores how useful and effective these routes are seen to be in assessing advice needs.

## Online diagnostic assessments

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

The overall structure of the online diagnostic is as follows:

1. The business is sent an email that directs them to the online diagnostic. The online diagnostic is a series of scale / ratings-style questions that the business completes online; the questions cover each of the five advice themes that are available via the Growth Vouchers Programme.
2. The business then works through the online diagnostic, answering questions about their businesses' capabilities within five specific theme areas. Based on the answers given, the business is recommended an advice 'theme' (the area in which their answers suggested the business is weakest). The business has the option to accept the theme or select an alternative. The business can return to this screen at a later date if they like to take time to decide the theme, the theme decision once made is final.
3. Once the theme has been confirmed, the business is then randomly allocated to either the treatment group (awarded Growth Voucher) or the control group (not awarded a Growth Voucher).
4. Businesses receive an email confirming the voucher outcome. Regardless of whether businesses are awarded a voucher, this follow-up email provides a link to the Online Marketplace and a guide to choosing and managing a consultant.

## Delivery Partner's views of the online diagnostic

The online diagnostic tool is considered by Delivery Partner staff to be simple to complete, offering a straightforward rating system which enables businesses to see where their strengths and weaknesses lie. This view is supported by the fact that most businesses agree with the advice theme selected for them by the online diagnostic tool.

The process is also felt to be self-explanatory, with relatively few businesses contacting the relevant Delivery Partner for support. The few queries relating to the online diagnostic process tend to be from businesses who find they cannot choose another theme after the assessment, which suggests there is some confusion about this part of the process.

The claims submitted to Delivery Partners do, however, indicate that some businesses are unclear about the nature of their allocated theme. Some go on to seek advice in unrelated areas, for example buying marketing advice under the digital technology theme. When questioning businesses about discrepancies advisers have found that they have resulted

from genuine confusion. Advisers attribute this to the lack of human interaction during the online diagnostic process, suggesting that personal interaction can clarify areas of confusion and may result in better spending decisions.

## **Business views of the online diagnostic**

Overall, businesses feel that the online diagnostic is working well, with few issues noted. Crucially, for time-sensitive businesses the process is quick and simple, with most completing it in one sitting of around 20-30 minutes; only a handful of businesses have taken longer (up to an hour) to complete the process. It should be noted that businesses allocated to the online diagnostic found it hard to distinguish the application process from the diagnostic, and so it is likely that this retrospective time estimation is based on both parts of the process.

Around half of the businesses interviewed for the first time in this phase of the evaluation found the questions relevant to their business and felt that they worked well in determining their business needs. However, whilst the remainder of businesses thought that questions to be too generic or else better geared towards larger businesses, they understood that the tool would be used for a variety of business types and could not be too specific.

When given a choice, a third would have preferred to have had a discussion with an adviser at this stage of the process (i.e. a personal diagnostic). These businesses felt that a discussion would have been more suitable in determining what advice would be best as it could be tailored to better understand their needs and concerns; online answering is felt by these businesses to be too restrictive.

*I can remember feeling at some points slightly frustrated because the answers I gave were limited – multiple choice, and therefore they didn't describe exactly what I was thinking or requiring. I would have liked to have been asked the question 'what advice do you need?' or something like that, or 'at what stage is your business at?' or 'what are your (specific) objectives?*

**Waste collector, online diagnostic**

*Yes because if talking to someone face-to-face; that person would be more in tune with your needs and they can understand exactly the business and its needs. An online assessment is too restricted.*

**Property dealer, online diagnostic**

*Sometimes you just might put an answer because you think you have to answer it that way. Also sometimes you look at a question and think actually it doesn't address what I need. So I think I'd prefer probably face-to-face or a telephone call.*

**Training provider, online diagnostic**

Most of the businesses interviewed understand that the online diagnostic is a tool to assess what kind of advice would benefit their business the most. This is a marked improvement from the formative evaluation which reflects the efforts made to be more transparent about the purpose of each stage of the process. Furthermore, since the voucher terms and conditions were made clearer on the online route, businesses allocated

to this route seem to now have an increased level of awareness (comparable to the personal diagnostic businesses) about the five distinct themes, the concept of matched funding and the genuinely random element of allocation.

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

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

However, the impact of the online diagnostic is largely (though not entirely) tied into being allocated the voucher. Whereas those not allocated a voucher but experiencing the personal diagnostic still often feel they have taken part in a useful exercise, the comparable group who experienced the online diagnostic are less likely to say it made them think differently about their business.

## **The personal diagnostic**

This section discusses the personal diagnostic, and the differences between the face-to-face and telephone channels.

### **Design of the personal diagnostic**

The diagnostic tools designed by Delivery Partners to guide their personal diagnostics are still in use. The tools are diverse, ranging from structured tools (such as questionnaires and automated scoring spreadsheets) to more unstructured formats that list broad areas of questioning.

The use of diagnostic tools by all advisers helps to provide a common structure and guide for topic coverage and thus ensures a level of consistency in the approach to diagnostics within each Delivery Partner organisation. Advisers within each Delivery Partner do, however, have the discretion to ask additional questions and, in some cases, use the tool in a more light-touch way, if, for example, a business already has a firm interest in a particular theme.

Delivery Partners feel the tools are working effectively to (in a relatively short space of time) meet the objective of the assessment, which is to uncover businesses' strengths and weaknesses and identify the most appropriate advice theme. Therefore, only minor amendments have been made to diagnostic tools in recent months, such as revising theme names to be consistent with those used by BIS and Enterprise Nation. While Delivery Partners see the potential for creating more nuanced and comprehensive tools, the existing 'one size fits all' versions tend to work in all cases. Advisers are confident that

their diagnostic tools, alongside open dialogue, enable them to assess businesses' needs in more depth than possible using the online diagnostic.

### Delivery of the personal diagnostic

Diagnostics are conducted either face-to-face, or by telephone or using Skype. Advisers generally continue to prefer face-to-face over telephone assessments because seeing businesses enables advisers to pick up on non-verbal cues, areas of confusion and hesitation and therefore achieve a better understanding of advice needs. One adviser explained,

*A lot of how I will question is driven not only by what they say, but also how they say it, so being able to see the whites of their eyes helps significantly, you know, is somebody sure of themselves? Are they sure of their ground?*

**Delivery Partner, Adviser**

More face-to-face diagnostics are taking place in businesses' offices in order to accommodate businesses who lack the time to travel to Delivery Partners' premises or alternative venues for assessments. Advisers feel they get a better sense of the business from seeing a client in their own environment and note that businesses tend to be more comfortable and open. However, this option is more costly and means it cannot be as widely used as advisers would like.

*In an ideal world the perfect scenario would be to see each and every client at their business premises. It makes them more comfortable, they're much more open and at ease, it enables me to see and hear and experience things that wouldn't normally come out in a conversation, so there's lots of non-verbal diagnostic inputs that I can gain by being in a customer's premises but logistically we can't do that in every instance unfortunately.*

**Delivery Partner, Adviser**

An additional drawback to seeing businesses at their premises is that advisers have less control over where exactly the diagnostic takes place.

Skype is increasingly being used to conduct diagnostics since the start of the Programme though the majority of assessments continue to be conducted face-to-face or by telephone. Skype is viewed more favourably than the phone because it offers the same benefits of face-to-face assessments. However, advisers have experienced problems with internet connections and therefore still prefer to see businesses in person.

Diagnostics are still highly variable in length, with face-to-face diagnostics lasting 20 minutes to two hours and telephone assessments ranging from 10 minutes to an hour. On average, personal diagnostics are reported to last around an hour, while telephone diagnostics are generally shorter.

Diagnostics appear to have got longer due to more emphasis on Programme conditions, the Online Marketplace and the process of selecting Suppliers, and a move towards more in-depth and discursive diagnostics.

## Content of diagnostics

Personal diagnostics still share a similar structure, as discussed in the step by step description below. A number of differences can be observed since the formative stage of the programme, including the following:

- Advisers are taking more time to explain how to use the Marketplace and spend vouchers;
- The more structured diagnostics are more discursive to add value, where appropriate; and
- Advisers are more experienced and more confident in getting the information needed.

### Step 1. Prior research

Some advisers begin the process before the session starts by researching businesses. For advisers who lack time or wish to avoid forming preconceptions about the most appropriate theme, this is limited to checking businesses' details on their application forms. Other advisers seek additional information by looking at businesses' websites, Linked In or Facebook profiles and credit checks. Advisers wanting a more thorough understanding of the types of problems businesses might face also research the price of products, the client base and key competitors.

### Step 2. Introduction to the Programme and the Diagnostic Assessment

Advisers then start their sessions with an introduction to themselves, the Programme rules and the aims of the diagnostic assessment. The introduction is felt to be an important aspect of the diagnostic because it enables advisers to clear up any confusion or misconceptions about the Programme. It also helps to reinforce Programme rules such as vouchers being randomly allocated and intended for strategic advice only. Explaining the diagnostic process also manages businesses' expectations about what will be involved.

Advisers observed that businesses are generally more knowledgeable about Programme rules, and attribute this to clearer information on the application pages and in initial interactions with Delivery Partners. However, advisers still report that businesses' lack of understanding of the Programme is a key challenge to delivering successful diagnostics. In particular, telling businesses about randomisation can put advisers on the back-foot because businesses are displeased about making the effort to come in. Advisers then describe having to work hard to re-build the enthusiasm for the session. Some businesses are still unclear about the time and financial commitment of the Programme, while some also believe the assessment to be a test. Advisers believe more explanation could be given at the time diagnostics are arranged to reinforce these points, and they suggest the word 'assessment' should be replaced because it is misleading and off-putting to businesses.

Advisers generally appear to be going to greater lengths to explain the rules around spending vouchers and using the Online Marketplace to select a Supplier, although the range and level of detail varies from adviser to adviser. In particular, advisers are emphasising the requirement for businesses to match funding for the voucher, to select an

accredited supplier if given a voucher, and to be aware that vouchers expire within three months. This conversation also occurs after the theme assessment and is discussed in further detail later in this section.

### **Step 3. Theme assessment**

The introduction is then followed by the main part of the diagnostic process: a discussion of themes. As mentioned earlier, the diagnostic tools used to guide theme assessments remain predominantly unchanged and assessments follow the same broad styles (ranging from more structured to freer, more open approaches). However, there appears to be some movement towards longer and more in-depth, semi-structured assessments among advisers using more structured approaches. In some cases this reflects an intentional move towards adding more value and using an additional 5-10 minutes to explore issues in depth and gain a more thorough understanding of the topics discussed.

Representing a move away from being overly prescriptive in either approach, the available diagnostic tools also appear to be used more flexibly and responsively in order to adapt to individual businesses. The level of detail tends to be steered by businesses, and advisers report that 'deeper' interviews or more structured questionnaire based approaches do not always suit applicants who arrive with a fixed theme in mind. One adviser explained that they,

*Basically just play it by ear with each client. Some like to talk a lot and go into detail, some like to just say yes or no.*

**Delivery Partner, Adviser**

However, advisers using both types of diagnostic tool feel that businesses which are not engaged in the process and are less discursive in their assessment of themes benefit less from the diagnostic and expertise of the adviser. Advisers using more structured approaches particularly feel more limited in offering greater value than the online route when businesses prefer to 'reel off' scores without being reflective.

On the whole, advisers appear to be more confident about conducting diagnostic sessions effectively, even though the diagnostics for the Programme are considered more basic than others. Advisers commented that it is now easier to get the relevant information from businesses having conducted more sessions. A strategic staff member also felt that over the last six months advisers had moved from general information gathering to guiding, advising and mentoring businesses in their theme selection and redemption of vouchers. Delivery Partners had all received positive feedback and testimonials from businesses (even those without a voucher) to say they had benefited from the diagnostic.

### **Challenging theme decisions**

Advisers vary in the extent to which they challenge businesses on chosen themes. On the whole, it is not felt necessary to challenge businesses because adviser's methods of questioning lead to businesses to come to sound conclusions which sometimes differ from their initial views.

When there is less agreement about businesses' preferred theme some advisers believe in challenging businesses so that they ultimately benefit from the right advice. Others, however, think it will risk willingness to spend the voucher. A further challenge is that businesses are less minded to take advisers' views on board because they feel they do

not know them well enough. Some advisers also expressed reluctance to challenge businesses, believing one session does not offer sufficient time to familiarise with businesses' needs.

One adviser gave the example of a business that believed it needed a website to drive up customer numbers. Rather than developing a website, the adviser thought it needed to re-examine its sales and marketing strategy. The adviser described trying 'quite hard' to talk the business round but in the end went with the theme the businesses wanted,

*At the end of the day, if they feel like I'm badgering them and I've only known their business for 10, 15, 20 minutes and they've been living with it for the past five years, what do I know? Then I've got to back off, there's only so much challenge that you can get away with.*

**Delivery Partner, Adviser**

Some advisers would prefer advice themes to be flexible because the diagnostic may spark other ideas after businesses have had time to reflect or remind them of issues they forgot to mention. In addition, while the themes are generally thought to work well, the overlap between some themes and lack of a more generic business plan category can present challenges to advisers in picking just one fixed theme.

#### **Step 4. Guidance on choosing a Supplier**

In efforts to improve voucher conversion rates some advisers are providing businesses with more guidance around selecting advisers during the personal diagnostic. Advisers report that, as a result of the increased focus on voucher redemption, their diagnostics now last 10-20 minutes longer. In some cases advisers said they had always done this, while other advisers have introduced such discussions more recently. At the time of interview the KPI around voucher conversion had just taken effect, and some advisers were still simply signposting businesses to the email they would receive about using the Marketplace following allocation to the voucher or control group.

Advisers have been guiding businesses through the process of selecting Suppliers by explaining how to use the Online Marketplace in detail and in some cases demonstrating the process of searching for Suppliers and comparing Supplier profiles. This discussion happens either before or after the theme is decided, but it takes place before vouchers are allocated so that businesses which end up in the control group receive the same information and are not treated differently. In telephone diagnostics, advisers email businesses the link to the Marketplace and talk them through the process.

Advisers have also been having detailed discussions with businesses about the types of Suppliers they wish to work with and the kind of work they want to do. They have recommended that businesses write an advice brief or specification and speak to around three advisors to get a feel for how they would meet their brief. They advise them to pick carefully rather than select the first Supplier by researching websites, social media profiles and reviews from previous clients. Advisers are also providing information about the payment and claim systems.

#### **Step 5. Action plan and voucher allocation**

The content and process of completing action plans has not changed since the last round of interviews. The type of diagnostic tool used still appears to determine the nature of the

action plans produced. Automated diagnostic tools, for example, automatically produce action plans which summarise scores for each theme and offer a list of generic actions (but with the option for advisers to add free text or tailor actions to businesses). Advisers using less structured diagnostic tools tend to write action plans themselves. They summarise the discussion and chosen theme and write action points for the business or Advice Supplier.

Regardless of diagnostic tool, action plans tend to contain a short summary of the discussion, the selected advice theme and other areas of need, and a list of basic action points for the business to address (for example, to reassess book-keeping and develop a business strategy). In the interviews at the formative evaluation stage, some advisers questioned the level of detail needed in action plans to be sufficiently useful. In this round, advisers mentioned signposting businesses to specific resources, making book and website recommendations and providing general tips in order to make the action plan useful. Some advisers may, however, have always done this.

As a related point, some advisers described suggesting other funding streams for strategic advice and sources of information about funding with businesses during the diagnostic. This was aimed at ensuring even businesses who were later assigned to the control group would come away with something useful. One adviser did not include this information on action plans because they were seen as separate to the Growth Vouchers Programme.

Action plans are written up and uploaded either during assessments or afterwards. Advisers who tend to write up action plans after the meeting feel it may waste businesses' time to do it while they are present, or want a chance to reflect and think about the plan before writing it. Those who tended to write it up during the meeting did this because they felt the information was fresher and fuller this way, preferred to write it in collaboration with businesses or felt it would add too much to their workloads to do it later. A further reason for completing and uploading the action plan at the session was to demonstrate more transparency, particularly in relation to the voucher decision being completely random rather than the advisers' decision. Either way, advisers felt it was important businesses were aware of and agreed with what the action plan said as it summarised their conversation.

## **Businesses' views of the personal diagnostic assessment**

Overall, businesses are positive about the personal diagnostic, with the majority finding the session useful; for many it provides a new perspective on the business, or clarification of the best course of future action. Participants enjoyed discussing their business in depth with an adviser; they generally felt supported and that the Delivery Partner understood their needs. Some businesses feel motivated to seek advice after their diagnostic where they had felt hesitant or apathetic about doing so before. This suggests that for some, the diagnostics do address known market failures such as a lack of understanding about the need for, or value of, advice.

Many participants attended the discussion with a clear idea of where their business was heading and what they wanted from the voucher and yet one third of these businesses were challenged in their thinking by their adviser. Some businesses recalled their adviser

letting them know about other options and opportunities available and trying to get them to think about things differently without being too forceful. This fresh perspective was generally received positively. One business, for example, accepted a different theme to that which they had envisaged as a result of the discussion and agreed it would be more beneficial.

*They let me know there were other possibilities. They weren't forceful, they just talked about other network events and other ways of doing it.*

**Sign manufacturer and installer, face to face diagnostic**

*Overall I did find it very useful but also it is quite reassuring as well that she could agree that a lot of things we were doing were the right things. It did encourage me to look at the business with a little bit of a different perspective in a couple of areas. From my point of view I deal with a lot of clients every day and deal with what is on our plate at the moment so one of her piece of advice was to think about it from the client's point of view and put strategies in place to keep regular contact with clients even if they're not sending work away at that time; to focus on keeping in touch with clients.*

**Sign manufacturer and installer, face to face diagnostic**

Businesses that were not challenged tended to believe this was because their own diagnosis of needs was accurate and therefore did not need challenging; they had set plans for what they wanted to use the vouchers for and that is what they felt they presented. In these cases, businesses still tended to find this discussion useful as it offered clarification or affirmation on the views they held.

*Yes by going through them logically like we did; you don't tend to do that when you just run through something you just know. You have it all in your head but by going through logically area by area is very helpful. I guess small businesses don't really tend to do that. Yes she did challenge my thinking in a few areas, just about planning things, planning out growth, putting things together on 1 or 2 years plan or 5 years plan. I had them fairly loosely in my head but she sort of said it would be good to have that written down so to have something tangible. I thought that was good advice.*

**Graphic design and web development, face to face diagnostic**

*He accepted that what I'd focussed on for the use of the vouchers was a sensible and reasonable area and one that would deliver the desired outcome.*

**Leadership training provider, telephone diagnostic**

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

One in five businesses did not find the session that useful. However, around half of this group did not have an issue with this - they just saw the session as a means to an end to

get the voucher – leaving around half who expressed some dissatisfaction. These businesses felt that the adviser did not ask enough questions and did not understand their business properly, whilst others wanted more advice and guidance. These businesses felt that the adviser was more of a practitioner or an administrator than a business adviser, which was what they had expected.

*No I don't think they asked enough questions, would have liked them to ask me more about my business and support or advice we needed.*

**Engineering, telephone diagnostic**

*Well, I would have expected somebody to want to explore more about why we feel that's what we want or need. And digital marketing's a pretty big topic. So there was no drilling down as to what aspects . . . you know what are you aiming to achieve from having somebody that you could work alongside as part of this initiative. It didn't really get through any superficial . . . but I suspect that's because the advisor is not a practitioner, probably more of an administrator role than a business advisor.*

**Leadership training provider, telephone diagnostic**

The purpose of the diagnostic has been given more prevalence on the Growth Voucher website and is further emphasised by advisers. Despite this, there remains some misunderstanding. Around half of businesses allocated to the personal diagnostic believe that the purpose of the discussion is to learn more about the scheme, to check eligibility and, in some cases, to test the business. These impressions do not seem to have come from anywhere in particular - it may just be a case that better consistency of managing expectations is needed across the different Delivery Partners.

*For them to meet with me to see if a/ I was eligible and to work out if they really could help and to ensure that the grant money was not being wasted.*

**Sign manufacturer and installer, face to face diagnostic**

The majority of businesses which had been allocated the personal route indicated preference for it over the online option. These businesses liked the human element and express concern that an online questionnaire may be too ambiguous and difficult to answer. A small handful of businesses, however, would have preferred their business needs to be assessed via an online questionnaire. Whilst for some it would have meant a quicker process, others would have preferred it as they could have had more time to answer questions. One business, positive about their own particular session, acknowledges that experiences of personal diagnostics could vary with the quality of adviser so, while they feel they were lucky to have had a positive session, the online diagnostic would offer a more consistent experience across businesses.

*I think you never know the capability of a business advisor and I am sometimes a little bit suspect that you know more than the advisor, but it depends on the quality of the advisor. The nice thing about the internet is that the questions are pre thought and obviously geared towards giving you a decision on it.*

**Industrial fastener manufacturer and distributor, telephone diagnostic**

Considerable variation remains in terms of length and content of the session. Whilst half of the diagnostics lasted 30-45 minutes, just over a quarter lasted under 20 minutes and just under a quarter lasted an hour or more – the longest lasted an hour and a half. There was also variation in the structure of the diagnostic: Nearly equal proportions experienced an open discussion, a questionnaire or a mixture of the two.

The variation in length of the session was apparent across each of the Delivery Partners, although those who had an assessment with Cavendish Consortium (London) were more likely to recall having longer sessions, typically 45 minutes or longer. There was more of a regional pattern in content however; businesses that had diagnostics with Cavendish Consortium (East of England, London and South East) were more likely to report having open discussions than questionnaires as opposed to those that had diagnostics with West Midlands Chambers of Commerce LLP or Winning Pitch who were more likely to report having questionnaires, although this was sometimes in combination with an open discussion.

The length and structure of the diagnostic has little impact on perceived usefulness of the discussion and the majority feel that the discussions were sufficient to make a decision about the type of advice they needed. Businesses which received the more structured session (i.e. the questionnaire), however, are less likely to say the session helped them to understand their business better or offered them fresh perspectives or challenged their thinking in any way. They tend to feel that their adviser was less knowledgeable than those who received the more 'open' session.

*We talked about... I can't remember any more, I do remember discussing every single section like the help subheadings we talked about something in there because you had to rank it on a scale of 1 to 5 or 1 to 10 or something, so I didn't know the number, a number would pop into my head and he'd say 'why did you pick that number?' And then there would be a little discussion, and I would go 'OK well maybe it's this one' and usually from that point on my number would change so it wasn't 'that's the answer: five' and he put it in, it was like 'five, why did you pick five?'*

#### **Office space services, face to face diagnostic**

The businesses which had a diagnostic with West Midlands Chambers of Commerce LLP, and thus more likely to had sessions structured entirely around a questionnaire, or at least involved a questionnaire, were more likely to have said that their thinking had not been challenged in any way, nor did the session help them to understand their business any more.

#### **Face-to-face assessment versus telephone**

There is little difference in the perceived usefulness of the diagnostic by whether it was carried out over the telephone or face-to-face – in general, businesses are happy with the channel experienced. Some businesses say they have a general preference for in-person meetings over telephone communication, and so enjoy the face-to-face option, citing the particular ease of speaking to someone in this way and how it suited their style of working in that industry.

Face-to-face sessions tended to be longer than those carried out over the telephone and so allow more time for exploration of the business's individual issues, if the diagnostic is of

the more 'open' type. The issue of timing is an important one; as well as the length of the session itself, some businesses that met an adviser in person commented on the time it took to get to the session, with a few travelling considerable distances.

Those who had the telephone diagnostic tend to be satisfied, and the semi-structured nature of the diagnostic means that these businesses feel the face-to-face element is not generally necessary; the telephone diagnostic was felt to be easier and quicker. For the same reasons, some of those who received the face-to-face session feel a telephone diagnostic would have been better in hindsight, particularly those who experienced a more structured diagnostic. This was also true of those who had come to realise that the purpose of the diagnostic was not to put forward a business case; that, in hindsight, a telephone discussion would have been sufficient and less time-consuming than meeting face-to-face.

*Obviously there was the inconvenience of my going into the offices of someone. It would have been easier if it could have been done by Skype, but I acknowledge the fact that I was going with the hope that I'd get some sort of support and so I need to make the effort as well. I did go willingly.*

**Garden centre, face to face diagnostic**

*In person, it was my preference because it was an opportunity to have a wider discussion as what services the Chamber of Commerce could potentially provide to us.*

**Educational technology consultancy, face to face diagnostic**

*It saved time because I really didn't want to go to Manchester for a half an hour conversation. I thought telephone was better from a time perspective.*

**Hair and cosmetics manufacturer, telephone diagnostic**

Although it may be too early for 'new' businesses, who were interviewed just 3 months after their diagnostic, to be in a position to assess the impact that the diagnostic has had on the growth of their business, early indications suggest that the value of the personal assessment is largely driven by the personal preferences of the business, the particular style of the adviser and whether the business saw the session as an advisory session or a means to an end. Whilst the face-to-face session seems to be many people's preference, those that experience the telephone route are generally satisfied with the treatment received and do not highlight the lack of face-to-face contact as a problem. There is little evidence that those who experience the face-to-face diagnostic get a higher level of service than those following the telephone route.

## **Management of the control group and further contact**

Advisers differ in relation to ongoing contact with businesses after the diagnostic. Some Advisers have been instructed that they are not meant to have any further contact with businesses, in order to reduce 'contamination' of the treatment and control groups, and thus do not. Other Advisers reported having occasional contact with businesses (including those in the control group) after the diagnostic, despite reporting that they have been advised not to. This contact is limited to responding to queries from businesses which they

see as part of their role as advisers. It includes signposting to resources rather than giving business advice or 'upselling' their own business advice products.

Although some Delivery Partners reported disappointed reactions from businesses in response to being assigned to the control group, businesses were thought to be taking the news well. This was attributed to careful management of businesses' expectations by staff repeatedly reinforcing the fact that vouchers are not guaranteed and that the voucher decision is random. For example, businesses are reminded of this when they are first contacted about scheduling assessments and subsequently during diagnostic assessments. Advisers also thought businesses felt less let down because the process up to the point of voucher allocation is not too onerous and because most businesses understand and accept the need for the random allocation of vouchers as part of the trial.

As mentioned earlier, Advisers also described informing businesses of alternative funding streams and advice sources with the intention of ensuring businesses assigned to the control group come away from the process having found it useful. In one case an adviser sent a business some guidance on writing a business plan before the voucher outcome. The business, who was then assigned to the control group, emailed the adviser to say they were not disappointed because the business plan guidance was more useful than they thought the voucher would have been.

### **Voucher allocation**

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

In some cases, the action plan is written up and submitted at the meeting and the voucher outcome is delivered instantly so that businesses are spared the wait. Where this is not possible or desirable the action plan is submitted shortly after the meeting. In some cases this is because action plans are first passed onto administrative colleagues who are responsible for uploading the forms. Elsewhere Advisers prefer to write up action plans afterwards so that they can concentrate fully on the advice assessment. One Delivery Partner has been trialling a short delay in submitting the action plan to allow businesses to confirm that the session has been useful before receiving their voucher outcome. This is intended to protect Advisers from complaints from businesses who are dissatisfied because they have not received a voucher.

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

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

As part of the research, we also spoke to businesses that formed part of the control group i.e. those that applied and undertook the diagnostic but that were not allocated a voucher. Almost all of those we spoke to understood that they may not receive a voucher. However, although the majority were aware that the allocation of voucher would be undertaken on a

random basis (an increase, from half in the formative phase), many found this a difficult message to accept.

These businesses prefer to think that diagnostics are an opportunity to “pitch” their business as an appropriate candidate for a voucher that is then either accepted or declined on merit. Even those who recall knowing about the random allocation of the voucher element from the beginning of the application process express disappointment.

*Had I known about it in the beginning I most probably wouldn't have gone there. I certainly didn't appreciate that because even if you've got a worthwhile cause it's just a lottery*

**Garden centre, face to face diagnostic**

*I was clear and I understand that it is random, however I don't think that is good enough. I think that a lot of small businesses don't have the time to give up to go through this whole process on the off chance they'll be picked in a random pick 'n' mix.*

**Business mentor, face to face diagnostic**

Although it could be argued that the speed on which the decision is made would help businesses understand that the decision is genuinely random, these businesses criticised the quick speed of the decision; receiving the rejection e-mail that quickly after the discussion with the adviser, without any offer of further help, cemented the belief among these businesses that their involvement in the Programme was not a good use of their time as it had not even been considered.

*Obviously it's a bit of a shutdown when you've spent that time going through it and you've got an answer of NO and like I say no one got in touch and said 'we're sorry you didn't get through this time' there was no other advice.*

**Automotive services, online diagnostic**

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

The numbers of businesses interviewed in Phase 1 from the control group is not large (around 20) so caution should be advised in extrapolating conclusions but, for the most part, participation in the scheme does not appear to have significantly impacted on their future behaviour or attitudes towards business advice. Only two out of twenty businesses said they would be less likely to seek advice in the future.

Of those businesses who received a personal diagnostic, around half say that they were suggested alternative programmes; although they struggle to recall what these were, and have not so far acted on this advice. A handful of businesses feel put off applying for similar government schemes as they feel their time has been not be used well. For the most part, however, businesses' experience of the Growth Vouchers Programme does not appear to have discouraged their interest in seeking advice more generally.

*I can't remember whether he did say at the time that there were things out there, but I've had emails through to say there are things I can do. I think they were just companies where you could go to for advice if you needed it. I suppose they were promoting company's services. I won't investigate them.*

**Farmer, telephone diagnostic**

# Using the voucher

## Chapter Summary

- **A greater proportion of (new) businesses (six in ten) have either made an appointment or intend to do so than found in the formative stage; A further one in ten are undecided.** Securing as many as possible redeemed vouchers among those businesses with positive intentions and those who are unsure will be central to the success of the scheme.
- **Just under three in ten businesses do not intend to use the voucher; reduced only slightly from the formative stage.** The leading reason for not using the voucher was the lack of cash available for matched funding. A smaller proportion of new businesses cited problems with the Online Marketplace.
- The Online Marketplace is seen to be functioning well and there do not appear to be significant or unresolved usability issues. There are still concerns across businesses and Delivery Partners that the range of Advice Suppliers is currently inadequate with patchy geographical coverage. For businesses to progress within the Programme, it is crucial that they are able to find the right advice and the Online Marketplace is currently acting as a barrier in some cases.
- Among those businesses which have made an appointment with an adviser, there does appear to be some degree of “deadweight” in the Programme – i.e. those business who would have sought advice anyway – but not concerning levels; around a third of those who have already booked an appointment with an advisor (equating to one in ten of all those allocated a voucher) say that they would have sought the same advice and paid for it, albeit potentially at a later point in time, with the same proportion looking for a way of obtaining free or subsidised advice.
- The claims process has not changed in recent months although minor changes have been made to improve and standardise claims assessment forms. The process is felt to work efficiently and effectively by both Delivery Partners and businesses. Claims are double-checked by different staff to make the assessment more thorough. However, staff feel that the process is not guaranteed to identify or prove fraudulent activity as it only does the required due-diligence.
- Delivery Partners have had to request further clarification from businesses on claim forms that have not been completed correctly or comprehensively or that indicate a different theme or non-accredited Supplier has been used.

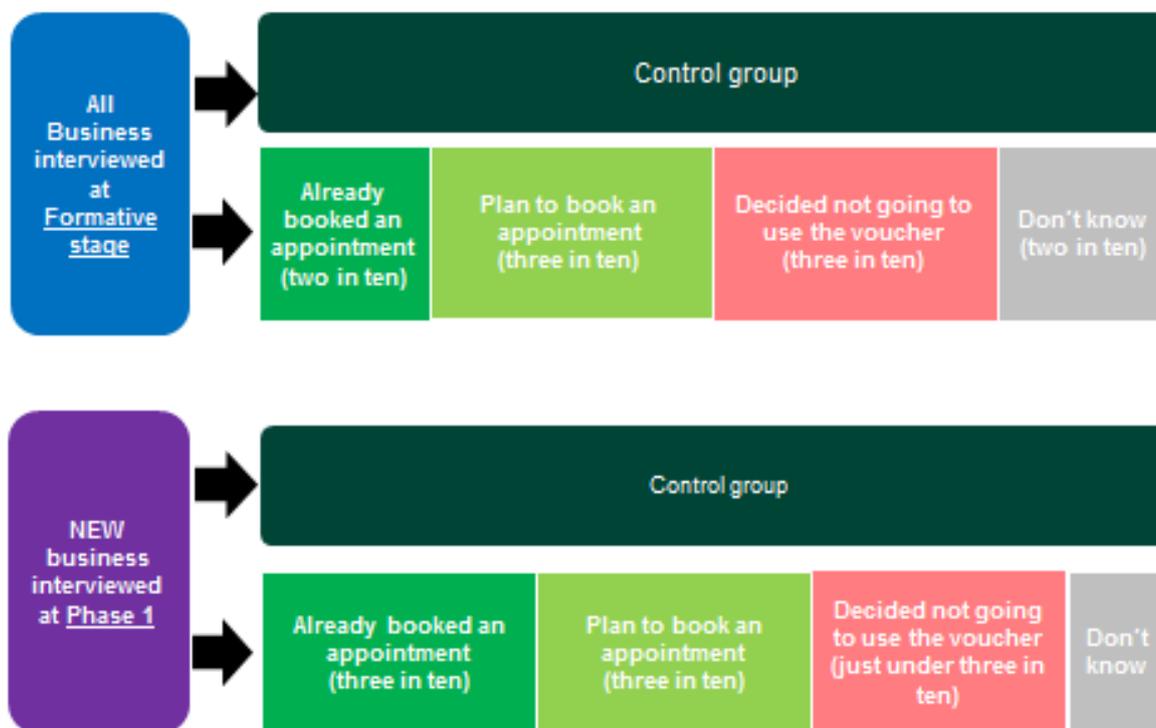
## Use of vouchers

### Intended use of the voucher

New businesses were interviewed about their use of the vouchers as part of the Phase 1 evaluation between one and two months after the vouchers had been allocated; so before the three-month expiry date. Most of the businesses interviewed have positive intentions of continuing with the Growth Vouchers Programme.

As interviews with new businesses were conducted at the same point in time (one and two months after the vouchers had been allocated) in the two evaluations the different voucher ‘outcomes’ **between new businesses who took part in the Phase 1 evaluation and those who took part in the formative evaluation 3 months earlier** can be compared (as Figure 5.1). Each outcome is explored in more depth below.

Figure 5.1 Comparison of business outcome at formative and Phase 1 evaluation



- Already booked an appointment:** Around three in ten of those allocated a voucher have already booked an appointment with an Advice Supplier. These businesses are therefore almost certain to proceed through the programme. Positively, this proportion was larger than that found in the formative stage (where only two in ten had booked an appointment). This may, at least in part, be attributed to the increased support of the Delivery Partners. There is some “deadweight” among this group though this does not appear to be very widespread, - with around a third of this group saying that they would have sought paid advice anyway, even if they had not been part of the Growth Vouchers Programme. However, the Programme does

appear to have influenced the approach of some businesses, who have either considered purchasing advice they would not have otherwise obtained, or brought forward the decision to do so.

*We were going to seek advice anyway; this provides more of an incentive for us to do it.*

**Management consultancy, telephone diagnostic**

- **Intend to use the voucher:** A further three in ten plan to book an appointment (similar to the proportion found in the formative stage). Combining this 'outcome' with those who have already booked an appointment shows that six in ten (or three in five) of businesses have either made an appointment or intend to do so, up from the five in ten (or around half) found in the formative stage. Converting these positive intentions to the stage of redeeming the funding will be key to the success of the Programme; if most of these businesses progress then this will produce a reasonable number of businesses exposed to the full intervention from the initial waves of applicants, but if drop-out rates are high then it will be more challenging to assess the impact of the Programme.

Businesses across all groups cite a number of barriers to progressing with the Programme, namely time, money and finding the right adviser. These three main barriers were similar to those found in the formative stage although, positively, fewer businesses reported problems finding suitable advisors on the Online Marketplace which reflects the improvements made since the formative stage (these are discussed further in the next section). That said, the Online Marketplace still presents some issues, namely location, a lack of reviews and general uncertainty about choosing an important investment from a limited online list.

Businesses that intend to use the voucher are the most likely of these businesses to say that time is a key factor; specifically, whether they can find the time to take it forward before the voucher expires. For some, the three-month timeframe is felt to be quite short, and competing pressures on their time would be the most likely barrier to redeeming the voucher.

*You need things at different stages so you might need something further down the line and not now. I don't feel there should be a need to rush out and buy something now that you'll need in six months' time.*

**Pet treats manufacturer and retailer, online diagnostic**

- **Undecided whether they will use the voucher:** Around one in ten are less sure about whether they will progress with the scheme despite being allocated a voucher. The barriers for this group of businesses are similar for those who have positive intentions, but their situation is more precarious. In particular, this group held reservations about the Online Marketplace, namely the lack of suitable advisors available, but also confusion around the protocol of first finding an advisor before then investigating their offer.

*I think I need to speak to some of the Suppliers, sit down and find out what they have got on offer and then see whether if what they provide is what I require. When I want seminars or training or advice, I usually would seek out what I require but this is the other way round, you get the voucher and then you have to try and match it to what you require.*

**Electrical design consultancy, online diagnostic**

- **Will definitely not use the voucher:** Around three in ten businesses have already decided that the Programme is not suitable or feasible for them. These businesses fall into three broad categories – those who definitely do not have the money to put up for advice, those who do not believe the Programme will be able to meet their business growth needs and those who have run out of time to find advice.

Cash flow is a particular issue for smaller businesses, some of which say that the financial support for advice would need to be either non-matched or a loan in order for this scheme to be feasible for them, although this latter suggestion was not a favourable one.

There was a greater awareness and understanding of the terms and conditions of the voucher than there was in the formative stage; most businesses were aware of the match condition. Although they knew about the matched funding, it did eventually discourage some businesses to use their voucher - one in three of these businesses said that 50% was too much to fund themselves. The cap of £2,000 contribution, however, was not a contentious issue, with all but two of these businesses saying they would not need to spend this much.

The ability to obtain the right advice, from the right adviser, in the right place is the other key enabler or barrier to proceeding with the Programme. Around a third of those who have decided not to use the voucher say that the Programme was not able to meet their needs in this respect. With the limited available resource of smaller businesses, many felt that they needed more time to work out how best to use their voucher, rather than rushing into buying advice that they were not sure of. Some businesses had discounted the possibility of using the voucher as they realised that strategic advice did not suit their business growth needs; these businesses wanted to direct their resources towards things other than strategic advice – these include stock and equipment, or training and qualifications in order to grow their business.

*I think the name “Growth Voucher” is a little bit misleading. When I read growth voucher I thought it was going to be to help businesses grow, not for business advice. I went to the bank manager and looked for money so I knew where to go to get business advice and where to raise funds from. I was looking for money to buy equipment and paint and things like that.*

**Hair and beauty salon, online diagnostic**

Time was also a significant factor for these businesses. Only a small number of new businesses had vouchers that had expired by the time of the interview (most had not yet reached the 3 month cut-off), some of whom had now given up on the scheme as they had not realised they could apply for an extension. Although the majority of new businesses

had not reached this 3 month timeframe they generally felt that the voucher life should be extended from 3 months up to 6 months or a year in order to ensure that businesses used it to gain maximum effect and benefit.

*It's expired now. The way it works (we'd have to pay the money out up front and claim the money back) from a cash flow point of view wasn't helpful to us, and also we didn't have sufficient time to formulate a clear view on what we wanted to use the money for.*

#### **Energy services, face to face diagnostic**

Views around the expiry date were similar to those found among businesses followed up at Phase 1, all of whom had reached their 3 month cut-off by the time of the interview. One in four of those who had decided not to use their voucher had fallen into this category because, even though they were keen to get advice, their voucher had expired and they seemed unaware they could apply for an extension. Clearer rules and guidelines may be needed around the voucher time period, and advice given to those who do reach their expiry date.

The findings also raise a question about whether some of those who were already in the 'definitely will not use' group could have been screened out of the process earlier. In particular, if those who knew they did not want to direct their funds towards strategic advice, and those who knew they would not have any available cash in the timeframes given were alerted to the relevant parts of the terms and conditions then this would have reduced unnecessary resource consumption (particularly in the case of those receiving personal diagnostics) and could raise the overall 'conversion' rate.

## **Using the Online Marketplace**

### **Businesses**

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

Around two-thirds of new businesses allocated a voucher have so far looked at the Online Marketplace, most having accessed it through the link sent to them by e-mail with no issues to report. Positively, the majority (around four in five) of those not allocated a voucher had also looked at the Online Marketplace following their diagnostic, although no-one had booked an advice session. Of the few who had not yet looked at it: one was planning to do so, one was not as they already had an adviser of choice and one could not recall being sent any information about it, although he admitted he had not looked out for it.

Feedback on the functionality and usability of the Marketplace is generally positive reflecting the improvements to the Marketplace, specifically its purpose, function ability and usability.

Businesses interviewed for the first time in the Phase 1 evaluation tended to find the website easier to navigate, with many commenting on the usefulness and usability of the search function which had been improved. The drop-down lists were felt to be simple and

straightforward but the 'specialism' function filters were found (by some) to be too generic making it more difficult to find the right type of advice.

*It was more generalist so trying to find people with specific background in digital marketing was . . . it was quite generic so you could find people that perhaps were more to do with website building or e-commerce, but they would all be lumped under the same sorts of headings.*

**Leadership training provider, face to face diagnostic**

However, there are still some significant concerns expressed about the range of Advice Suppliers available on the Marketplace. Although the number of Suppliers on the Marketplace has increased since the formative phase, businesses still have difficulties finding a Supplier that they meet their specific needs. Several commented that their business was quite 'niche' and they did not have faith that the Advice Suppliers listed on the Marketplace would be sufficiently expert.

A number of businesses feel that more can be done to improve the information on individual Suppliers on the site and make individual Supplier pages more standardised. Whilst a number of businesses (around one in five) tried to use Suppliers star ratings and/or reviews to assess their credentials, it was felt to be difficult to compare as many Suppliers do not have any reviews.

*First of all when we searched for strategy there's very few providers. There's nobody or very few local to us. And anybody that has any ratings is a hundred miles away.*

**Geotechnical consultancy, telephone diagnostic**

A scarcity of reviews led some businesses to investigate Advice Suppliers further - for example by browsing their website – or, in some cases, businesses concluded that Advice Suppliers are not well thought of. Even when they had reviews on the Marketplace, they were not always believed to be trustworthy.

*I looked at the reviews to be honest, I like to see is that they've been employed by other people because you have a lot of consultants on there that don't have any clients and I think that speaks volumes.*

**Piling manufacturer, online diagnostic**

*We do business nearly always on recommendation and that's how a lot of business works isn't it – by recommendation. And so you're going on to a website. You don't know anything about any of those providers. The only thing you can go on is the star ratings . . .and then there's not. And there was one guy that had two or three star ratings and he's based in Derbyshire which is over a hundred miles away. So we contacted him, he came to see us . . . we didn't think that much of him but he was the best of a bad bunch.*

**Geotechnical consultancy, telephone diagnostic**

Due to time constraints of small businesses and the lack of information and reviews available on some Suppliers, a number of businesses choose only to approach Advisers on the Online Marketplace that had been recommended or they had personally come across - for example, through a marketing or networking event. Some businesses were

disappointed to see that the trusted or recommended Supplier they had in mind was not listed on the Online Marketplace as an accredited Supplier. Personal recommendation is felt to be important, as this represents a significant investment for many of the businesses involved in the Programme.

Those businesses which do not have any particular leads to follow on specific Advice Suppliers tend to approach more than one adviser in the first instance, with some setting up multiple face-to-face meetings. This may be in response to guidance given to them by Delivery Partners, who are now pushing businesses to get a number of quotes, although none of the businesses interviewed attributed this decision to their Delivery Partner.

*I had three meetings with three different consultants after sending each an email through Enterprise Nation explaining what my needs were. The one I went with straight away set up a mini strategy plan for me which meant they had had a look at my business profile, looked at my concerns... One of the [other] advisors had come up with only social media but I knew that I needed something more to do with strategy.*

**Business consultancy, face to face diagnostic**

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

Of the third of businesses who have not yet looked at the Marketplace: half have not yet found the time but intend to do so, whilst half (equating to one sixth of all businesses allocated a voucher) do not intend to do so. The latter group consists of those who have found their own advisor (who they know is eligible for using the voucher) and therefore feel there is no need to explore the Online Marketplace, as well as those who do not intend to use the voucher (the reasons for which were explored earlier in this chapter).

*I suppose I will [use the Marketplace] I mean it's useful because it gives me the opportunity to shop around, rather than just say okay I managed to find one organisation and if there's three or four means I can get better value for money, or they specialise in different areas.*

**Training provider, online diagnostic**

Although improvements have been made to the Online Marketplace which have helped improve businesses perceptions of the site, many businesses still comment on the limited range of Advice Suppliers and the lack of information and reviews on the site. It is likely that further improvements to the Online Marketplace would allow it to be more of an enabler of progress through the Growth Vouchers Programme and could have a significant positive impact on voucher conversion rates.

## Advice Suppliers and delivery partners

There is a clear sense that the Online Marketplace has improved and evolved since the last round of interviews though Advice Suppliers and Delivery Partners both raised areas for improvement. This feedback is discussed below:

### ***The look and concept***

Overall, both Advice Suppliers and Delivery Partners expressed positive views about the Marketplace. Suppliers were in agreement that the Marketplace is attractive and professional in appearance. It is thought to be serving a useful purpose by providing businesses with the means to finding Advice Suppliers. Its focus on strategic advice and growth is considered by Suppliers to be unique and to offer more than other sites such as 'Scoot' and 'Profile Tree'. Suppliers also feel it provides them with a good platform on which to showcase their services and accreditation.

Despite these positive views, there were Suppliers who felt more could be done to make the Marketplace more engaging and to feel less like a basic directory. One Supplier commented,

*It's not exciting and it's not inviting. It's just functional.*

### **Advice Supplier, Leadership and Management theme**

One suggestion was to feature business case studies on the site to promote positive experiences of the Growth Vouchers Programme.

### ***User-friendliness***

The information featured on the site is considered to be useful and the site is felt to be easy to use and navigate. The search function in particular is felt to be working well and Suppliers welcomed the extension to the postcode search radius. They suggested adding to the search function by enabling businesses to search by Supplier name. This was not possible at the time of interview, but has recently been added by Enterprise Nation.

Suppliers took note that Growth Vouchers accredited and non-accredited Suppliers were now more clearly labelled and could be differentiated more easily via the filtering system. However they still raised concerns that listing both could confuse businesses and result in them becoming interested in a Supplier only to discover they are not accredited. One solution suggested was to have completely separate directories for accredited and non-accredited Suppliers.

At the formative stage of the Programme, Advice Suppliers reported experiencing a number of technical issues with the Online Marketplace, specifically in relation to the registration and approval process and the customer review function. At the time, these problems meant that some Advice Suppliers were reluctant to promote the Programme to potentially eligible businesses. In this round of interviews such technical issues have not been as problematic or widespread, which indicates that they were teething issues and now largely resolved.

Suppliers who experienced problems more recently, such as linking their profiles to their social media pages, felt the online ticket system for technical support could be slow or unresponsive. They wanted the option of speaking to someone at Enterprise Nation on the phone rather than through the online ticket system only. Delivery Partner staff reported that Suppliers had instead turned to them with technical queries about the Marketplace, which they cannot advise on.

### **Supplier numbers**

In the early part of the Programme low perceived Supplier numbers on the Online Marketplace were felt to be a key barrier to businesses using the site to find an Advice Supplier. In response to this Enterprise Nation and the Programme's Delivery Partners have been intensifying efforts to recruit more Suppliers. Enterprise Nation's activities include:

- **Forming a National promotion panel:** advisers have volunteered to act as local spokespeople for the Programme in 35 different counties, forming a national promotion panel of Suppliers. Enterprise Nation has provided the volunteers with media training to equip them to effectively promote the Programme. In this way Suppliers are helping to recruit fellow Suppliers and new Programme applicants.
- **Dissemination via trade bodies and Marketplace sponsors:** Enterprise Nation have asked sponsors and professional bodies to feature the Programme in their customer publications and advertising campaigns. They have used the recent Programme changes as 'content hooks'.
- **Running the Top 50 Advisers competition:** Enterprise Nation are continuing to run the Top 50 Advisers competition which aims to keep up momentum for the Programme among Suppliers registered on the Marketplace.

At the time the interviews were conducted just under 7000 Advice Suppliers were reported to have signed up on the Online Marketplace, of which about 2000 were Growth Vouchers accredited. This was reported by Enterprise Nation to have exceeded the original target of recruiting 800 accredited advisers by the end of the Programme in March 2015.

The overall number of Suppliers on the Online Marketplace is no longer as great a concern to Delivery Partners or Suppliers who acknowledged the rise in Supplier numbers. Suppliers reported an increased sense of competition and some even feel that there are too many Suppliers listed and that this is leading to the site becoming "just another listing site".

Both Suppliers and Delivery Partners did however note thematic and geographic gaps in Suppliers. For example the Exploiting Digital Technology theme and rural areas are considered to be under-represented. One Delivery Partner staff member said,

*I think the spread of the Suppliers and the volume of Suppliers isn't where it needs to be long-term for the success of the project, but it is building.*

**Delivery Partner, Operational Manager**

There is evidence that some of the activities led by Enterprise Nation, such as recruiting Suppliers as local spokespeople for the Online Marketplace, could help to improve geographical coverage. Delivery Partners also suggested working more closely with Enterprise Nation to identify gaps so that they could then target Suppliers accordingly.

### ***Marketplace usage***

There is a widespread perception among Suppliers that not enough businesses are using the Online Marketplace to find a Supplier, preferring instead to select Suppliers based on recommendations or existing relationships.

All of the Suppliers interviewed as part of this evaluation had provided advice to between 1 and 11 businesses with a Growth Voucher. Across the sample of 25, Suppliers were most commonly approached by businesses as a result of recommendations or by Suppliers themselves telling businesses about the Programme. The use of the Online Marketplace by businesses to find a completely unknown Supplier featured much less. The only exception was a Supplier with over 10 clients who unlike the other Suppliers interviewed had a very large number of reviews, including several five-star reviews, on their Marketplace profile.

Suppliers expressed disappointment that the Marketplace had not led to more business, particularly Suppliers who had paid for Indemnity Insurance or membership to a professional body solely to feature on the Marketplace. The lack of traffic is not however surprising to Suppliers who expect small businesses to be more amenable to using a trusted Supplier than picking an unknown Supplier from a list.

This feedback was not however backed up by interviews with businesses, the majority of whom said they contacted their Supplier via the Online Marketplace (even if some had already been recommended a particular supplier, and simply used the Online Marketplace to 'look them up'). It would however be worth exploring in future waves of the evaluation whether the more detailed explanations on how to use the Online Marketplace given by advisers during personal diagnostics encourage businesses to use unknown Suppliers and help to address barriers to businesses accessing advice.

They also questioned whether the Online Marketplace is being promoted enough and if businesses are aware of its presence. Delivery Partners also speculated that businesses are opting to use a known Supplier rather than search the Online Marketplace due to a lack of time to research unfamiliar Suppliers or because some of the Supplier profiles were poor and lacked detail. Enterprise Nation emphasised however that had been repeatedly reinforcing the message that:

*The better your profile the more likely you are to be chosen by a small business.*

**Strategic staff member, Enterprise Nation**

As mentioned above, reviews appear to be a key influence on businesses using the Marketplace alone to inform their choice. This is perhaps because they increase the visibility of Suppliers by elevating their position in searches and provide reassurances to businesses about unknown Suppliers.

*I think overall that's worked really well and it's something that helps the business owner when they're making the decision of which adviser to go for.*

**Strategic staff member, Enterprise Nation**

However not all Suppliers interviewed were aware of the review function and how it works, suggesting more should be done to increase Supplier awareness of the facility. Those who were aware of the review function knew it could help in attracting new clients but had experienced difficulty getting their clients to leave feedback. They said a barrier to their clients writing a review was that they had to first register with the Online Marketplace.

## Claims process

The process involves using two claims checklists – one from Delivery Partners and one from BIS. It broadly follows the steps listed below, although Advisers may differ in their exact approach.

1. Claims forms are first checked against original applications to see if the advice falls into the correct theme.
2. The invoice is then checked to ensure the advice is in line with the theme and date falls within the voucher expiry date.
3. Next advisers check that the Supplier and business are separate entities by for example checking Directors' names and company websites.
4. They look for proof of payment, checking bank statements in the seven days before and after the date of the transaction to ensure payments are not refunded.
5. Checklists are used to ensure claims have been robustly assessed. This includes checking the VAT registration number and whether VAT has been charged.
6. Assessments are spot checked or double / triple checked by managers and colleagues.

## Delivery Partner views about how well the process is working

Advisers feel that the process generally works well and is efficient. In particular, Advisers report the process is thorough and nothing is missed because claims are checked by other staff. However, Delivery Partners report a number of issues including businesses being slow to produce bank accounts and not filling out claims forms properly. A common example is that company names and addresses differ from those on businesses' applications. In these cases Delivery Partners tend to email or call businesses for clarification.

Delivery Partners have had cause to request clarification from businesses on a number of other issues relating to their claim forms. Delivery Partners commented that, particularly early on, the description of the advice was too vague and it was not always clear whether businesses had received strategic advice or a more practical service (which the Programme cannot fund). Advice Suppliers also mentioned that businesses had received

queries for this reason and, in some cases, helped businesses to write more accurate descriptions of the support.

Secondly, some businesses have accessed support that did not match the original theme they selected. In these cases, Delivery Partners follow up with businesses to ask the reasons why. As mentioned in Chapter 4 businesses, particularly those following the online route, are not always clear about what the themes mean. If businesses have sought advice under the wrong theme out of genuine confusion Delivery Partners are lenient and process the claim.

In addition, businesses have been naming non-accredited Suppliers on their claims. In these cases, Delivery Partners usually contact the Suppliers and encourage them to register with a professional body so the claim can be processed.

Delivery Partners tell us that they have received a very small number of suspected fraudulent claims. It is not always possible, however, for Delivery Partners to prove fraudulent activity and they would like a more robust way of identifying fraud. Delivery Partners are currently having to rely on the word of businesses if (for example) they suspect Suppliers had been used before or vouchers had not been spent on strategic advice.

*What [the business] has done with the advisor is really just words on paper [invoice], we are not there so we can't 100% guarantee what they've done*

**Delivery Partner, Administrative staff member**

### **Businesses' views about how well the process is working**

Findings are largely based on interviews with businesses followed up at Phase 1 and were therefore more likely to have redeemed their voucher; of those allocated a voucher, one in four businesses had redeemed their voucher compared to one in twenty *new* businesses.

All businesses who had gone through the claims process felt that it worked well; it was a quick and efficient process, some comment on how it exceeded their expectations. Only a couple of businesses mention any complications with the process which were all related to not providing sufficient information in their submission. However, although this slowed down the claims process of these businesses, they expressed no disgruntlement and it did not impact their overall positive views of the process.

*There were a few complications when the process was going through, the wording on the invoice had to be sent back to the advisor and re-done as that wasn't clear as to what the advisor was providing, but once they sent it back and detailed what was happening they were fine with it.*

**Accountancy services, Online diagnostic**

# Performance and experience of delivering the Programme

## Chapter Summary

- Delivery Partners continue to enjoy collaborative and supportive working relationships with BIS. They would however value more timely communication about central government marketing activities and greater editorial freedom over promotional activities.
- Partnership working between Delivery Partners is also working well. Delivery Partners share information and good practice, though they face some constraints due to commercial confidence.
- Experiences of getting help using the Online Marketplace from Enterprise Nation appear to be smoother than in the earlier stages of the Programme, however Enterprise Nation can still be slow to respond to technical queries.
- The main BIS IT system continues to work well, though Delivery Partners suggested a number of improvements. They include adding a receipt request to voucher outcome emails.
- Delivery Partners welcome the reduced target of 14,000 businesses to recruit. They can more easily conduct face to face assessments, because some have opened offices further afield. However the national HMRC email-shots have also increased out of area businesses.
- There is now a new Key Performance Indicator around increasing voucher conversion rates. Delivery Partners are giving more guidance about using the Marketplace and selecting Suppliers during diagnostic assessments and are then reminding businesses to spend their vouchers at later points.

This chapter looks at the operational experiences of delivering the Programme from the perspective of Delivery Partners and, where applicable, Advice Suppliers. The chapter will begin by exploring working relationships between the different parties involved in delivering the Programme. It will then discuss views of the Back Office IT System which is used to manage applicants and produces management information about the Programme. The chapter will then discuss Delivery Partners' experiences of working towards the Key Performance Indicators for the Programme and will finally summarise suggested improvements.

## Working relationships

This section discusses the working relationships between the different parties involved in delivering the Programme, starting with Delivery Partners' experiences and then those of Advice Suppliers.

### Delivery Partners and BIS

Delivery Partners continue to have positive experiences of working with BIS. The strength of their working relationship appears to be underpinned by BIS' communicative and collaborative approach. They feel BIS communicates well with Delivery Partners and that the regular Operations Group meetings between BIS and Delivery Partners facilitate good communication.

There have however been times in recent months when Delivery Partners have felt communication from BIS could have been better and more timely. For example they would have liked advanced warning about the first HMRC email-shot because it led to a spike in demand that they were not immediately prepared for.

Delivery Partners described BIS as willing to listen to and adopt their suggestions in addition to being clear, responsive and helpful in relation to their queries and concerns. There is also a view among Delivery Partners that when they were struggling to meet targets, rather than put undue pressure on them, BIS has encouraged them to work together to find an effective strategy.

However a key area of frustration is that BIS cannot quickly approve marketing activities such as press releases and cannot allow Delivery Partners full editorial freedom over what they say. This is thought to curb their creativity and ability to react speedily to marketing opportunities.

*Rather than being allowed to be creative about what we were doing to market the Programme, there was a lot of 'Oh you can't do this' and 'You've got to word it like that'.*

**Delivery Partner, Marketing staff**

One suggestion was for BIS to provide clear guidelines about what Delivery Partners can publish independently and only require that they seek approval for content that falls outside the guidelines.

### Delivery Partners and other Delivery Partners

Delivery Partners say they enjoy working together. Their working relationship has benefitted from sharing common goals, to bring more people onto the scheme and a desire for the Programme to succeed.

These shared goals have fostered a good degree of collaboration and partnership working. This is evidenced by Delivery Partners describing their counterparts as helpful, approachable and willing to share operational experiences as well as good practice around marketing approaches and general tips and advice. This is not to say however that they are not occasionally constrained in sharing detailed information about systems and processes to maintain commercial confidence. The regular Operations Group meetings provide a useful forum for sharing experiences, although Delivery Partners describe communicating with each other outside of these meetings too.

Of the five Delivery Partners there is one that plays a 'lead' role, taking responsibility for general Programme management support to BIS and coordinating the activities of the other Delivery Partners. The lead Delivery Partner is viewed positively by the others and is thought to be a good point of contact for a second opinion or advice.

Although the relationship appears to be working well overall, one issue raised by the lead Partner was that while it can provide guidance it does not have the power to influence the practices of others. This is thought to limit the extent it can quality control processes such as Diagnostics Assessments or ensure suggested practices are implemented.

*I play this critical friend, but if somebody isn't hitting their KPIs, I have no authority to do anything about that.[...] it's about trying to encourage them because as a managing partner, we actually have very little authority.*

**Delivery Partner, Operational Manager**

## **Delivery Partners and Enterprise Nation**

Enterprise Nation is responsible for hosting the Online Marketplace. Unlike the Programme's Delivery Partners, Enterprise Nation is responsible solely for delivering this discrete element. Working closely with Delivery Partners has therefore not been necessary. However this appears to have initially led to uncertainty among Delivery Partners about the nature of Enterprise Nation's work. Since the start of the Programme Enterprise Nation has reported attending more meetings with Delivery Partners and providing greater detail about their work. They feel this has strengthened their working relationships,

*You know these are the things we're doing on recruitment, this is what we're doing around promotion, this is what we're doing in terms of functionality of the website' "I'd like to think kind of from that point on the relationship has improved. So I think the way I could possibly term our relationship with Delivery Partners is softly at first but definitely warmer now.*

**Delivery Partner, Strategic staff**

Delivery Partners value the marketing materials shared by Enterprise Nation and would like more information from Enterprise Nation regarding the Online Marketplace. For example they would like to receive more information about the number and coverage of Suppliers to avoid having to interrogate the Marketplace themselves for this information.

## Advice Suppliers and Enterprise Nation

Advice Suppliers had mixed views about their interactions with Enterprise Nation, which largely occur via the Online Marketplace. These views were underpinned by how responsive, prompt and helpful Enterprise Nation were in responding to queries and requests for support. Suppliers tended to require assistance with registering, for example requiring an extension to the registration period or technical help with uploading logos, or with responding to potential new clients.

On the whole, experiences of registering with and using the Online Marketplace appear to be smoother than they were in the earlier stages of the Programme. However Suppliers' experiences still vary, with some finding Enterprise Nation slow to respond to their queries and support tickets and some reporting they did not respond at all. In addition Suppliers reported some issues with communications from Enterprise Nation, for example one Supplier reported receiving invitations to past events.

## Advice Suppliers and Delivery Partners

Advice Suppliers interviewed in this phase of the evaluation reported having little or no interaction with Delivery Partners. Those that did had contacted Delivery Partners for information regarding their new Growth Vouchers clients, such as why a particular advice theme had been recommended.

Overall Suppliers described Delivery Partners as helpful and responsive. However they perceived them to be inflexible and unwilling to compromise in relation to reconsidering theme decisions. This indicates that Suppliers are not fully aware of Programme rules dictating that advice themes cannot be changed after businesses are randomly allocated to the voucher or control group.

## Programme systems and processes

Several Programme systems underpin the delivery of the Programme. The 'Back Office' IT System is used to manage applicants' progress through the customer journey and also produces management information about the Programme.

### The Back-Office IT system

The main BIS IT system continues to be seen as fit for purpose, functional and easy to navigate as described below:

- **Fit for purpose:** it holds within it all the information and functionality necessary for Delivery Partners to monitor the progress and status of applications, book appointments, upload action plans and check which businesses are approaching their deadline. It is described as being particularly helpful for monitoring progress towards KPIs.
- **Functional:** processes such as booking appointments, uploading action plans and re-assigning clients to other advisers are reported to be simple to do on the system. Delivery Partners also view the notes function positively. This allows advisers to add notes about businesses, including any problems or issues that have arisen and how these were resolved. This has helped Delivery Partners to return to a business after

a gap in communication or reassign a business to a different adviser without losing useful information. This function was not mentioned in the formative stage of this evaluation.

- **Easy to navigate:** the system is also reported to be easy to navigate, enabling users to easily find information such as the number of applications currently in progress. Delivery Partner staff were particularly complimentary about the colour coded 'dashboard' that usefully indicates which applications are close to their deadline.

At the formative stage of the Programme, not all Delivery Partner advisers had received training on the system, leading to some advisers being unsure of how to use it. While Delivery Partners did not report any formalised subsequent training, advisers reported that support has been available from BIS on an ongoing basis and that this has helped in allaying any confusion about the system's functionality.

In spite of this positive feedback, Delivery Partners suggested a number of improvements to the system.

- **Automated email:** businesses are sent an automated email regarding their voucher outcome. Delivery Partner staff cannot be sure that businesses have received or read the email and so suggested adding receipt requests.
- **Attach emails:** advisers also want to be able to attach emails to the back office IT system. This would enable those who require it to have all the information they need about individual businesses, particularly details of prior correspondence. It would also negate the need to print or keep all correspondence.
- **Refine suspended category:** businesses can be 'suspended' if they are ineligible for the Programme. One suggestion was to refine this category so that it is clear why a business is not eligible. Delivery Partners felt it would be particularly useful to know if a business had been suspended due to not trading for long enough because of the potential to re-contact such business that come of age during the Programme.
- **Additional date filter:** Delivery Partners felt that the filtering system could be improved to include a function to show records by a specific date range.

## Performance

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

### Overall sample targets

Progress towards the overall sample for the Programme is currently behind target. As a result the target for Delivery Partners has been lowered to 14,000 businesses for KPI payments. The Programme still aims to recruit 20,000 businesses overall

Chapter 3 discusses Delivery Partners' strategies to drive up numbers as well as plans for a national marketing campaign. While the lower target is welcomed by Delivery Partners who consider it to be more achievable, it is still considered to be a challenging aim within the available timeframe.

### **In-person and telephone assessment targets**

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

At the formative stage of the Programme, this KPI was proving challenging for Delivery Partners. A key reason was that the Programme had been promoted nationally but was delivered in only five regions, therefore increasing the number of businesses unable to travel to a face to face assessment.

Since then some Delivery Partners have addressed the barrier of proximity by hiring office space in areas further afield. This has not been necessary everywhere, proximity appears understandably less of a barrier in more metropolitan areas like London where businesses enjoy better transport links to reach advisers delivering diagnostics. That said, the national HMRC email-shots have driven up applications from non-local businesses.

Some Delivery Partners are also presenting the telephone as less of an option when arranging assessments with businesses, although not to the extent to which this leads to businesses opting out of the Programme altogether. Delivery Partners continue to accommodate strong preferences for telephone or Skype assessments among businesses who wish to minimise time away from their business.

### **Processing time targets**

In order to ensure timely delivery of the Programme and accurate Management Information, Delivery Partners must aim to process 80 per cent of applications and arrange diagnostics within two weeks. As explained in Chapter 3, Delivery Partners use either business advisers or administrative teams to book diagnostic assessments.

At the formative stage, Delivery Partners were experiencing difficulty reaching some businesses, particularly micro-businesses and sole traders, to arrange an assessment within the required timeframes. In this round of interviews, Delivery Partners appeared to be experiencing less difficulty reaching businesses, and where phone calls were not working, particularly for smaller businesses, email was effective.

The Summer holiday period did however limit the availability of businesses in this round of interviews. One recommendation suggested by a Delivery Partner interviewee was to expand the timeframe for this KPI to three or four weeks during such periods to make it more achievable.

### **Voucher Conversion**

A new KPI has been introduced since the early months of the Programme which tasks Delivery Partners with ensuring 40 per cent of businesses awarded a voucher go on to

spend it. Due to a number of barriers, businesses who receive a voucher do not necessarily go on to redeem it, and addressing these barriers has been a key priority over recent months.

Delivery Partners have not always been obliged to undertake activities to encourage voucher conversion. However it is worth noting that those who followed up businesses about spending their vouchers from the beginning of the Programme reported already performing well in this regard.

All Delivery Partners are now working to encourage businesses to spend their vouchers, and are using the following strategies to do this:

- **Reminder emails and phone calls about voucher expiry dates:** as mentioned above Delivery Partners are sending follow up emails and making telephone calls to remind clients about how long they have to use their voucher.
- **Additional guidance sessions on using the Marketplace:** They are also offering clients further guidance from an adviser on how to go about spending their voucher.
- **More detailed information during the diagnostic:** advisers are providing a more detailed explanation and demonstrating the process of selecting Suppliers on the Online Marketplace during diagnostic assessments.
- **Instructions on selecting a Supplier:** some advisers have also been giving detailed guidance on how to go about selecting Suppliers. This involves encouraging businesses to carry out mini tendering exercises and request quotes from three different Suppliers. In some cases, advisers have provided them with a template to use to do this.
- **Getting the advice theme right:** some advisers described placing greater emphasis on ensuring the selected theme was completely right for the business. This was in the knowledge that it could not be changed at a later date and could put businesses off spending their voucher if they were not completely happy with it.

In addition to this, Delivery Partners had gathered feedback from businesses to understand the barriers they faced to redeeming their vouchers. Barriers such as cashflow issues and lack of Suppliers in particular advice themes or geographical areas were raised, echoing previous evaluation findings. Lack of time was also a key issue, and Delivery Partners as well as Advice Suppliers strongly supported an extension to the three-month claims deadline to address this,

*I think six months is more manageable, more reasonable, particularly the nature of the business we're dealing with and the challenges of, you know, the marketplace, securing a Supplier and you know, you can lose five, six weeks before you've even got started.*

**Delivery Partner, Operational Manager**

## Suggested improvements

Delivery Partners were asked about what improvements or changes they would like to see made to help increase the level of performance of the Programme. These are summarised below:

- Continue to intensify marketing activities to recruit more Suppliers, particularly in geographical or advice theme areas where there are gaps
- Have separate directories for accredited and non-accredited Suppliers on the Marketplace
- Encourage Suppliers to create more detailed profiles, raise Supplier awareness of the review function and allow businesses to leave reviews without having to register.

They also felt the following changes to the Programme rules could help increase the number of Suppliers, Programme applicants and redeemed vouchers:

- Lower the trading rule to allow Suppliers who have been trading for less than three years to register on the Marketplace
- Increase the time available to spend the voucher or allow the possibility for businesses to defer the voucher to a later date
- Increase the voucher amount to make it more attractive to businesses
- Lower the proportion spent by businesses to be affordable for more businesses
- Allow businesses to pay for advice in instalments to help them with any cash-flow problems they may have.

# Advice Received and Impact of the Programme

## Chapter Summary

This chapter focuses on two main audiences – businesses and Advice Suppliers.

### **Businesses**

- Findings in this section are based on the 45 businesses that were contacted for the second time in this, phase 1 evaluation, having first been interviewed during the formative stage of the evaluation.
- Since the formative evaluation, more businesses had been to visit an advisor.
- Around half of all businesses followed up at Phase 1 attribute positive changes within their business at least partly to their participation in the Growth Voucher Programme. These tend to be 'softer changes', with harder metrics (such as increased turnover or number of employees) more difficult to attribute to the Programme.

### **Advice Suppliers**

- Strategic advice delivered by Suppliers takes the form of general advice and guidance on developing strategies and systems and exploring markets, as well as coaching and mentoring, and training on financial and workforce related systems and processes.
- Some Suppliers note that their clients needed more general business as well as theme specific advice, which they accommodated. In addition there appears to be some cross-over in the types of support delivered between themes, most notably the marketing and digital technology themes – future Programmes could encompass advice across several themes, or general advice alongside more specific support.
- The three-month timeframe before voucher expiry is challenging for some Suppliers, even those who were selected before businesses received a Growth Voucher. In these cases, businesses have either received an extension or have paid Suppliers upfront. A longer initial timeframe could be utilised in future Programmes.
- Some Suppliers have received repeat business from clients and have found the Programme a useful introduction to their services.

This chapter will describe the experience of Advice Suppliers delivering advice as well as the businesses' experience of receiving it, followed by an exploration of what action the businesses took as a result, and what has been the overall impact of their participation in the Growth Voucher Programme.

## Advice delivered and received

### Numbers of businesses receiving advice

Among those businesses interviewed at both the formative and phase 1 stages of the evaluation, the number of businesses that had bought advice had doubled; at the formative stage, 7 had booked an appointment with an advisor (and of these, 3 had actually visited an advisor), compared to 14 that had visited an advisor by the time of the Phase 1 evaluation.

It does not appear that the type of diagnostic received, or the selection of a particular theme, affects whether a business is more or less likely to use the voucher; the 14 businesses that had received advice were spread relatively evenly in terms of:

- the 5 advice themes, with 2-4 businesses falling into each theme; and
- diagnostic type, with 8 online and 6 personal diagnostics.

These businesses' personal diagnostics were conducted by West Midlands, Cavendish (East of England) and Cavendish (South East).

In the main, those businesses that had not made an appointment by this stage were not planning to. Businesses cite the same reasons given at the formative stage for not initially making an appointment: a lack of cash available to pay for the advice upfront, a lack of time available to properly consider what advice was needed, and not being able to find a suitable advisor on the Online Marketplace. Despite the recent increase in suppliers on the Online Marketplace, businesses who had initially decided at the formative stage that there were no advisors suitable for them did not appear to have subsequently returned to the Marketplace.

### Advice Suppliers' experience of delivering advice

The strategic advice delivered by Advice Suppliers took the following forms:

- **General advice and guidance:** such as guiding businesses in writing business plans and marketing strategies; exploring new markets and competitors; and exploring alternative finance options; and developing performance management systems.
- **Coaching and mentoring of staff:** for example, one Supplier mentored a new employee on fundraising. This involved explaining different techniques and strategies, commenting on documents such as funding bids drafted by the employee and answering any arising questions.
- **Training:** on systems and processes like invoicing to manage cash flow and project management tools like Gantt Charts. One Supplier interviewed under the Raising Finance and Managing Cash Flow theme had several Growth Vouchers clients with

similar needs at the same time. They therefore provided a group session on raising finance to these clients. The Supplier felt this worked well, as each client got a fresh perspective from the others in the group.

As one may expect, the nature of the strategic advice provided by Suppliers depended largely on the advice theme it came under. Figure 7.1 below shows the types of advice typically provided under each theme. Some Suppliers noted that, although they delivered theme-specific advice, their clients also needed more general business advice, which they accommodated. In addition there appears to be some cross-over in the types of support delivered between themes, most notably the marketing and digital technology themes.

Figure 7.1 **Types of advice provided under each theme**



Some Suppliers told us that they found it difficult to deliver strategic advice without also providing more practical services. For example a Supplier under the Recruiting and Developing your Staff theme highlighted the need for an employee absence management policy but was not able to write it for the business as part of the service subsidised by the Growth Voucher Programme. The Supplier did not feel able to leave their client to produce the policy themselves without support, having provided this advice. In some cases, therefore, Suppliers have gone on to provide the more practical services; where this has taken place, Suppliers have charged separately for them. For instance, a Supplier under the same theme developed a Staff Handbook for its client but this was not part of the Growth Vouchers work.

There is considerable diversity in the way advice has been delivered. Typically, it is delivered through a series of face-to-face sessions supplemented by phone, email and Skype contact, with the number of interactions depending on the scale of the work. Suppliers tend to start the process with a face-to-face meeting in which they carry out an

initial assessment aimed at understanding the way the business works and what it wants from the advice. Some Suppliers carry out a SWOT analysis at this stage, with some also exploring the businesses' finances. After this familiarisation phase, Suppliers told us that they then work with businesses to develop an action plan and in some cases Key Performance Indicators.

On the whole, delivering advice within the three month period before the voucher expires does not appear to be problematic. However, this is likely to depend on how soon the Supplier is contacted following voucher allocation and may reflect that the majority of Suppliers interviewed as part of this evaluation were selected by businesses before they received a voucher or applied for the Programme. The process of selecting a Supplier was not therefore included in the three month timeframe.

That said, there were examples of Suppliers, including those who were pre-selected, who had difficulty providing all of the advice within three months. They reported 'getting around' the deadline by asking businesses to request an extension or asking them to pay the full costs before the voucher expired on the promise that the work would be completed.

Some Suppliers were pleased to report that their relationships with businesses extended beyond the advice delivered under the Growth Vouchers Programme. Businesses had re-approached them for accountancy work; for example for ongoing mentoring and guidance on implementing strategies such as marketing plans. In these cases, Growth Vouchers had helped fund a useful introduction to Suppliers' services.

### Businesses' experience of receiving advice

Mirroring the experience of Advice Suppliers, businesses describe receiving a variety of different types of advice and, crucially, most have made at least some changes within their business as a result. When considering the findings in this section of the report, some caution should be taken due to the small numbers of businesses involved - i.e. the 14 businesses that had received advice since the formative stage of the research.

Despite there being five main advice themes featured in the Growth Voucher Programme, the advice received by these businesses so far appears to fall into three slightly broader themes: **branding and marketing** (often encompassing aspects of digital technology), **HR**, and **costs and forecasting**. Each of these, and some of the changes made within the business as a result, are discussed below. We have included some brief case illustrations as examples.

As noted by Advice Suppliers, advice related to **branding and marketing** was particularly common, and it was provided alongside most themes – not restricted to *Sales and Marketing*. For example, a business that had chosen the theme *Exploiting IT and E-commerce* received advice that related to digital marketing, such as search engine optimisation, and how to communicate with their target market with more effective use of social media. Other instances of branding and marketing advice included helping the business to re-focus taglines and overall messages, and advice on re-design of the company website.

One business mentioned completely 're-vamping' the front-end of their business as a result, including signage and the website.

### CASE ILLUSTRATION OF ADVICE RECEIVED: Sales and Marketing theme

*First of all, we reviewed my current business plan and created a new one, and then we got onto the marketing plan which is key and to be linked to the business plan. Another week, we looked into the brand as in the meaning of what I want to transmit. The following week, we were down to the different marketing media we could be using and focusing on. We really covered a lot of areas in terms of marketing and the business plan; it was very hands-on. That's why I think everything is going so well in a way, it helped me focus on what I should be doing and picking up the areas where I want to invest my time and money in.*

*The main change that I did, and that was within 2 sessions, was to actually change the message on the front page of my website. Before, when you got on the website, it would read "[STRAPLINE]", now it reads "[STRAPLINE]". So it is completely different, your employee needs this so to be able to work from day one. The meaning has shifted from it being a nice service for a happy life to a must.*

Advice on **HR-related topics** encompassed the Growth Voucher themes *Expanding Workforce* as well as *Leadership and Management*. Businesses received advice on how to increase effectiveness of staff appraisals, how to better motivate staff, how to recruit the staff members that will truly fit the business, and how to encourage collaboration and teamwork between different staff members.

After receiving this type of advice, businesses mentioned that they had made changes such as planning how to interview prospective employees, redeveloping the business's staff appraisal system, running a staff satisfaction survey, and developing a mission statement to communicate to all staff.

### CASE ILLUSTRATION OF ADVICE RECEIVED: Leadership and Management

*I used the guy to look at my workforce, have sessions with them and help them to work as a team. He had around 6 sessions with my employees and around 10 with myself, talking through what I wanted long term from my staff.*

*It happened over a month period – April to May. Onsite with us it took about a week and half of the advisor's time.*

*The advice helped reset the staff appraisal system, it refocused the strategy of the company in terms of the mission statement, and that mission statement has been implemented, and it has improved how the managers ensure employees attend regular meetings and the management structure to be used.*

*It has allowed people to refocus on what their roles within the business are, to maximise how the business is and should perform, and then linking how the business performs to how the individuals are rewarded. It's fairly comprehensive in terms of the overall HR policy of the business.*

Advice relating to **finances and forecasting** encompassed the Growth Vouchers themes *Raising Finance*, as well as to some extent *Sales and Marketing*. This advice generally focussed on putting in place formal forecasting, invoicing or credit control procedures or payment terms, where before there had only been more informal, ad hoc processes. This has typically resulted in greater control for businesses in terms of knowing what money they are due to receive and when, and greater knowledge in terms of what funds they will have available in the future. As a result of the advice, one business created matrices to show which products are the most profitable.

### CASE ILLUSTRATION OF ADVICE RECEIVED: Raising Finance

*The advice I received was mainly in relation to accounts, invoicing, cash flow, payments, VAT and VAT returns – anything to do that basically. We were good at doing our work but not at doing paperwork, and now it's a lot more easier.*

*We had a quite a few sessions, one time we did go to the adviser's offices for a whole day. Whenever we needed them we could just phone them which were quite handy.*

*So the new software we are using allows us to be our own book keepers. We can access it all online as well as the accountant, all our documents can be seen from everywhere not just from our office.*

*It's taught me a lot especially about cash flow – you can see when we need to be invoicing, who owes you money etc... So the database is completely automated and manages things for us - a lot easier.*

A handful of businesses comment that they have not yet made any practical changes as it was still 'early days'; however, these businesses still feel positively towards the advice received. Most said it was useful to have a second opinion or sounding board in the form of an expert advisor, and they appreciate the almost 'forced' space that the process gave them to consider the bigger picture rather than the day-to-day issues which generally keep them occupied.

*Mostly it was having that 'Jiminy Cricket' on your shoulder telling you 'you need to do this, and you need to do it – I'm here to guide you but it is your decision, it is your homework'.*

#### **Online Customer Services, Personal Diagnostic**

*I suppose because it gave me a second opinion and when you run your own business you stay very focused on believing that your ideas are the best and you're indestructible and infallible, but in fact you're not.*

#### **Data Management Services, Personal Diagnostic**

Most of the businesses that visited an advisor had action plans set as a result of their discussion, and these generally consisted of suggested next steps such as a review of their current processes, changes to be made, and advice on monitoring these changes.

## The positive impacts of the Growth Voucher Programme

This next section of this chapter focuses on *all* 45 businesses that had been re-contacted for the Phase 1 stage of the research, rather than just the 14 that had received advice as previously, and explores any positive changes that have come about within the businesses as a result of their participation in the Growth Voucher Programme. Businesses were encouraged to consider *all* aspects of their experience of the Programme, rather than simply the purchase of advice; for example, this would include their diagnostic, access to the Online Marketplace, or any networking or other conversations that might have come about as a result of their involvement.

**Around half of the businesses experienced some form of positive change, to which the Growth Voucher Programme had contributed.**

The changes mentioned by businesses can be broadly categorised into three types:

- ‘Harder’, measurable changes within the business e.g. staff numbers or turnover;
- ‘Softer’ changes within the business e.g. changes in roles, processes and management style; and
- ‘Internal’ changes within the mind set of the business’s representative e.g. in terms of motivation, attitude or further learning or advice seeking.

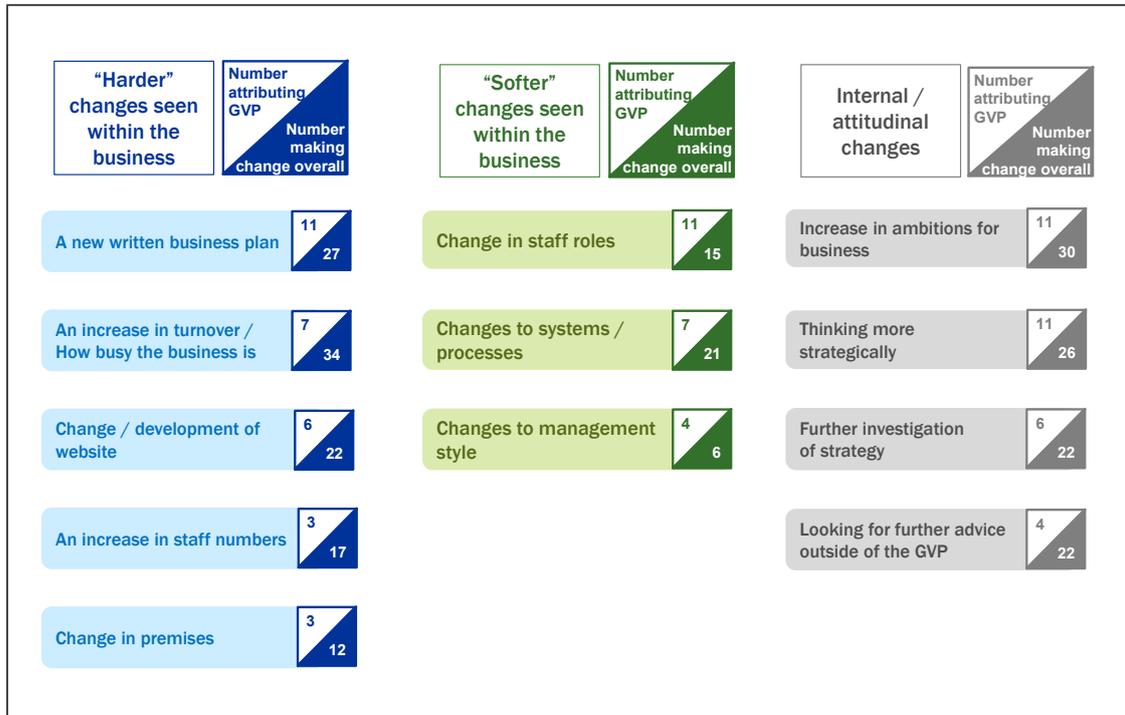
The changes mentioned by the greatest number of businesses fall across all three categories, such that there does not appear to be a clear pattern in terms of the change categories that are cited **most often**. The changes mentioned by the highest numbers of businesses (in order of the frequency of mentions) are:

- Change in turnover (Hard);
- Increased ambition for the business (Internal);
- Change in written business strategy (Hard);
- Change in website (Hard);
- Change in systems and processes (Soft); and
- Increased seeking of business advice / support (Internal).

However, a pattern does emerge when it comes to attributing the influence of the Growth Voucher Programme, with businesses tending to attribute impact where changes are softer or internal, but feel less able to do so in the case of harder metrics.

To illustrate this, figure 7.2 shows the main changes falling into each of the three categories, the numbers of businesses that mentioned that each change had occurred and, within that, the number attributing this change to the business’s participation in the Growth Voucher Programme.

Figure 7.2 **Number of businesses mentioning each change had occurred in the last six months, and the number attributing this change, at least in part, to the Growth Voucher Programme**



### The influence of the Growth Voucher Programme on business change

Whether or not businesses are allocated a voucher is an important driver of whether they attribute change to the Growth Voucher Programme, with only one business in the control group saying that the Programme has had an impact.

As we may expect, those businesses that visited an advisor and used their voucher were more likely to say that the Growth Voucher had had an impact on their business than businesses that did not visit an advisor. When asked what had contributed to any changes within the business, these businesses were also more likely to report that the advice they had received had been the driver of the positive change.

That said, using the voucher does not seem *necessary* for businesses to attribute Growth Voucher influence; of the 21 businesses reporting Growth Voucher Programme impact, only around half had visited an advisor.

Where businesses did not make use of their voucher but still report positive changes as a result of the Growth Voucher Programme, this tends to be attributed to diagnostic questions prompting the business to think more strategically or highlighting priority areas for the business; this was true both for the online and the personal diagnostic.

*When I did the questionnaire, it certainly made me think about the options that we should be looking at and the changes that we could make. It just*

*gave me ideas really, like keeping the technology up-to-date and making sure that we're basically on top of how everything works in that arena.*

#### **Vehicle Repair and Servicing, Online Diagnostic**

*Answering [the diagnostic questions] gave me the idea to think about marketing, to focus on it more... to take time to focus on the strategic side of things.*

#### **Beauty Product Distribution, Online Diagnostic**

Advice theme may play a part in attribution of the Growth Vouchers Programme to business change. Of those businesses that attributed at least some change to the Programme, more businesses fell into the advice themes *Leadership and Management, Raising Finance and Sales and Marketing*.

There did not appear to be a difference in attribution of impacts to the Growth Voucher Programme by diagnostic type; businesses that attributed change to the Growth Voucher Programme were evenly split between those experiencing an online and a personal diagnostic.

#### **Influencers of business change outside the Growth Voucher Programme**

Around half of businesses report that any changes occurring within their business over the last six months were unrelated to their taking part in the Growth Voucher Programme.

These businesses cite a wide variety of other factors that created these changes. Often this is due to the actions of the business owner purposefully driving change, such as taking on expert freelancers, attending trade fairs to increase customer base, engaging in partnerships with third parties to utilise a greater number of products / brands, or changing practical elements of the business such as distribution practices.

*I suppose what I've been strategically looking at is reducing overheads. So at the moment spending thousands of pounds a month on overheads which costs money and that has to be recouped by getting people through the doors. And we're not getting people through the doors because they want to do it from their own desks. So I have to find other ways of doing the job, so that's doing the online training, webinars, writing little booklets so they can look through booklets at home in their own time.*

#### **Commercial training provider, personal diagnostic**

*We saw an opportunity for us with the textile colleges and design colleges as we've got the return of the students last week. We have been doing some work through social media to try and engage with the students, and some traditional marketing in the Time Out Magazine that the students all get ... we offered things like free fabric shows, we can come to their fresher's week and the students can buy kit from us, or we will share some fabric for the fabric library if their students buy from us. it's a seasonal*

*opportunity. In the same way we are now preparing for Halloween and Christmas promotions.*

#### **Fabric retail and haberdashery, personal diagnostic**

*I went to the Liberty Open Design Corps the other week and presented some of my products to buyers there. They quite liked my products, although they didn't order anything. They said the products were right; I just needed to have a wider range within that design line. I only had 3 product types whereas buyers like to have around 6.*

#### **Clothing design and retail, personal diagnostic**

Whereas some businesses cited a more natural or 'chance' growth, such as the business growing through local word-of-mouth and repeat custom, while others mentioned taking on a piece of work that then snowballed unexpectedly into more profitable areas.

*GV did not affect it at all. It's just doing all the simple things right. There's plenty of demand for the work so we have got to decide how fast we want to grow. We turn quite a lot of work down on purpose as we don't want to grow too quickly. It's a cautious path that we are taking.*

#### **Architect, personal diagnostic**

*It was a bit of a mix. So, we did a small piece of work for part of [an] organisation and . . . that resulted in quite a lot of marketing output that we could make use of . . . and then by virtue of the nature of their organisation and how networked different parts are in different countries, we got a lot more demand from other parts and other countries so it's grown fairly organically from that and so from a pretty small speculative piece of work that then allowed us to the wider organisation.*

#### **Software design, online diagnostic**

### **Extra support and advice received by businesses**

As shown in figure 7.2, 22 businesses (around half of those followed-up for Phase 1) report that – over the last six months – they had been motivated to seek further business advice or support outside the Growth Voucher Programme. Of these 22 businesses, 14 had experienced the personal diagnostic route and 8 experienced the online route.

It is possible that the one-to-one discussion about their business advice needs, and the reassurance from the Assessor of the value of business advice, motivated these businesses to seek additional advice to a greater extent than those completing a diagnostic themselves online. That said, the small numbers involved means it is difficult to draw definite conclusions here. As figure 7.2 shows (at the bottom of the right hand column on the figure), only a handful (four) of 22 businesses attributed this additional advice seeking to the Growth Voucher Programme. Generally, businesses told us that this is something they are just always on the look-out for (hence perhaps their coming across the Growth Voucher Programme in the first place). While businesses were not asked

about exactly what *topics* this additional advice covered (this would be useful to explore at subsequent waves), they were asked where they had sought this further advice:

Businesses seek a broad range of advice from various different organisations, with no one type of advice, or provider, taking particular precedence. The advice was generally not paid for. The following were mentioned:

- A handful of businesses mention seeking Growth Accelerator funding (one saying they were advised by their current business advisor to apply for this rather than Growth Voucher funding due to the lower upfront costs). One further business applied for Growth Accelerator funding for branding and marketing advice, suggesting some cross-over with advice available from the Growth Voucher Programme.

*[For Growth Accelerator funding] We will only have to pay £600 to get £3,500. I discussed this with my advisers - I was going to go ahead with GVP but they suggested I go with the other programme.*

#### **Office space rental, online diagnostic**

These instances show potential contamination by other publically funded programmes (albeit by programmes that may have suited the business better).

- A small number of businesses mentioned seeking Local Enterprise Partnership funding, one after being invited to an event for local businesses sponsored by a large bank, with a focus on entrepreneurial investment.
- A handful of businesses mentioned seeking advice on issues specific to their own business. In one example, the business owner had been asked to take on a senior consulting role for another firm, resulting in uncertainty about what level of activity their original business would maintain and to what extent they would remain involved. Another business approached UKTI for specific advice on launching a range of throat pastels in an overseas market, while another business wanted specific, non-strategic advice on graphic design.
- Local, informal business forums are also mentioned, as places where businesses seek knowledge sharing:

*We try to work a lot with local independent businesses so to build like a local social branding, and within that network there is somebody who does marketing as well. He's more or less our 'marketing guru'. Some of this advice we pay for, some we don't.*

#### **Furniture retail, face to face diagnostic**

- One business cites having unexpected access to a business mentoring programme run by a large international company, after they won a contract with them as a supplier.

## Impact among businesses not allocated a voucher

As reported in an earlier section, businesses allocated a voucher were more likely to report that the Growth Voucher Programme contributed to changes within their business.

However, several businesses that *were* allocated a voucher did not use it, meaning that in practical terms, the Growth Voucher Programme experience of these businesses is similar to that of businesses not allocated a voucher at all: both groups of businesses experience a diagnostic, both groups have access to the Online Marketplace and advice on choosing a supplier, and neither group benefit from the monetary value of the voucher. Yet the group allocated a voucher appears to report that Programme has had a greater impact than those not allocated a voucher.

This section focuses on businesses allocated to the control group to explore the impact on those not receiving a voucher, both in terms of any negative consequences such as 'putting businesses off' applying for similar schemes in the future, and to explore what other added value, if any, these businesses feel the Growth Voucher Programme has offered.

Businesses not allocated a voucher are disappointed with this outcome; however, most still seem open to applying for similar schemes in the future, explaining that they are always looking for anything that could help their business grow.

The 'control' businesses that are dissatisfied with not receiving a voucher mainly cite the random nature of the allocation as the most disappointing aspect, as they feel they gave up their time to a 'lottery' and assumed, as a result, that 'less deserving' business would have been given the voucher instead. Many were also unaware that the allocation would be randomised, which added to their irritation. The businesses covered in this phase of the research became involved with the Programme in its earliest stages, when the messaging around the randomised element of the Programme was not as clear as it is now. Businesses that became involved later appear more aware of this element of the Programme, which means (while they have difficulty believing that it is a genuinely random process) those not allocated a voucher are at least less surprised and therefore less dissatisfied.

Looking at impact of the Programme amongst the control group, it is rare for businesses followed up at Phase 1 to mention positive or useful elements of the scheme outside the monetary aspect of the voucher (which they were unable to access). That said, a small number in this group feel positively towards the Growth Voucher Programme regardless and cite the following impacts:

- The questions asked during the diagnostic served as a tool to 'nudge' businesses into thinking about aspects of their business that they had not before, and how the business could potentially be improved. This was the case for both those in the online and personal diagnostic groups; it did not seem to be the case that the personal diagnostic added value beyond the online for these businesses. It should be noted, however, that at the time of interview, these businesses had experienced their diagnostic a considerable time ago and due to not being allocated a voucher, were perhaps less likely to retain details of the meeting.

- One business mentions that, as a result of their experience of the Growth Voucher Programme, they have narrowed their networking to only those contacts and businesses that they feel are genuinely useful.
- One other business mentions being 'heartened' that there is advice out there for businesses.

Certainly amongst the business followed up at Phase 1, it appears that few control group businesses feel a substantial positive impact as a result of being involved with the Growth Voucher Programme, though it is also rare for these businesses to cite any negative consequences.

# Conclusions

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

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

This report presents findings from the Phase 1 qualitative evaluation; the first of three phases of qualitative evaluation of the Growth Vouchers Programme which aims to understand how the Programme is being implemented and what impact is being seen among the businesses that participate.

This Phase 1 evaluation follows on from the early-stage “formative evaluation”, which took place around three months previously and had a greater focus on the process aspects of the Programme, i.e. what was working well and less well in the Programme’s earliest days, with an emphasis on what could be improved to ensure greater take-up and impact.

The objectives of the current Phase 1 evaluation are to:

- a. Monitor that the growth vouchers are delivered and the programme is implemented according to the Randomised Controlled Trial (RCT) protocol. This will also identify factors and areas of the programme implementation that are working well and those that need to be improved.
- b. Document the customer journey from voucher applicants’ point of view and assess how various elements of the customer journey are working in practice. Also, how any barriers could be removed (for example in relation to the business recruitment process, interaction with Delivery Partners, Programme landing page, online application, online filtering, face to face diagnostic, finding an Advice Supplier, etc.).
- c. Understand the way in which the successes of the programme are being achieved as well as establish the barriers to greater impact.

This chapter first considers where the Growth Voucher Programme is working well (including how the Programme has developed since the formative evaluation), and then suggests how greater impact could be achieved in future. Finally the impact of the Programme on businesses so far, and the advice already received, is explored.

## What is working well

The Programme is still largely reaching the 'right' kind of businesses – those with at least moderate growth intentions (to ensure the business is likely to benefit from advice that is designed to help the business to grow), and those that have not received strategic advice before (to ensure the Programme focuses on firms where additionally is likely to be greatest). Additionally, most businesses were not yet at the stage of actively seeking business advice, meaning the Programme does not contain any notable degree of deadweight.

The formative stage of the research highlighted that a key priority for Delivery Partners and Advice Suppliers was to increase marketing activity, and the Phase 1 research has shown intensified promotion to recruit businesses to the Programme. Delivery Partners report various marketing channels have been developed since the formative stage such as collaboration with Advice Suppliers, greater use of case studies and re-launch events. Mirroring this increased marketing activity from Delivery Partners and Advice Suppliers. A greater proportion of businesses are now hearing about the Programme through these channels.

Feedback from businesses and Delivery Partners suggest that in general, both diagnostic routes are working well and businesses are generally satisfied regardless of the diagnostic channel assigned. The online route is considered quick and simple, which is attractive to businesses particularly those that have a firmer idea of the advice that their business needs. However, businesses perhaps even more appreciate stepping outside the day to day pressures of running an enterprise and talk directly with an expert about their longer term aims and issues; this human element and the associated opportunity to be challenged and questioned appears to add considerable value.

While there is still variation in the personal diagnostics given, the current evaluation shows there is a trend towards longer diagnostics, and more open and discursive diagnostics that challenged businesses' views and helped them to understand their business better. Indeed, Delivery Partners report that they are more confident getting the information that they need from businesses.

Delivery Partners are also spending more time discussing the Programme conditions with businesses, such as the randomised allocation of vouchers and the necessity to match the funding provided by the Programme. As a result of this, and greater clarity of written information given up-front at the application stage, businesses express less surprise (and therefore less irritation) at these elements than at the formative stage. Delivery Partners are also following-up businesses after their diagnostic session in order to check if they are experiencing any difficulties and ultimately to encourage them to use the voucher.

These changes to the diagnostics appear to be addressing the market failures that make it difficult for businesses to navigate a crowded advice market; businesses are now being given advice about how to assess which supplier is right for them, determine their legitimacy, gather quotes and manage the ongoing business relationship with the advisor, which increases their confidence and knowledge. The outcome of this is that businesses interviewed at this stage of the research for the first time (around 1-2 months after their diagnostic) are more likely to have made an appointment with, and visited, an advisor, than business interviewed for the first time at the equivalent point at the formative stage (i.e. 1-2 months after their diagnostic).

However, businesses not allocated a voucher did not show the same increased proclivity to approach an advice supplier, even after the additional guidance in this area as part of the more discursive diagnostics.

A further change to the Programme conditions is a longer time period available between vouchers being allocated and them expiring, such that no business is refused a voucher if they apply for an extension. This is a relatively recent change and there is little evidence that many businesses are aware of it so far; further impact is expected in the future as this becomes more commonly known.

The Online Marketplace has improved considerably since the formative evaluation, with businesses and Delivery Partners citing positive changes to the site's layout and search function, as well as the number and range of Advice Suppliers listed. In fact, it is less common for businesses interviewed at the Phase 1 evaluation (compared to those interviewed for the first time at the formative evaluation) to comment that the advisors on the Marketplace are unsuitable. That said, this is still an issue flagged by businesses and is discussed further in the next section on potential improvements to the Programme.

Businesses consider redeeming the voucher to be a smooth and swift process with few issues mentioned.

### **What changes could be made to improve implementation of the Programme, and to encourage greater voucher redemption?**

Considerable improvements were made to the Programme following the formative evaluation, resulting in: more businesses becoming aware of the Programme, the reported quality of personal diagnostics improving, an Online Marketplace that is more comprehensive and easier for businesses to use, and more businesses redeeming their vouchers.

While there is limited time left to make changes to the Programme's processes the following further developments are suggested by businesses and Delivery Partners. These could be considered not only for the current Growth Voucher Programme, but potentially similar future programmes.

Increasing the number of accredited suppliers on the Marketplace is a key improvement that continues to be suggested by both businesses and Delivery Partners, including filling geographical and expertise gaps. While this has improved, and fewer businesses seem to report problems finding advisors, many still cite this as a substantial barrier to using their voucher. Linked to this is better promotion of advisors on the site, in terms of good quality, professional profiles, and keeping ratings and reviews up to date.

To further increase voucher redemption it may also be an advantage for Delivery Partners to make it a standard part of their offering to assist businesses in choosing an advice supplier on the Marketplace. Delivery Partners report offering this advice to a greater extent than previously; however this is at a relatively early stage, and few businesses mention receiving this type of advice so far. This could cover suggestions for the number of suppliers to approach and the provision of a pro-forma to standardise requests and enable easier comparisons between Supplier offerings.

To increase business's awareness of the programme, further large scale email communications from Government departments could be used, as the recent emails from HMRC caused a considerable spike in applications.

Other suggestions made for improving the operation of the Programme include: allowing businesses to pay for advice in instalments, re-emphasising the randomised element of the allocation (while awareness of this has increased since the formative evaluation, many businesses remain sceptical) and creating marketing messaging that place increased emphasis on the importance of advice and how it translates practically into business growth.

### Impact of the Programme so far

Around half of the businesses re-contacted for the current stage of the research (around 6 months after their diagnostic) attributed positive changes within their business over the previous six months at least partly to their participation in the Programme. The businesses were not necessarily those that had used their voucher, but most had been allocated a voucher. The changes businesses attribute to the Growth Voucher Programme are likely to be 'softer' adjustments within the business such as alterations to processes or management style, or attitudinal changes on the part of the person applying to the Growth Voucher Programme, and less likely to be 'harder' impacts such as a change in turnover or number of staff. That said, it is common for businesses to have reported an increase in turnover, but very few feel the Growth Voucher Programme contributed to this.

Of the 45 businesses re-contacted for the Phase 1 evaluation, fourteen had visited an advisor from the MarketPlace. The advice received by these businesses falls into three broad categories: advice on marketing, advice on HR issues and advice on costs and forecasting. Several businesses have made swift changes as a result of the advice and quickly felt a positive impact.

The Advice Suppliers delivering the advice report that it is difficult to provide advice on one theme only, as businesses often need more general, holistic, or practical day-to-day advice alongside advice pertaining to their 'main' theme. Suppliers navigate this issue by ensuring they are clear about the advice that is refundable as part of the Growth Voucher Programme and the advice that is not, and invoice businesses separately for advice that falls outside of the Growth Voucher remit.

A common concern in the operation of an RCT is the reactions that the experiment prompts for the control group (and the potential that this has to distort results). The results from the research so far seem to indicate that, while those in the control group are often unhappy that they did not receive a voucher, there are no major signs that this would result in refusal to apply for funding or advice in the future. Essentially, these businesses have not been 'put off'. In fact, these businesses tend to be generally on the lookout for any advice that might help their business, and several mention finding alternative sources that often cover quite different areas to the Growth Voucher Programme.

At the formative stage, businesses in the control group tended to be frustrated about not being allocated a voucher because they were initially unaware that allocation is a random process (likened by several to a 'lottery' which was felt an unsuitable way of allocating business support). Following the formative evaluation, BIS made this element of the

Programme clearer to businesses, both in the written information received at the application stage, and within the personal diagnostics. This seems to have resulted in control group businesses (while still disappointed not to have received the voucher) being less surprised by the random element and therefore feeling less irritated on being allocated to the control group.

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

A further two waves of qualitative research will be conducted at 6 monthly intervals with businesses, Delivery Partners and Advice Suppliers to explore the impact that the Programme has on businesses as it continues.

Simultaneously, a quantitative attempted census of businesses that applied to the Programme will be carried out on a rolling basis, and provides the data behind the randomised control trial. The survey is designed to interview businesses at regular 6 monthly intervals after their diagnostic in order to track the ongoing impact of the Programme, and how, if at all, impacts differ by diagnostic type, theme, use of voucher, and other key variables.

Evaluation activity will conclude in 2017 and the results will feed into future Government policy on business advice.

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# Appendix 1: Methodology and sampling

This report presents findings from the phase 1 qualitative evaluation; the first of three phases of qualitative evaluation of the Growth Vouchers Programme which aims to understand how the Programme is being implemented early in its life and how participating businesses, Delivery Partners and Advice Suppliers view the effectiveness of delivery.

The objectives of the first of the three-phase evaluation are to:

- d. Monitor that the growth vouchers are delivered and the programme is implemented according to the Randomised Controlled Trial (RCT) protocol. This will also identify factors and areas of the programme implementation that are working well and those that need to be improved.
- e. Document the customer journey from voucher applicants' point of view and assess how various elements of the customer journey are working in practice. Also, how any barriers could be removed (this is expected to cover the business recruitment process, interaction with Delivery Partners, Programme landing page, online application, online filtering, face to face diagnostic, finding an Advice Supplier etc).
- f. Understand the way in which the successes of the programme are being achieved as well as establish the barriers to greater impact.

The Phase 1 qualitative evaluation is based on in depth qualitative interviews and was conducted in August – October 2014. Its three components include:

- Semi-structured interviews with 120 businesses, which were conducted either by face-to-face (12) or by telephone (108);
- In-depth interviews or observations with 34 Delivery Partner staff; and
- In-depth interviews with 25 Advice Suppliers.

This appendix provides technical details about the way in which the research was conducted. Topic guides are provided in Annex A2.

## Interviews with businesses

The 120 interviews with businesses were split between those interviewed for the first time ('new businesses' - 75) and those who were first interviewed in the formative phase and followed up at Phase 1 (45).

### New businesses

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

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

Fieldwork took place between 13<sup>th</sup> August and 3<sup>rd</sup> October. The majority of businesses (67) were then interviewed over the telephone, and 8 businesses were interviewed face to face. Interviews lasted in length between 30 and 60 minutes.

### **Businesses followed up at Phase 1**

Businesses who took part in the formative evaluation were recruited via a short telephone call that checked they were happy to take part in another interview.

Fieldwork took place between 13<sup>th</sup> August and 30<sup>th</sup> September. The majority of businesses (41) were then interviewed over the telephone, and 4 businesses were interviewed face to face. Interviews lasted in length between 30 and 60 minutes.

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

Table 1.1 summarises how many businesses were contacted, refused to take part at both the recruitment and interview stage and how many were interviewed altogether.

**Table 1.1: A1 Summary of interview recruitment for businesses**

	<b>New Businesses</b>		<b>Businesses followed up at Phase 1</b>	
	<b>Teledepths</b>	<b>Face to Face</b>	<b>Teledepths</b>	<b>Face to Face</b>
<b>How many contacted</b>	155	26	95	9
<b>How many refused / unavailable at recruitment stage</b>	84	18	53	5
<b>How many refused / unavailable at interview stage</b>	4	0	1	0
<b>Total interviews achieved</b>	<b>67</b>	<b>8</b>	<b>41</b>	<b>4</b>

## Completed telephone interviews

Table 1.2: Theme by voucher allocation and diagnostic channel

	Theme	New Businesses		Businesses followed up at Phase 1		Total
		Face to face diagnostic	Online diagnostic	Face to face diagnostic	Online diagnostic	
<b>Allocated a voucher</b>	<b>Marketing, attracting and keeping customers</b>	5	5	4	4	<b>18</b>
	<b>Raising finance and managing cashflow</b>	5	5	4	4	<b>18</b>
	<b>Improving leadership and management skills</b>	5	5	4	4	<b>18</b>
	<b>Recruiting and developing your staff</b>	4	1	4	1	<b>10</b>
	<b>Making the most of digital technology</b>	5	5	3	3	<b>16</b>
<b>Not allocated a voucher</b>	<b>Marketing, attracting and keeping customers</b>	2	4	0	1	<b>7</b>
	<b>Raising finance and managing cashflow</b>	4	0	1	0	<b>5</b>
	<b>Improving leadership and management skills</b>	3	1	0	2	<b>6</b>
	<b>Recruiting and developing your staff</b>	1	1	0	0	<b>2</b>
	<b>Making the most of digital technology</b>	3	3	1	1	<b>8</b>
	<b>Total</b>	<b>37</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>108</b>

Table 1.3: Delivery partner by voucher allocation and diagnostic channel

	Delivery Partner	New Businesses		Businesses followed up at Phase 1		Total
		Face to face diagnostic	Online diagnostic	Face to face diagnostic	Online diagnostic	
Allocated a voucher	BE Group		21		16	37
	Cavendish Consortium (EoE)	9		1		10
	Cavendish Consortium (London)	2		3		5
	Cavendish Consortium (SE)	4		8		12
	Winning Pitch	1		1		2
	West Midlands Chambers of Commerce LLP	8		6		14
Not allocated a voucher	BE Group		9		4	13
	Cavendish Consortium (EoE)	1		1		2
	Cavendish Consortium (London)	3		0		3
	Cavendish Consortium (SE)	2		0		2
	Winning Pitch	2		1		3
	West Midlands Chambers of Commerce LLP	5		0		5
	<b>Total</b>	<b>37</b>	<b>30</b>	<b>21</b>	<b>20</b>	<b>108</b>

Table 1.4: Delivery by personal diagnostic channel

<b>Face to face diagnostics</b>					
	<b>New Businesses</b>		<b>Businesses followed up at Phase 1</b>		
<b>Delivery Partner</b>	<b>Face to face diagnostic</b>	<b>Telephone / Skype</b>	<b>Face to face diagnostic</b>	<b>Telephone / Skype</b>	<b>Total</b>
<b>Recruiting and developing your staff</b>	2	3	0	4	9
<b>Making the most of digital technology</b>	3	5	2	2	12
<b>Improving leadership and management skills</b>	1	7	0	4	12
<b>Raising finance and managing cashflow</b>	5	4	2	3	14
<b>Marketing, attracting and keeping customers</b>	2	5	1	3	11
<b>Total</b>	<b>13</b>	<b>24</b>	<b>5</b>	<b>16</b>	<b>58</b>

## Completed face to face interviews

Table 1.5: Theme by diagnostic channel

Face to face diagnostic					
Theme	New Businesses		Businesses followed up at Phase 1		
	Face to face diagnostic	Online diagnostic	Face to face diagnostic	Online diagnostic	Total
Marketing, attracting and keeping customers	1	0	0	1	2
Raising finance and managing cashflow	1	2	0	0	3
Improving leadership and management skills	1	1	0	0	2
Recruiting and developing your staff	0	0	1	0	1
Making the most of digital technology	0	1	1	0	2
No voucher	0	1	1	0	2
<b>Total</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>12</b>

## Interviews with Delivery Partners

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

Contact details for key contacts at each Delivery Partner organisation were provided by BIS. The key contacts nominated relevant staff and interviews with these individuals were then organised. Interviews with advisers and other personnel lasted between 20 minutes and 1 hour

Staff roles varied between organisations, depending on the delivery model and role of Delivery Partners in the Programme. Table A1 provides a breakdown of the number of staff interviewed within each Delivery Partner organisation. The fieldwork also included an

interview with the organisation running the Online Marketplace; this is not included in the table below.

**Table 1.6: Delivery Partner personnel interviewed**

<b>Numbers of personnel interviewed per DP</b>					
<b>Personnel interviewed / observed</b>	<b>DP1</b>	<b>DP2</b>	<b>DP3</b>	<b>DP4</b>	<b>DP5</b>
<b>Strategic leads</b>	1	0	1	1	1
<b>Operational managers</b>	1	2	1	1	1
<b>Administrative staff</b>	1	1	1	1	0
<b>Advisers</b>	4	4	4	4	3
<b>Totals</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>5</b>
<b>Total</b>	<b>33</b>				

## Advice Suppliers

BIS provided NatCen with a list of Advice Suppliers registered on the Online Marketplace, all of whom had provided advice under the scheme. A hundred Suppliers were then invited to participate with an introductory email and information about the research. This was followed up by phone calls to explain the research and arrange interviews amongst those who did not opt-out of being contacted.

Interviews were then conducted with 25 Suppliers lasting 20 minutes to 1 hour. They were carried out on the telephone and followed the topic guide in Appendix A2. The tables below give further details about the characteristics of Advice Suppliers interviewed.

**Table 1.7: Advice Suppliers by Theme**

<b>Theme</b>	<b>Total number of Advice Suppliers interviewed</b>
Recruiting and developing your staff	5
Raising finance and managing cash flow	5
Making the most of digital technology	5
Improving leadership and management skills	5
Marketing, attracting and keeping customers	5
<b>Total</b>	<b>25</b>

**Table 1.8: Advice Suppliers by Region**

<b>Region</b>	<b>Total Advice Suppliers interviewed</b>
Greater Manchester, Yorkshire and the North West	10
West Midlands	5
North London, East of England and East Midlands	4
South London and the South East	6
<b>Total</b>	<b>25</b>

**Table 1.9: Number of Growth Vouchers clients**

<b>Number of Growth Vouchers clients</b>	<b>Total Advice Suppliers interviewed</b>
1 only	10
2-5	5
6-9	4
10 plus	6
<b>Total</b>	<b>25</b>

# Appendix 2: Topic Guides

## Topic Guide: Qualitative Interviews with new businesses

### A About the Business

- A1 Could you start by telling me a little bit about your business? What does your business do or make?
- A2 How many people do you employ (excluding partners or directors)? And how many partners/directors do you have?
- A3 And how long have you been trading?
- A4 And what is your turnover? Has this been increasing or decreasing over the last few years? By what sort of margin?
- A5 And who do you sell your products or services to? Are your customers in the UK or overseas? Are they consumers, small businesses or big multinationals?
- A6 Do you make much use of sub-contractors to produce your products / deliver your services? What do you use them for?
- A7 What are the key business challenges that you are facing at the moment? How long have these been having an effect? What sort of impact are they having?
- A8 What are your aspirations for the business? What are you hoping that the business will achieve in the next couple of years? And how about in the longer term?
- A9 What sort of advice or support do you anticipate needing to help you achieve these goals? Is this advice or support you need now or something for further down the line?

### B Getting involved with the GVP

- B1 How did you come to hear about the Growth Voucher Programme? Please tell me in as much detail as you can. PROBE FULLY.  
IF HEARD ABOUT GV PROGRAMME FROM A PERSON OR ORGANISATION, PROBE FOR HOW THEY KNOW THEM, WHAT CONTACT THEY HAVE HAD WITH THEM PREVIOUSLY
- B2 What motivated you to apply to the programme? What was it about this programme that caught your eye? PROBE FULLY.
- B3 Have you been involved with anything similar before? PROBE FOR DETAIL.
- B4 (Other than through the Growth Voucher Programme) have you used any external sources of business advice in the last 3 years?
- YES – CONTINUE
  - NO – GO TO B6
- IF RECEIVED ADVICE IN THE PAST (FROM B5)
- B5 What types of advice? INTERVIEWER PROBE AS BELOW AND SUMMARISE IN TABLE
- Was this advice for day-to-day issues such as help with accounts, employees, etc, or was it strategic advice on growing the business, strategy, etc.
  - Did you pay for the advice?
  - What sort of providers? GIVE CONCRETE EXAMPLES
  - How long ago?
- IF HAVE NOT RECEIVED ADVICE IN THE PAST (FROM B4)
- B6 We really want to understand what prevents small businesses like yours accessing advice – there are many possible reasons. Why haven't you sought advice in the past?  
SPONTANEOUS, THEN PROBE FOR ANY NOT MENTIONED:
- Don't think that advice would be useful for the business
  - Absence of any trusted / recommended advisers
  - Lack of information about what advice is available / how to go about getting it
  - Lack of time to gather information / explore the options
  - Anything else at all?

### ASK ALL BUSINESSES

B7 When you applied for the Growth Voucher Programme during the last couple of months, were you already thinking about the possibility of getting business advice?

- YES – CONTINUE
- NO – GO TO SECTION C

IF ALREADY CONTEMPLATING TAKING ADVICE (FROM B8), OTHERS GO TO SECTION C

B8 What sort of advice had you thought of getting? Did you plan to pay for it or were you looking for free advice?

B9 How far had you taken it? Had you looked at advice providers? Spoken to any? Assessed possible costs?

## C The online application process / online diagnostic

### ASK ALL BUSINESSES

C1 Before you started the application, did you know what types of advice were available through the programme? i.e.

- Did you understand that it was strategic advice specifically? (not day-to-day practical advice or training)
- Were you clear on how many different advice 'themes' there were? (How many?)
- Can you remember any of the themes?
- And did you have a clear idea of what sort of advice would be most beneficial to your business?

C2 Who made the application to the Growth Voucher Programme? Yourself or someone else in the business? Who?

C3 How did you find the online application process for the Growth Vouchers Programme? This would have involved you answering a few questions about your business on the website.

- How long did this application process take you?
- Did you need any additional information or documents to answer these questions and make the application? What did you need?
- Did you get any help from anyone? (if no, would you have liked help?) Who from?

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

I'd now like to talk now about the Business Advice Assessment that you completed online.

C4 Do you think the questions were suitable to determine your business's needs? Were the questions detailed enough? IF NO: Why? What else would you have liked to have been asked?

C5 Would you have preferred to get the advice needs of your business assessed through a discussion with a business advisor rather than online?

- Why / why not?

C6 After you completed the Business Advice Assessment, do you remember being given a suggestion about which area of advice your business would most benefit from? Did you understand why this area of advice was recommended? How did it fit with your views of your business needs?

C7 And do you think this suggestion was right, based on the answers you gave during the online Advice Assessment? IF NO: Why not? What suggestion do you think would have been more appropriate and why?

C8 Did you choose the suggested advice theme, or did you choose a different one? IF A DIFFERENT ONE: What guided your choice?

C9 And thinking back to when you started the online assessment, did you have a firm idea at that point about the area of advice your business needed?

## D The personal diagnostic

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

- D1 After you finished answering some questions about your business online, you should have been asked to make contact with an organisation to assess your business's advice needs in more detail, is that right? Did you contact this organisation or did they get in touch with you? How did you find the process of making an appointment?
- D2 And thinking about the actual appointment, did the discussion take place over the telephone or in-person face-to-face or using Skype? Was this your preference? Why?
- Were you given a choice about whether it would be face to face or via telephone / skype?
- D3 How long did the discussion take? How did you feel about the length?
- D4 Did you complete a questionnaire or was it just a discussion, or a mixture?
- D5 Did you go into the session with a firm idea of what type of advice your business needs? IF YES: Did the advisor challenge your views / discuss alternatives?
- D6 We would like to understand what you talked about in the session. Talk us through the session, what did you discuss? Could you give us some specific examples of the sorts of things you talked about?  
INTERVIEWER PROBE FOR SPECIFIC EXAMPLES
- D7 Were the discussions you had during the session sufficient for you to then make a decision about the type of advice that would be most useful to your business? IF NO: What else would you have wanted to discuss in order to help you come to a decision about the right kind of advice for your business?
- D8 Did the advisor enable you to understand your business needs better? Did they challenge your thinking?
- D9 What did you understand to be the purpose of the session?
- D10 Do you remember the adviser suggesting an area of business advice to you, based on your discussions? What did you think of this suggestion? Did you understand why this area of advice was recommended? How did it fit with your views of your business?
- D11 How did you come to an agreement with the adviser on what theme was to be selected? Did you go with their initial suggestion, or did you choose another area of advice instead? IF PICKED OTHER AREA: Why was this?
- D12 Overall how useful did you find this discussion? Did it give you any new perspectives on your business?
- D13 Would you have preferred to get the advice needs of your business assessed through an online questionnaire rather than through a discussion with a business advisor?
- Why / why not?
- D14 Did you get any form of 'action plan' or 'recommendations' to take away at the end? What was included on this? What did it cover? How useful was it?
- D15 And after your diagnostic session, were you contacted again by the organisation that you had your original appointment with, to encourage you to purchase advice and use the voucher?
- How did you feel about this contact? Was it helpful? IF HELPFUL: How / why was it helpful?
- D16 How many times did the organisation contact you? Through which channel? (telephone, email, letter?)
- D17 Did the adviser tell you about the research being done alongside the Growth Vouchers Programme? What did they tell you? Did they mention that they will be looking to track the performance of businesses who take part over time to see what can be learnt to inform new business support policies in the future?

## E Voucher allocation

### ASK ALL BUSINESSES

- E1 Did you receive a voucher for money towards business advice, or not?
- DID NOT RECEIVE VOUCHER: GO TO E2
  - RECEIVED VOUCHER: GO TO E6
- IF DID NOT RECEIVE VOUCHER (FROM E2)
- E2 Did you know when you started the process that it might be possible not to be allocated a voucher? How was it explained to you that you had not been given a voucher? What did you think about this? Would there have been a better way of explaining this to you?

- E3 Has not being given a voucher had any impact on your likelihood to seek advice? Now or in the future?
- E4 Were you clear that the vouchers were allocated 'at random' i.e. the fact that you didn't get a voucher has nothing to do with the merit of your application?  
IF DID NOT RECEIVE VOUCHER AND HAD PERSONAL DIAGNOSTIC
- E5 Did your advisor suggest any alternative programmes to you? IF YES – What were these? Have/will you investigate them further?  
IF DID RECEIVE VOUCHER (FROM E2)
- E6 What did you think about the amount that it was for? The voucher entitles you to up to £2000 off the cost of business advice, though your business must put up the same amount of money also. Do you think that £2000 is enough of a contribution from the voucher?
- E7 What did you think about it being a matched contribution, i.e. your business having to pay half? Were you told that you would have to pay 50% of the costs of advice purchased?
- E8 Do you think this 50% contribution towards the cost of business advice has made you more likely to seek advice? PROBE FULLY [Is it the subsidy that helped, or is it the information/awareness of options that you have received or both/none of these?]
- E9 Do you plan to use the voucher?  
IF NO: Why not? What would make it more compelling to do so?  
AFTER SPONTANEOUS ANSWER, PROBE WHETHER THE FOLLOWING CHANGES WOULD MAKE THE VOUCHER MORE COMPELLING TO USE:
- If the voucher could be redeemed for a different proportion of the total cost of the advice, rather than 50% as it is now? What is the minimum % contribution that would make you more likely to use the voucher?
  - If the voucher could be used to claim back a larger amount of money – at the moment the voucher can be used to claim back £2000 – what if it was nearer to say £4000? Do you know how much you would need or want to spend on advice? How much would you want the voucher to be worth? (Bearing in mind that your business would still have to pay some proportion of the bill).
  - If you had more time to use the voucher before it expired (rather than 3 months, as currently)? How long do you think you would need? Why do you say that amount of time?
  - NOW GO TO SECTION F
- IF YES: When do you anticipate that you might visit an advisor? In how many months' time?
- NOW CONTINUE
- IF PLAN TO / HAVE SEEN AN ADVISOR (FROM E11/12)
- E10 So you have visited an advisor or are planning to. But if you hadn't become involved with the Growth Voucher programme, which do you think you would be the most likely scenario that would have happened instead?
- You would have obtained the same kind of advice (that you are likely to do now) but would have paid for it
  - You would have looked for another way to get this advice at a free or subsidised rate
  - You would have bought less advice
  - You would have used the money that you are now going to use for advice for something else [SPECIFY WHAT]
  - You'd have taken another course of action
- E11 What sort of benefits are you hoping will result from seeking business advice [Growth in turnover? Increase in number of staff? Addressing a particular problem being experienced at the moment? etc.] Over what sort of time period do you expect to be able to see these benefits? And how long do you think any positive impact might last?
- E12 Do you understand how to reclaim any money that you spend on advice? Has this been explained clearly to you?

## F The Online Marketplace / advice sessions

- F1 Do you recall being given a link for the online business advice marketplace? (This is an online listing of suppliers of advice services that have been approved by the Growth Voucher Programme)
- F2 Have you seen / looked at the online marketplace?  
IF NO:
- Do you think you will? Why/why not?
  - [NOW GO TO SECTION G]
- IF YES:
- How did you access the Online Marketplace? Was it via the link sent to you, or did you search for the Marketplace yourself using a search engine?
  - [NOW CONTINUE]
- F3 How easy was it to:
- Navigate around the website in general
  - Search for specific types of advisers or advice?
- F4 Can I just check, have you made an appointment to visit a business adviser from the Marketplace website?  
INTERVIEWER NOTE: EVEN IF NOT GIVEN A VOUCHER, THEY STILL MAY BUY BUSINESS ADVICE FROM THE MARKETPLACE
- YES – CONTINUE
  - NO – GO TO SECTION G
- IF MADE AN APPOINTMENT (FROM F4)
- F5 How did you select who to make an appointment with? How did you compare suppliers? Did you:
- check the star ratings of each adviser
  - check the reviews
- F6 Have you received any of this business advice yet? i.e., have you used an advisor in some way?
- YES – CONTINUE
  - NO – GO TO SECTION G
- F7 - F16: ASKED TO ALL THOSE WHO HAVE RECEIVED ADVICE (FROM F6)
- F7 How useful did you find the advice?
- F8 What sort of topics did you discuss?
- F9 How long will the advice take in total [days/hours]?
- F10 How much will the advice cost in total?  
(PROBE TO ESTABLISH TOTAL VALUE OF THE SESSIONS INCLUDING THE AMOUNT RECOUPED WITH THE VOUCHER IF RECEIVED ONE)
- IF TOTAL LESS THAN £4k: Was there any particular reason why you did not spend the full value of your voucher?
- F11 Were there any particular outputs from the session or was it just a discussion?
- F12 What action do you think you might take on the back of the advice?
- F13 Overall, did you find it a positive experience?
- F14 Do you have any plans to take further advice in the future? Are you thinking about advice that you would pay for in full or advice that would be subsidised?
- F15 Would you be happy to let us know the name and contact details of the adviser you used? We won't be contacting them about your case, it's just so that we can also contact a couple of advisers later on in the research programme.  
IF ALSO HAVE VOUCHER (FROM E1)
- F16 Have you used your voucher to claim for the advice received? IF NO: Why not? IF YES: Did this process go smoothly? How many days did the process take?

## **G Overall perspective on the Growth Vouchers programme**

- G1 What have you got out of taking part in the Growth Vouchers programme so far? Have there been any benefits for you in terms of:
- Changing your attitudes towards business advice, i.e. has the Programme:

- Changed your view on how useful business advice is (do you now think it is more or less useful?)
  - Changed your views on the sorts of advisers that are available?
  - Increased your awareness about the sort of advice available, and how to go about getting it?
    - Learning more about how your business might benefit from advice
    - Learning about new programmes or support networks. Which?
    - Making connections with new organisations. Which? How might they help you?
- G2 Have there been any changes to your business, or to your attitude or motivation in relation to your business, since you applied to the GV Programme?  
IF SO: Did your involvement with the GV Programme contribute in any way to these changes (even indirectly). How
- G3 And have you discussed taking part in the Growth Vouchers programme with any other businesses? Did you talk about it positively or negatively? What did you say? Did you recommend that they take part?
- G4 How does the Growth Voucher Programme offer compare to your previous experiences of obtaining business advice?
- G5 How 'open' to the idea of receiving advice from external organisations do you feel your business is at the moment?
- G6 And is now a good time for your business to receive advice or do you think it might be more useful at some point in future? Why/why not?

## Topic Guide: Qualitative Interviews with businesses followed up at Phase 1

### A About the Business

- A1 Thank you very much for speaking to us again. Just to re-cap, your business...  
INTERVIEWER SUMMARISE AND FEED BACK TO THE BUSINESS INFORMATION FROM SECTION A OF FORMATIVE INTERVIEW  
Is that still correct? Is there anything there that I should update?

## B Growth Voucher Programme follow up

I'd first like to explore what you have, or haven't, done in relation to seeking business advice, since we last interviewed you. INTERVIEWER MARK IN TABLE BELOW WHETHER BUSINESS HAD OR HAD NOT DONE THE FOLLOWING AT THE TIME OF THE LAST INTERVIEW

POTENTIAL ACTIVITY	HAD DONE AT TIME OF LAST INTERVIEW	HAD NOT DONE AT TIME OF LAST INTERVIEW
Made an appointment with an advisor	<i>[check against next potential activity]</i>	GO TO B1
Visited adviser	<i>[check against next potential activity]</i>	GO TO B5
IF IN VOUCHER GROUP: Used the voucher to claim for any advice received	GO TO SECTION C	GO TO B14

IF HAD NOT MADE AN APPOINTMENT WITH AN ADVICE SUPPLIER AT PREVIOUS INTERVIEW (SEE TABLE AT I1)

B1 When we spoke to you last, you said you had not made an appointment with an advice supplier on the marketplace – since then, have you made an appointment with an advice supplier?

- YES – GO TO B4
- NO - CONTINUE

IF STILL NOT MADE AN APPOINTMENT (FROM B1)

B2 Do you plan to make an appointment to see an advisor?

IF YES: When do you plan to do this? [NOW GO TO B3]

IF NOT: Why not? PROBE FULLY FOR ALL POTENTIAL REASONS

AFTER SPONTANEOUS ANSWER, PROBE WHETHER THE FOLLOWING CHANGES WOULD MAKE THE VOUCHER MORE COMPELLING TO USE:

- If the voucher could be redeemed for a larger proportion of the total cost of the advice, rather than 50% as it is now?
- If the voucher could be used to claim back a larger amount of money – at the moment the voucher can be used to claim back £2000 – what if it was nearer to say £4000? How much would you want the voucher to be worth? (Bearing in mind that your business would still have to pay some proportion of the bill).
- If you had more time to use the voucher before it expired (rather than 3 months, as currently)? How long do you think you would need? Why do you say that amount of time?
- AFTER PROBING, NOW GO TO SECTION C

IF NOT MADE APPOINTMENT (FROM B2)

B3 Have you done anything else related to finding out about, or getting, business advice? What?

- NOW GO TO SECTION C

IF MADE AN APPOINTMENT (FROM B1)

B4 How did you select who to make an appointment with? How did you compare suppliers?

- NOW CONTINUE

IF HAD NOT VISITED ADVISER AT PREVIOUS INTERVIEW (SEE TABLE AT B1)

B5 Have you had an appointment with an adviser yet?

- YES – CONTINUE
- NO – GO TO SECTION C

IF HAVE HAD APPOINTMENT (FROM B5)

B6 How useful did you find the advice? Why?

B7 What sort of topics did you discuss?

B8 How long did it take [days/hours]?

- B9 How much did the advice cost? (PROBE TO ESTABLISH TOTAL VALUE OF THE SESSION INCLUDING THE AMOUNT RECOUPED WITH THE VOUCHER IF RECEIVED ONE)
- IF TOTAL COST LESS THAN £4k: Was there any particular reason why you did not spend the full value of your voucher?
- B10 Were there any particular outputs from the session or was it just a discussion?
- B11 What action do you think you might take on the back of the advice?
- B12 Overall, did you find it a positive experience?
- NOW CONTINUE
- HAS VISITED ADVISER BUT NOT YET CLAIMED BACK VOUCHER MONEY (TABLE AT BEGINNING OF SECTION B)
- B13 Have you used your voucher to claim for the advice received? IF NO: Why not? IF YES: Did this process go smoothly?
- NOW CONTINUE
- B14 Would you be happy to let us know the name and contact details of the adviser you used? We won't be contacting them about your case, it's just so that we can also contact a couple of advisers later on in the research programme.

### C Exploring any changes to businesses followed up at Phase 1

- C1 Can you tell me about any changes that have happened within your business since we spoke to you last, so since March / April – even if you think they might be small changes, we would still like to hear about them.
- They might be changes that you are directly responsible for, or they might have happened as a result of something or someone else, or even happened by chance.
- We would like to concentrate on changes that have happened in the past for now, and we will come on to discuss changes that are planned for the future afterwards.
- AFTER SPONTANEOUS ANSWER, PROBE FOR
- PLEASE NOTE DOWN EACH CHANGE MENTIONED IN THE FIRST COLUMN OF THE TABLE ON PAGE 8 (OR ON SEPARATE PRINTED SHEET) RATHER THAN NOTING DOWN BELOW
- Any practical, concrete changes to the business e.g.
    - increase / decrease in turnover or how 'busy' the business is
    - a new written business plan, training plan, strategy, etc
    - new / altered website
    - change in number of employees, volunteers, apprentices
    - changed the business premises in some way / change in the number or location of sites you have
  - Any 'softer' changes within the business e.g.
    - change / development of staff roles
    - any changes at all in your systems / processes
    - change in management style / company culture
- C2 And thinking about you, have you noticed any changes in you yourself in terms of your attitude or motivation towards the business, e.g.
- the aspirations or ambitions you have for your business
  - thinking more or less about your business from a high-level strategic stand point, or allowing yourself more or less time to focus on this
  - spending more or less time reading or finding out about business strategy, or what you think your particular business needs
  - looking to a greater or lesser extent for business advice outside of the Growth Voucher Programme (i.e. advisors that do not feature on the marketplace). IF SO: What kind of advice? where from? Did you / will you be paying for it?
- IF NO CHANGES AT ALL:
- IF PERSONAL DIAGNOSTIC – GO TO C5
  - IF ONLINE DIAGNOSTIC – GO TO C6

IF MENTIONED ANY CHANGES AT ALL WITHIN THEMSELVES OR THE BUSINESS (AT C1 AND C2)

Please think about ALL the changes we have just discussed. I'd like to go through each and ask what caused each of them.

C3 Firstly I would like to check which ones might have come about as a result of your involvement with the Growth Voucher Programme – even if it only contributed to the change partly or a small amount.  
INTERVIEWER GO THROUGH EACH CHANGE ON TABLE AND CHECK WHETHER GROWTH VOUCHER PROGRAMME INFLUENCED ANY OF THE CHANGES  
SPECIFIC CHECK: IF RESPONDENT MENTIONED ANY CHANGES IN TERMS OF ATTITUDE OR MOTIVATION, PROBE SPECIFICALLY WHETHER THEY WERE IN ANY WAY INFLUENCED BY THEIR EXPERIENCE OF THE GROWTH VOUCHER PROGRAMME:

C4 And now I'd like to ask what else might have contributed to each change– please say what else, aside from the Growth Voucher Programme, has caused each of these changes?

INTERVIEWER GO THROUGH EACH CHANGE ON TABLE AND CHECK WHAT ELSE CONTRIBUTED TO EACH

ASK ALL WHO EXPERIENCED A PERSONAL DIAGNOSTIC [ONLINE GO TO C6]

ESPECIALLY IMPORTANT TO ASK OF THE CONTROL GROUP

C5 Thinking back to the first meeting / telephone conversation you had in March / April as part of the Growth Voucher Programme, what impact, if any, do you think this had on you or your business at all?  
PROBE FULLY.

- E.g. did it motivate you to look at your business more strategically / help clarify the direction you want your business to go in / help you to look at your business in a different way?

IF HAD AN IMPACT: What aspect/s of this meeting / telephone call had an impact on you? What impact did it have?

ASK ALL

C6 Have you looked for, or applied for, any more business advice since applying for the Growth Voucher Programme?

- IF YES: What sort of advice? What has been the outcome?
- IF NO: Why not? Has this decision not to look for more advice been caused by your experience with the Growth Voucher Programme?

NOW CONTINUE

C7 Looking to the future, what changes, if any, do you have planned for your business (or yourself, in relation to your business), either in the short or long term?

PLEASE PROBE:

- Any practical, concrete changes to the business e.g.
  - a new written business plan, training plan, strategy, etc
  - new / altered website
  - change in number of employees, volunteers, apprentices
  - changed the business premises in some way / change in the number or location of sites you have
- Any 'softer' changes within the business e.g.
  - change / development of staff roles
  - any changes at all in your systems / processes
  - change in management style / company culture
- Any changes in your habits or actions e.g.:
  - Look for / apply for more business advice
    - IF SO: using the Marketplace? Or elsewhere? Paid or subsidised?
    - IF NO: Why not? Has this decision not to look for more advice been caused by your experience with the Growth Voucher Programme?
  - thinking more or less about your business from a high-level strategic stand point, or allowing yourself more or less time to focus on this

NOW GO TO:

- IF CONTROL GROUP – C8
- IF VOUCHER GROUP – SECTION D

IF CONTROL GROUP [IF NOT, GO TO SECTION D]

- C8 You told us last time that your business was not given a voucher - has this had any kind of ongoing negative impact on you or your business? IF YES: How has this affected you or the business? ALLOW SPONTANEOUS ANSWER, THEN PROBE: Has this experience made you any less inclined to apply for business advice or grants in the future?
- C9 Despite not being allocated a voucher, have you found any aspects of the growth Voucher Programme helpful? Why / Why not? IF YES: What aspects?
- PROBE IF BUSINESS HAD PERSONAL DIAGNOSTIC: Did you find the initial meeting / telephone call useful in any way? IF YES: How was it useful? IF NO: Why do you think that was?

### D Growth Overall perspective on the Growth Vouchers programme

ASK ALL

- D1 What have you got out of taking part in the Growth Vouchers programme so far? Have there been any benefits for you in terms of:
- Changing your attitudes towards business advice
  - Learning more about how your business might benefit from advice
  - Learning about new programmes or support networks. Which?
  - Making connections with new organisations. Which? How might they help you?
- D2 And have you discussed taking part in the Growth Vouchers programme with any other businesses? Did you talk about it positively or negatively? What did you say? Did you recommend that they take part?
- D3 How does what the Growth Voucher Programme offers compare to your previous experiences of obtaining business advice?
- D4 How 'open' to the idea of receiving advice from external organisations do you feel your business is at the moment? Why?
- D5 And is now a good time for your business to receive advice or do you think it might be more useful at some point in future? Why/why not?

## Topic Guide: Qualitative Interviews with Delivery Partners

### A. Contextual information

#### A1 Participant background

- Role and responsibilities (keep brief for participants interviewed in Formative stage)
- In organisation
- Specifically in relation to the Programme
- How key responsibilities have changed since the start of the Programme, why
- What other schemes they are delivering, which do and do not involve interacting with businesses

#### A2 Growth Vouchers delivery model

*Throughout, probe key changes since the formative stage*

- Regional coverage
- Consortium / supply chain arrangements
- Terms of contract and KPIs
- Payment model
- Resources
  - Roles and structure of staff involved in delivering the Programme (*include advisers*)

- Nature and reasons for any changes in roles and responsibilities
- New staff recruited since formative stage
  - Roles
  - Full-time / Part –time
  - Temporary / permanent
  - Employees / freelance associates
- Views about capacity to deliver the programme and cope with demand (*include advisers*)
- Operational experiences of resourcing the programme (*include advisers*)
  - Challenges
  - What's worked well
  - Suggestions for improvement

## **B. Recruiting businesses to the Programme**

*Throughout, probe key changes since the formative stage*

### **B1 Progress towards sample targets**

- Overall targets and progress towards these to date in region
- Numbers going down online route (BE Group)
- Numbers of face to face assessments completed in region
- Numbers of Telephone / Skype in region
- Numbers from within / outside region (and which regions)
- Views about progress:
  - Key successes
  - Key challenges

- Projections / expectations for future

### **B2 Marketing activities**

- Overview of current marketing activities (*request marketing plan and materials*)
  - Which other organisations they are working with
  - Nature and focus of messaging, and why chosen e.g. testing, analysis
  - Nature of and rationale for any new marketing approaches since last interview,
- How marketing is currently being undertaken
  - Geographic coverage / focus (*probe whether outside designated region*)
  - Resources used (staff, money)
  - Approaches to assessing effectiveness, if none how aware of what's working
- Views on marketing activities

- What's worked well in terms of approaches and messaging (ask for best practice examples)
  - What hasn't worked well in terms of approaches and messaging
  - Nature of any variations in what's working well or not e.g. geographical variation, different types and size of businesses
  - Challenges experienced (*probe around measuring success of activities*)
  - How overcome / plans for improvement in strategies for engaging businesses
  - How process compares to expectations
- Other ways businesses have come across Growth Vouchers

### **C. Introduction to the Programme**

*Throughout, probe key changes since the formative stage*

#### **C1 Programme information**

- Sources of information about the Programme for businesses
  - GOV.UK pages
  - Online Marketplace
  - Delivery Partners' own materials
  - Others
- Clarity of key Programme information e.g. match-funding, RCT, eligibility criteria
- Extent to which businesses read / absorb this information
- How businesses' understanding of the Programme could be improved

#### **C2 Application process and online eligibility check**

- Views on application process and online eligibility check
  - How well processes are working
  - Challenges experienced by businesses, ask for specific examples
  - BE Group: number of calls made to the helpline nature of issues, how resolved
  - How the application process and online eligibility check support / deter applications
  - How the application process and online eligibility check could be improved

### **C3 Validation process**

- Nature of validation process – what checks they use e.g. Companies house, Mint etc
- If no process in place, how certain businesses are valid and eligible
- Views of the validation process
  - How well the process is working
  - Key issues experienced
  - Changes since formative evaluation (April / May) and effectiveness of changes

### **C4 Arranging assessments**

- Overview of process including
  - Information provided to businesses at this stage
  - How many times they try to contact businesses
  - What works well in arranging assessments
  - Key challenges in arranging assessments
    - Ease / difficulty of contacting businesses and whether particular businesses are more / less difficult to reach
    - Ease / difficulty of securing face to face diagnostics i.e. non-receptiveness of businesses
    - Businesses that tend to decline participation at this point
      - Number
      - Reasons
      - What could be done to prevent this
    - Numbers not eligible at this stage
- Suggestions for solutions / improvements

## **D. Diagnostic assessments**

*Throughout, probe key changes since the formative stage*

### **D1 Consistency of assessment approaches (operational managers)**

- Overview of diagnostic approach e.g. structured questionnaire or open discussion
- Variations in approach between advisers
  - Extent to which approach is uniform across advisers and how ensured
    - Length
    - Depth of discussion
    - Issues covered e.g. all five themes, general issues e.g. challenges
    - Content and detail of action plan
  - Reasons for variation, business or adviser driven

- Nature of any efforts to standardise assessments since formative evaluation (April / May)

## **D2 Description of the diagnostic assessment (advisers)**

*Probe differences between in-person and phone assessments*

- Length
  - Where they are held
  - Step by step process of diagnostic
    - Introduction to the Programme
    - Information gathered about businesses
    - Topics and issues covered
    - Discussion of overall business performance and challenges faced
    - Process of agreeing theme
      - Extent to which businesses have pre-selected a theme
      - Extent of challenge and business acceptance of recommendation
      - Appropriacy of themes, gaps
    - Description of action plan content, ask for examples
      - Views about what this should comprise
      - When written, rationale
      - Referral / signposting to other business advice services, which ones, local or national
    - Referral to Online Marketplace
      - Nature of information provided about the Online Marketplace
      - Nature of advice and support provided in selecting advice provider
  - Value of face to face compared to telephone / Skype
  - Difference to diagnostics for other programmes e.g. Growth Accelerator, and reason for differences
  - What's worked well about the assessments
  - Challenges and likely impact on programme effectiveness
  - Solutions to challenges
  - Key learning
  - Suggestions for improvement
- ## **D3 Random allocation (advisers)**
- Timing (during the session / afterwards and how communicated to businesses)
  - Business response to voucher outcome
    - Understanding and prior knowledge of random allocation
    - Info provided to businesses about random allocation

- Businesses' reactions to allocation (positive / negative)
- How these have been handled by Delivery Partners and response to handling
- Seriousness about advice and intentions i.e. of using the voucher
- Nature of support offered to control group
  - Referral / signposting to other business advice services
    - Which ones
    - Local or national
    - Take up of these services
  - Ongoing contact, if any and for what reasons

### **D4 Online route (BE Group)**

- Nature of queries from businesses to online route at this stage
- Extent to which businesses want support and advice
- How queries are dealt with
- How issues could be avoided / addressed

## **E. The Online Marketplace and use of vouchers**

### **E1 The Online Marketplace**

- Views of the Online Marketplace
  - Number of Suppliers registered and geographical and theme coverage
  - Ability to find the most appropriate Supplier
  - Design, usability and functionality
  - Programme information
- Key strengths of the Online Marketplace
- Key weaknesses of the Online Marketplace
- Businesses' feedback about Online Marketplace
- Suggestions for how it could be improved

### **E2 Use of vouchers**

- Views of numbers of vouchers redeemed to date
- Facilitators and barriers to using vouchers
- Strategies being used / planned to increase claim rate
- Businesses' feedback about advice (if any)
- Further suggestions / ideas for improving take up of vouchers

## **F. Early impacts of the Programme**

### **F1 Progress towards policy aims**

- Views about whether the Growth Vouchers programme is doing what it set out to:
  - Helping small businesses to achieve better business outcomes

- Making it easier for businesses to find good quality business advice
- Making good quality business advice more affordable for small businesses
- Raising demand for business advice among small businesses
- Addressing barriers to seeking business advice for small businesses
- Accessing the right types of businesses i.e. who would not otherwise have used advice
- How this is happening via the Growth Vouchers Programme
- How the above goals compare to those of other programmes
- F2 Views of research design (mainly strategic leads)**
- Views of the key programme elements in meeting the aims
  - Key strengths of the programme
  - Key weaknesses of the programme
    - Eligibility criteria
    - Amount of voucher and motivational value
    - Level of match-funding
    - Diagnostic assessments:
      - In-person diagnostics
      - Telephone /Skype
      - Online
    - The five advice themes
    - The online market place concept
    - Random allocation to voucher and control groups
    - The RCT
- Views of proposed changes
  - Overall targets for allocated vouchers reduced from around 20k to around 14k
  - Increased budget for marketing activities (NOT YET CONFIRMED)
  - Introduction of incentives to DPs to improve conversion rates from voucher allocation to redemption (NOT YET CONFIRMED)
  - Eligibility will be changing to a trading age of just 6 months, previously a year
  - Business will now only have to pay the 50% up front. The supplier will now have to claim the other half from the government

## **G. Experiences of delivering the programme**

### **G1 Partnership working (strategic leads and operational managers)**

- Working with BIS /BIT
- Effectiveness of Operations Group meetings and Data Monitoring Groups
- Nature of any interaction and partnership working with
  - Other Delivery Partners
  - Enterprise Nation
  - Advice Suppliers
  - Local Chambers
  - Other industry associations
- For each listed above including BIS / BIT
  - What's working well, what's making it work well
  - What's working well
  - Challenges/problems
  - How overcome
  - Key learning
  - Suggested improvements

### **G2 Communications (strategic leads and operational managers)**

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

### **G3 Using programme systems and processes (strategic leads and operational managers)**

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

### **G4 Performance (strategic leads and operational managers)**

- Views as to regional variation (and if known, office level variation) in, probe on differences as shown in back office data
  - Applications

- Engagement of businesses
- Diagnostics conducted and processing
- Ratio of in-person vs telephone/Skype diagnostics
- Businesses' satisfaction
  - Approach to understanding business' satisfaction with services provided
  - Emerging feedback
- Progress towards KPIs
  - Customer satisfaction (85%)
  - Accuracy data (98%)
  - Processing time application and diagnostics (80% within 2 weeks)
  - In-person (60%) and phone diagnostics (40%)
  - Improving conversion rates from voucher allocation to redemption
- Expectations for coming months and how may affect targets
- Strategies / plans to improve performance

### **H. Concluding thoughts**

- Key issues or challenges in
  - Recruiting businesses to the Programme
  - Delivering diagnostic assessments
- How these experiences might influence programme outcomes and ongoing delivery
- Changes or improvements that could improve effectiveness
- Two key messages to BIS about changes needed
- Key learning from early implementation
- Key impacts of the programme so far
- Whether intended businesses are benefitting so far
- Views about how well random allocation could work on other future programmes

## Topic Guide: Interviews with Advice Suppliers

### A. Introduction

- Thank you for agreeing to take part
- Introduction to researcher
- Introduction to NatCen – independent social policy research organisation
- Explanation of research:
  - We are carrying out an evaluation of the Growth Vouchers Programme in collaboration with IFF Research and on behalf of BIS
  - The evaluation will run until 2017 and will include a number of different components
  - This is Wave 1 of the evaluation. It aims to develop a deeper understanding of:
    - How the programme is being implemented
    - What's working well and less well, and
    - How delivery and performance could be improved.
- As part of Wave 1 we are:
  - Interviewing 25 Advice Suppliers
  - Interviewing staff at each Delivery Partner organisation
  - Conducting a survey of businesses and interviewing 120 businesses in-depth.
- Participation is voluntary – there are no right or wrong answers and the participant can choose to have a break at any time or not to discuss any issue
- What they say is confidential
- We will be writing a report of our findings but individuals' names will not be included
- We will be recording the interview so we have an accurate record of what is said
  - Recorder is encrypted and files stored securely in line with Data Protection Act
  - Only the research team will have access to the recordings
- The interview will last 60 minutes
- Questions
- Permission to start recording

### B. Contextual information

#### B1 Participant background

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

#### B2 Background to the Advice Supplier

- What they do

- What is the range of advice that they offer
- Extent of coverage of all five GV advice themes
- Number of years operating, and providing advice specifically
- Size
  - Number of offices
  - Number of employees, number providing advice as opposed to other functions
  - Whether work only on Govt schemes or others, qualifications, experience, background
- Regional coverage, specify whether English or UK-wide
- Whether members of other marketplaces (e.g. Check a Professional)
- Types of clients they provide advice to (e.g. micro, small, larger businesses)
- Experience of other schemes they provide advice under, including Government / commercial if so which (Growth Accelerator, MAS, local schemes etc)
- Organisational experience/ expertise in providing advice to small businesses in particular
- Description of a typical advice package, what it includes, how varies from what offered on GVP
- Fees and tariffs for business advice (e.g. day rate or scale of complexity)
- Membership to professional bodies
  - Which one/s
  - When started
  - Why started membership (if recently, whether related to GV programme)
- Quality standards and systems
  - Whether follow up on whether advice has impact on businesses or not

### **C. Barriers businesses face to using business advice**

#### **C1 Understanding the barriers to taking up strategic business advice**

- Barriers businesses face in taking up strategic business advice in general (real and imagined)
  - Cost
  - Time
  - Trust
  - Demand for operational not strategic advice
- Barriers in the use of government and non-government schemes
  - Match funding, trust, awareness etc
- Market failures
- Benefits of advice for businesses
- Barriers to redeeming a Growth Voucher
  - Time limit
  - Match funding – lack of awareness or funds
  - Lack of suitable Suppliers

- Other

## **D. Understanding and views of the Growth Vouchers Programme**

### **D1 Understanding and views of policy aims and Programme design**

- Understanding and views of the Growth Vouchers Programme and what it is trying to achieve
- What do businesses know about the Programme
  - Who is eligible
  - Customer journey
  - How is it being delivered
  - Amount of voucher and match-funding
  - What the advice themes are
  - What the Online Market place is and what it aims to do
  - Research element and rationale for this
  - Requirement for suppliers to be accredited
  - Where they got this information from
  - Any information lacking
- Views of the likely effectiveness of the programme design - if and how it will help overcome businesses' barriers to accessing strategic business advice
- Key strengths of the programme, their own and businesses' perspectives
- Key weaknesses of the programme, their own and businesses' perspectives
- Whether they have applied for the programme (as a business) and how they found the process
- Overall views of programme, whether adds value or duplicates existing offer

## **E. Becoming Growth Vouchers Supplier**

### **E1 Hearing about the Growth Vouchers Programme**

- How heard of the Programme
  - Via EN, Chamber of Commerce, professional body, Google etc
- Information provided / found about acting as an Advice Supplier
  - Information sources (probe on Online Marketplace and gov.uk)
  - Nature and views of information provided
    - Quality, clarity and comprehensiveness of information provided
    - How information could be improved
  - Nature of any queries directed to EN (or BIS)
    - How raised, how long queries took to be answered
    - Views of customer service and quality of answers

### **E2 Becoming an Advice Supplier**

- Decision to become to be an Advice Supplier for the Programme
  - Factors considered
  - What attracted them, how do they expect to benefit
    - How has it benefited them
      - Easier to find advice / users of advice
  - What, if anything, put them off
- Eligibility requirements to be an Advice Supplier
  - What requirements are there
  - Who made the application, respondent or other
  - Whether met all of these to begin with, which they didn't meet initially
  - Process and experience of meeting requirements if not initially met
- Process of registering and gaining approval on the Online Market place, for each
  - What they had to do, information / details required (step by step)
  - How long it took
  - Problems, challenges experienced and how resolved
  - Nature of any queries or support needed and how answered
  - Views of the process and how it could be improved
- Overall experience of using the Online Market place to become a Supplier
  - Overall ease of use
  - What's working well
    - Whether expect / would like marketplace to continue after GVP ends
  - Issues / challenges experienced so far (whether resolved and how persistent expect them to be now and in the future)
  - How the process could be changed / improved

## **F. Engagement with businesses**

### **F1 Promoting the Programme to businesses**

- If and how are they promoting the programme to businesses
  - Marketing activities and messages they are using
    - What works well (medium / format and message)
  - Whether sending their current clients to the programme
  - Whether they are sending business that have used their services in the past to the programme

- Response of businesses to programme / business advice

- Facilitators and barriers to promoting the Programme (probe on any info provided by Enterprise Nation)
- How Advice Suppliers could be assisted in promoting the Programme

## **F2 Queries from businesses**

- Number of queries that have come through from businesses to date
- How these businesses approached them
- Number of businesses they knew before and approached proactively
  - How much of a role does referral have
  - Whether number of clients has increased thanks to GVP
- How other businesses heard of them
  - Online Market place
  - Recommendations
  - Other
- Nature of queries and how dealt with, ask for examples
- Reasons why businesses approached them as Supplier
  - Expertise
  - Location
  - Pricing
  - Recommendations
- Ease / difficulty / challenges of engaging within businesses
- Whether three month window is enough for businesses to take up advice
- What's worked well

## **F3 Selection of Suppliers by businesses**

- Number of businesses using Growth Vouchers using Supplier services so far
  - Proportion of Growth Voucher compared to overall customer base
  - How compares to expectations
  - Expected numbers over the coming months
- Types of business coming through the programme
  - Size (number of staff), sectors, age, staff turnover, characteristics of ownership
  - Attitudes towards strategic advice and extent of past use
    - For how many clients is first time advice vs had advice in past
  - How similar / different to average clients
  - Business advice
    - Knowledge and awareness of available sources of business advice

- Sources used previously (over three years ago or free advice)
- Reasons for not seeking business support previously
- Extent to which these are businesses who would have sought business advice anyway
- Reasons why business selected them as Supplier

### **G. Delivery of advice**

#### **G1 Resourcing**

- Staff involved in delivering the advice for GVP e.g. managers, advisers etc
  - Roles
  - Any differences to usual roles
- Experience / expertise / qualifications of advisers
- Links to professional bodies
- How workload organised, whether extra resources taken on (if capacity affected)
- How resourcing and workloads have changed since the start of the Programme, if at all
- Nature of any resourcing issues experienced

#### **G2 Description of advice provision**

- How advice is delivered to businesses (ask for example of an advice session from beginning to end)
  - Whether use a specific model
    - Whether works well for business type
    - Whether varies from work done outside GVP
  - Length / duration of interactions
    - Number of hours / days
  - Number of interactions per business, reasons why more than one
  - Format (in person, phone)
  - Location (in supplier offices, at business premises and whether willing to travel outside their location if needed)
  - Purpose of (each) interaction
  - Nature of advice provided in each interaction
  - Cost (per day/hour)
  - Use of Delivery partner action plan, if viewed
  - If and how nature of advice provision varies between businesses
  - Difference of Growth Voucher advice provision to other client base, if any
    - Outputs (reports, action plans etc)
    - Outcomes (impacts on business)

- *Note to researcher: listen out for any advice outside advice theme*

### **G3 Experience of delivering advice**

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

### **G4 Payment and claims**

*Note to researchers: it is now possible for business to pay 50% up front and for Suppliers to claim the remainder from BIS. Previously businesses had to pay the full cost and claim 50% from BIS. Suppliers and businesses can decide between them who claims the costs back*

- Cost of the advice
- Awareness and understanding of payment and claim rules
  - Old
  - New
- The process they followed for payment
  - How decided who would claim costs back
    - Challenges / issues arising from this
  - Experience of claims process, if relevant
    - How well payment system works
    - Any delays in payment, length, impact of this
    - Views of match-funding arrangements
    - Perceived impacts of new arrangements on businesses redeeming vouchers
    - Suggestion for improvement

### **G5 Ongoing contact with business**

- Nature of any ongoing contact with businesses after advice provision
  - Nature and reasons for general communications and ongoing contact

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

## H. Early experiences of delivering the programme

### H1 Partnership working and communications

- Nature of any interaction with and Enterprise Nation / Delivery Partners / BIS other Suppliers
- For each
  - Format e.g. social media, events, emails and bulletins
  - What's working well
  - Challenges/problems
  - How overcome
  - Key learning
  - Suggested improvements
- Nature of marketing and communications strategies for the programme, if relevant
  - Management of social media and wider promotional campaigns
  - Direction and support from Enterprise Nation in managing this
- What's been working well
- Difficulties experienced and how overcome
- Areas for improvement

### H1 Using programme systems and processes (if applicable)

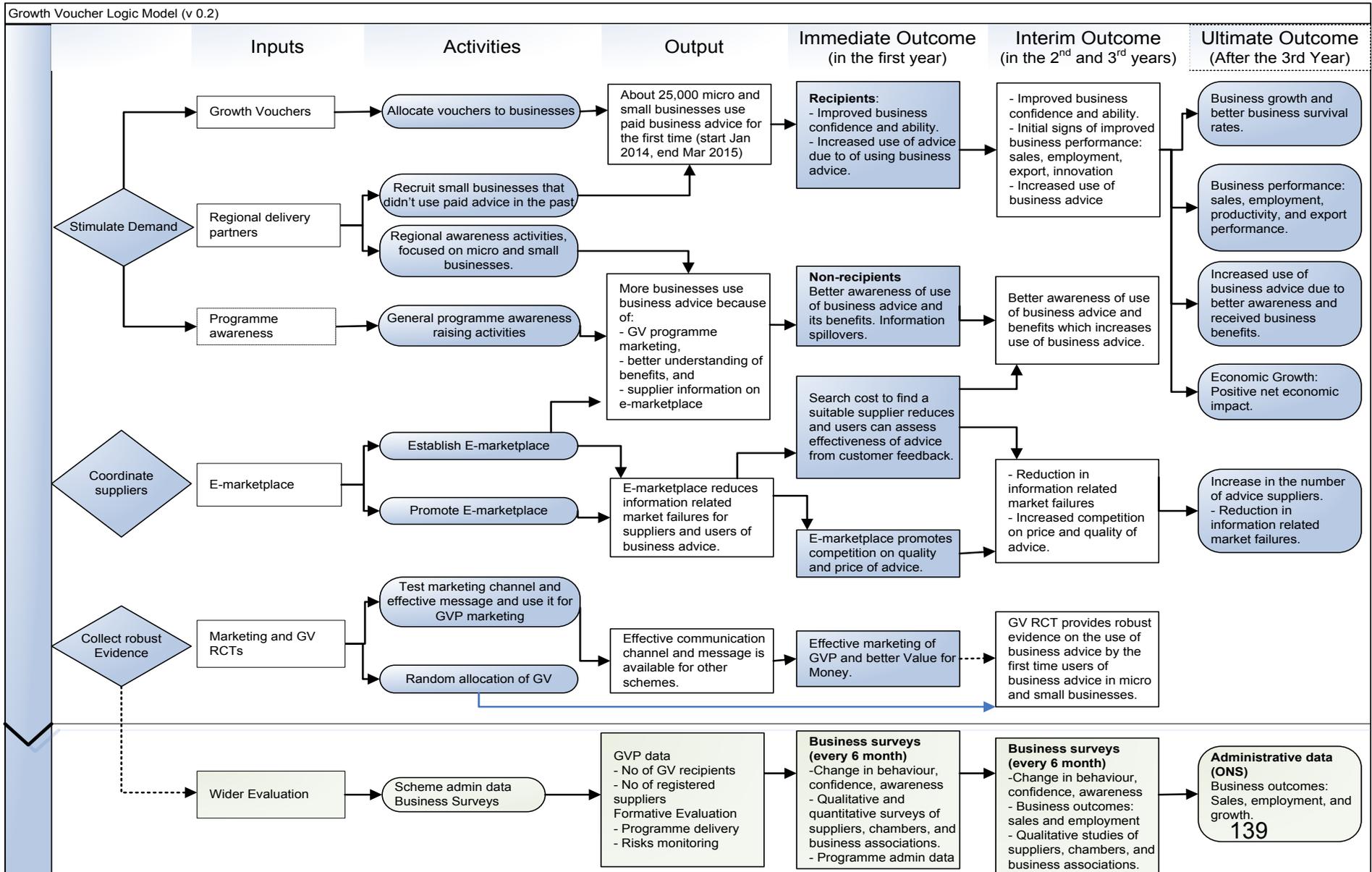
- Views of the Online Marketplace
  - User-friendliness
  - Information provision
  - Functionality e.g. Reviews, profiles, search functions
  - Visual appeal
  - How well the online market place is functioning in terms of:
    - Acting as a free platform for businesses to identifying good quality accredited / non-accredited Suppliers
    - Listing suppliers in every region across England and across the advice themes
    - Capturing customer feedback
    - Acting as a free platform for suppliers to list their services
    - Being commercially sustainable in the long term
    - Actively promoting the GV programme

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

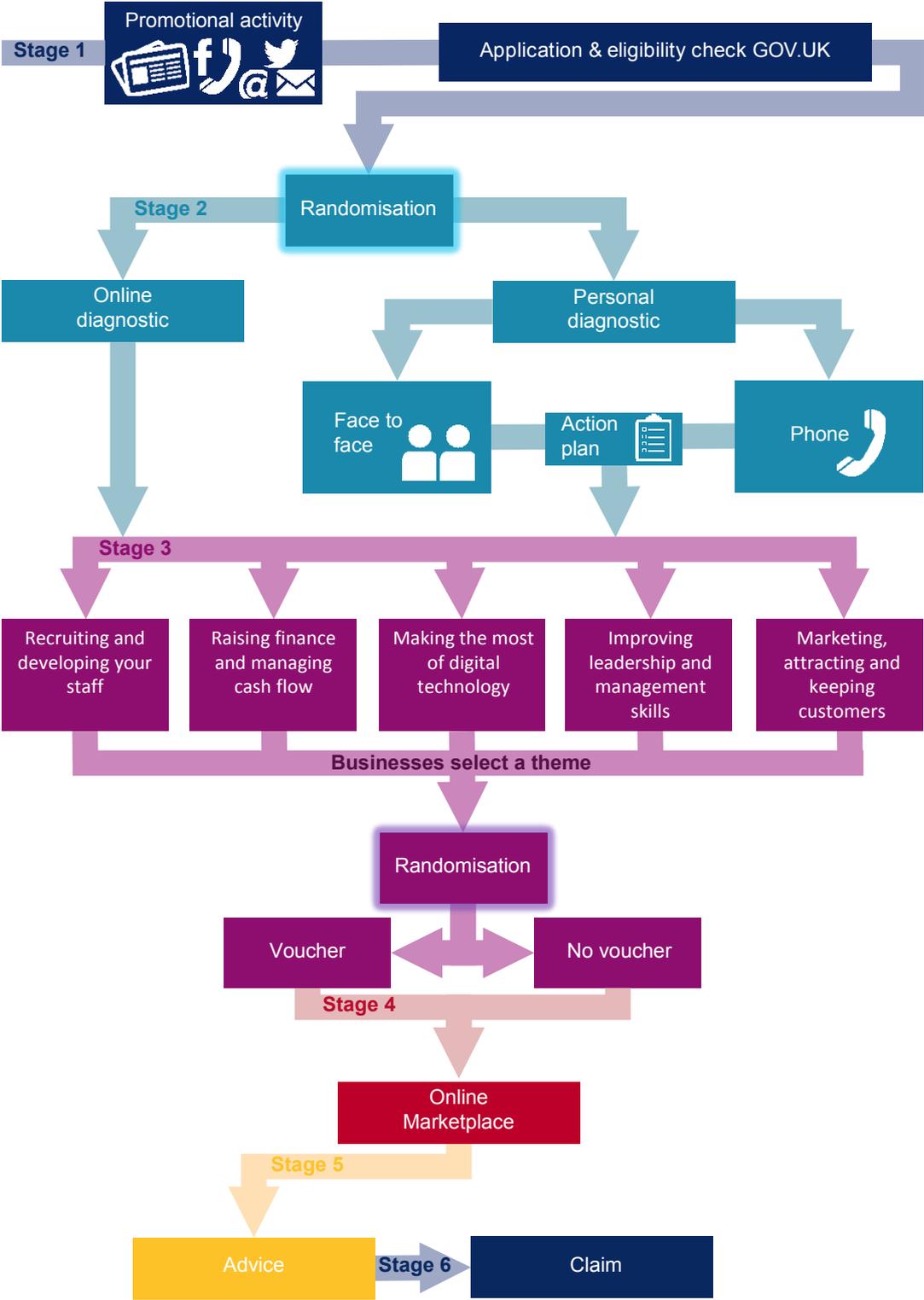
### **I. Concluding thoughts**

- Key issues, challenges and successes associated with the Programme
- How these issues might influence programme outcomes and delivery
- Changes or improvements that could improve effectiveness
- Key learning from early implementation
- Future of the marketplace once GVP ends in March 2015
  - Views about it continuing
  - Expectations of it continuing
- 2 key messages to BIS / Enterprise Nation about what could be improved
- Views of impacts and outcomes of the programme
  - Whether intended businesses benefitting so far, to what extent
  - Whether business support landscape has changed, to what extent

# Appendix 3: Logic Model



# Appendix 4: High Level Customer Journey





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