



SMEs in the UK “Seizing the Growth Challenge”

Commissioned by

Panasonic

Summary Report

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Fieldwork: 17/11/06 to 27/11/06

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Foreword from Panasonic

As a nation we have been applauding entrepreneurialism and business start ups for quite some time. Since the beginning of the millennium we have all watched the television screens turn our neighbours and friends into “Risking it all” subjects who start up a business doing something they always wanted to do, or indeed compete with a dozen people to win the honour of being “The Apprentice” and garnering insights from one of the UK’s most famous entrepreneurs, Sir Alan Sugar.

As providers of business equipment for the whole scope of businesses from start-ups to corporates, we at Panasonic have been witnessing this amazing transformation of “can-do” attitude and bold endeavours within the UK business start up community since the millennium. Indeed, according to the Small Business Service (SBS), since 1999 the number of businesses in the UK has swelled by 600,000 to 4.3 million, however the proportion with employees has dropped from 37 to 28 percent. So although more people are willing to take the risk of starting a business, too few are growing them to a point where they need to take on staff. It is interesting to then note that only 3 percent of UK businesses ever grow to more than 100 employees.

With all the focus and support being placed on entrepreneurialism and start-ups, we wondered as part of the business community, whether we needed to start looking at what happens next to these ventures and posed the question of, “How are UK SMEs meeting the growth challenge?”, which became the basis of this research project.

Working with YouGov research company and the independent expertise of Professor Gerry George, Faculty Director of the Institute of Technology and Associate Professor of Entrepreneurship at the London Business School, we focussed in on questions such as asking businesses what they thought the top three qualities for starting a business are, to cite the three biggest challenges to business growth and what role technology played in starting up and growing their businesses. These were just a few of the many questions we put to over 800 UK SMEs and we hope you find the answers as compelling as we did.

In terms of technology, this research has proved that it really is empowering the dynamics of small business today. It has helped respondents reach new customers, improve their business operations, and made starting up a much easier prospect. In short, it has enabled the owners of small and growing businesses to be their own boss more efficiently and effectively and concentrate on what they do best.

This matches what we have already learnt from our ‘Be Your Own Boss’ campaign, where we have found time and time again that getting the technology equipment right can be half the battle when it comes to creating the right first impression, maintaining business flexibility and keeping costs down. Indeed, Panasonic Business Systems has been supporting Ruth Badger, the nation’s favourite Apprentice, through the provision of corporate-class equipment to support the launch of her new consultancy.

We live and work in a frenetic world, where the pace of change seems to constantly accelerate and add layers of further complexity. As such, I believe that this research helps us to look towards some of the future challenges to business growth that smaller companies face and consider how best to overcome them, whether through the provision of technology or otherwise.

I hope you find this report as interesting as I did, and I would like to thank YouGov and the London Business School's Gerry George, Faculty Director of the Institute of Technology and Associate Professor of Entrepreneurship for helping us to make this insightful research happen.

Bob Tate
Director of Panasonic Business Systems



Bob Tate, Panasonic

Introduction

This summary report covers a survey investigating attitudes among the business community.

The survey, conducted online by YouGov Plc between 17th and 27th November 2006, was among owners/ founders/ proprietors of small to medium sized businesses.

Please read this summary report in conjunction with the results tables (Excel workbook files) as provided.

Figures in these tables are in column % unless stated otherwise.

Background and Method

The research took the form of an online survey questionnaire, to which respondents were invited. A sample was selected from the YouGov proprietary panel of 135,000 GB residents. The selected respondents had been pre-screened in a prior survey for their job title, and had identified themselves as business owners/ founders/ proprietors. 811 people responded in total, of whom 700 qualified as current business owners/ founders/ proprietors.

In addition, an external sample was sourced to boost the total number of responses. This added a further 110 business owners/ founders/ proprietors. The total sample achieved was 810.

Respondents were owners of businesses ranging in size from one staff member to more than 100. A large proportion of the respondents had businesses with between 2 and 5 employees.

For further information on the survey please contact support@yougov.com or claire.eaton-whitfield@eu.panasonic.com.

Research Objectives

The key objectives of the research were as follows:

- Identify the specific factors which enable small businesses to grow
- Identify key challenges for potential high-growth businesses and what factors hold them back from growing further, with comparison across different stages of business growth
- Discover whether the start-up phase of a business, or the ongoing growth of it, is more difficult overall.
- Determine whether, and to what extent, technology empowers businesses to grow, and how this varies across different growth stages

Conclusions

Are we a nation of entrepreneurs? Do small companies want to become larger enterprises? Are the founders just looking for more flexible office hours or are UK SMEs motivated by the potential of making lots of money?

Top 3 Findings

- **Growth is harder than starting-up**
 - **SMEs are built on instinct and determination**
 - **Flexibility is a greater driver than financial reward**
- Hard work (74%) determination (47%) and self-discipline (46%) were seen as the most important factors for starting a business.
 - Self-discipline was seen as most important among sole traders
 - Hard work (65%) determination (40%) and persistence (35%) were seen as the most important factors for growing a business.
 - Those with 6+ staff valued hard work most highly
 - Overall, growing a business was seen to be harder than starting one. 41% of owners found the growth phase harder, compared with only 10% who found start up harder
 - Verbatim reasons given for the difficulty with growth were problems finding new clients/customers, cash flow, lack of time and competition.
 - The key challenges to business growth were lack of money for investment (51%), excessive legislation (47%), and lack of time to dedicate to growth (46%)
 - Challenges to growth change significantly with changes in company size.
 - Excessive legislation is of much less importance to sole traders (34%) than to owners with 6+ staff (57%)
 - Lack of the right skills/ people is seen as a major challenge by only 17% of sole traders but this increased to 47% for owners with 6+ staff
 - Generating new ideas is important for 34% of sole traders but only 26% of owners with 6+ staff
 - The desire for a better work/life balance is seen as a factor holding back growth for 39% of business owners. This shows that many owners are very concerned with quality of lifestyle as well as earnings.
 - Other factors holding back growth are excessive legislation (34%) and cost (29%).
 - Key growth strategies were trusting instincts and seizing opportunities (45%), determination (40%), and having an original concept (24%).

- Owners of the largest company size valued employee development and retention highly (32%), while the sole traders (24%) and owners with 2 to 5 staff (25%) valued developing their own skill set
- The main benefits of running a business are not seen to be financial. The owners surveyed rated independence (89%), flexibility and work/life balance (72%), and satisfaction (70%) more highly than earnings.
- The main motivations for start up were also found to be lifestyle and satisfaction factors rather than financial. Key motivators were getting away from the corporate world (24%), improving work/ life balance (23%), and realising a dream (15%).
- The most important factors in running a business were identified as product/ service delivery (mean score 7.31), having the right equipment/ technology (mean score 6.89), and employee satisfaction (6.67).
- Technology had made it possible for 32% of respondents to start up their business. It was also seen as important for the essential process of customer acquisition (38%) and improving operations and fulfilling orders (34%). Only 12% of owners said technology had not affected their business.
- 28% had purchased equipment which they later regretted as it was unneeded or no longer used.

Main Findings

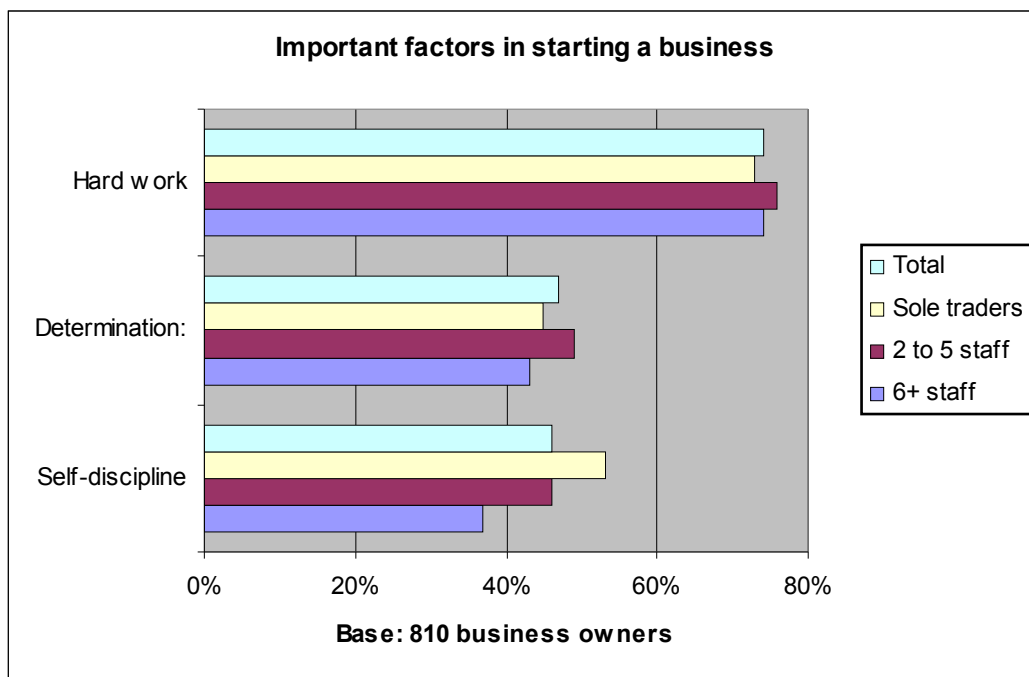
Starting a business



Pictured left: Ruth Badger, finalist from The Apprentice setting up her own business with support from Panasonic

The factors considered most important for starting a business were hard work (74%), determination (47%) and self discipline (46%). This is contrary to the common impression that innovation and new ideas are most fundamental in starting up: creativity/ vision scored 24%, while innovation was thought to be among the most important factors by only 8% of respondents.

Comparing different sizes of company, hard work is seen as fundamental by all the company sizes surveyed; its importance does not diminish with increased size. Similarly, the value placed on determination does not vary greatly across different sizes of operation. However, self discipline is seen as more important by sole traders (53%). This drops to 46% for owners of companies with 2 to 5 staff, and drops again to 37% for those with 6 or more staff. Owners in this category probably have less need for self-discipline as they have more people to rely on.



Business growth during the last five years

Measured in sales, most business owners had experienced significant growth during the last five years. 54% had increased sales over the same period; 15% had seen their sales remain constant. Only 14% had decreased sales. Furthermore, among those who had experienced an increase, 53% had increased their sales by more than 25%.

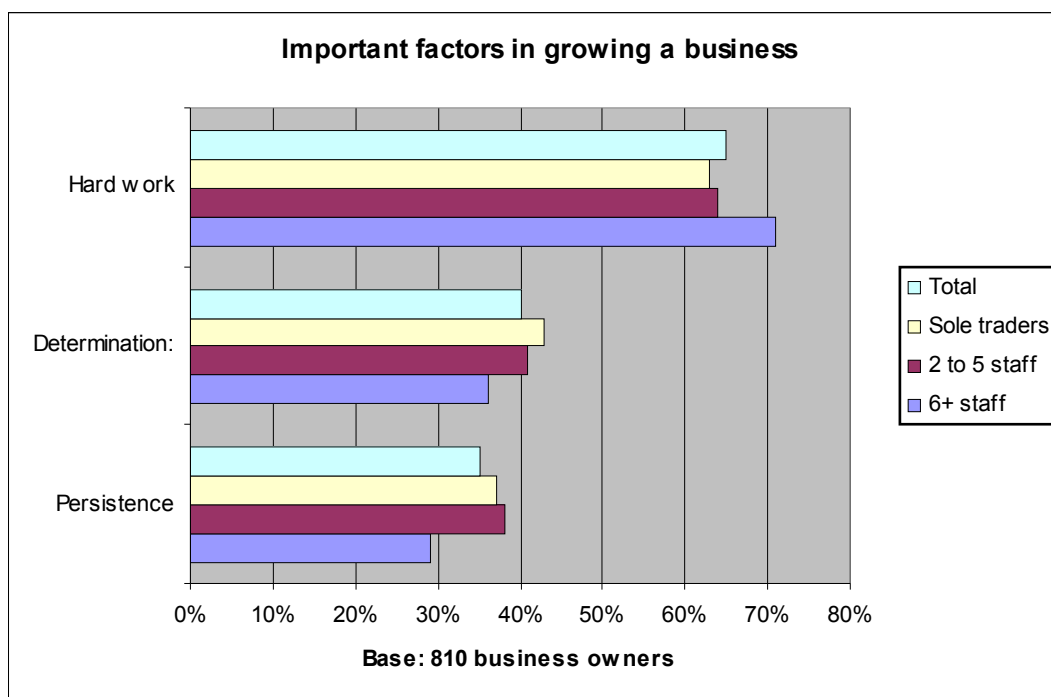
In terms of employee numbers growth was less dramatic. While 24% had seen an increase in employee numbers, 60% had numbers remain constant. However, only 12% had seen a decrease in numbers.

Growing a business

Hard work was also seen as key for growing a business, although it scored less highly here than for starting a business. 65% of owners chose hard work; the other factors considered most important were determination (40%) and persistence (35%).

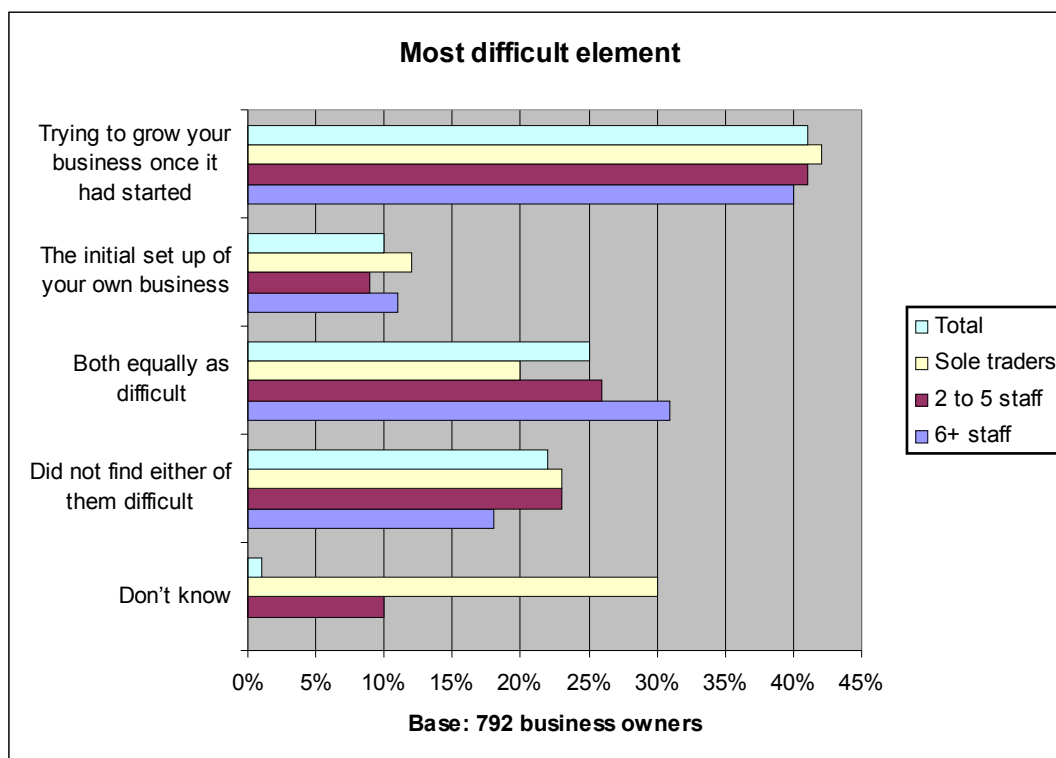
Hard work was highly valued across all three company sizes, although those with 6+ staff rated it more highly (71%) than sole traders (63%) and those with 2 to 5 staff (64%).

Contrastingly, determination and persistence were more highly valued by the smaller two groups, and less so by the largest company size.



Start up vs. Growth

The research clearly indicates that growing a business was harder overall than starting one up. 41% of business owners found growth to be the harder element, compared to only 10% who thought that start up was harder. A significant 22% did not think either element was difficult.



Supporting statements:

Verbatim reasons given for this greater difficulty were varied, but some pervasive themes emerged. In particular, the difficulty of winning new customers/ clients came across as a significant challenging factor for many of the businesses:

“started up with contracts already in hand, then had to build new client base from scratch in order to grow”

(Owner of business with 2 to 5 staff, advertising/marketing/PR industry, Scotland)

“When the business was started we had lots of contacts but over time they retire, have babies, emigrate, change jobs, create competing outfits etc and you end up with fewer and fewer.”

(Owner of business with 2 to 5 staff, advertising/marketing/PR industry, South East)

“Any fool with money can start a business; it takes many talents to make it succeed”

(Owner of business with 2 to 5 staff, Retail industry, South West)

“Start-up is easy and done. What happens after that is the tricky bit – turning planning into reality.”

(Owner of business with 10 to 18 staff, IT industry, mobile business)

Other significant factors which were seen to make growing the business harder were cash flow, lack of time to focus on growth, and competition.

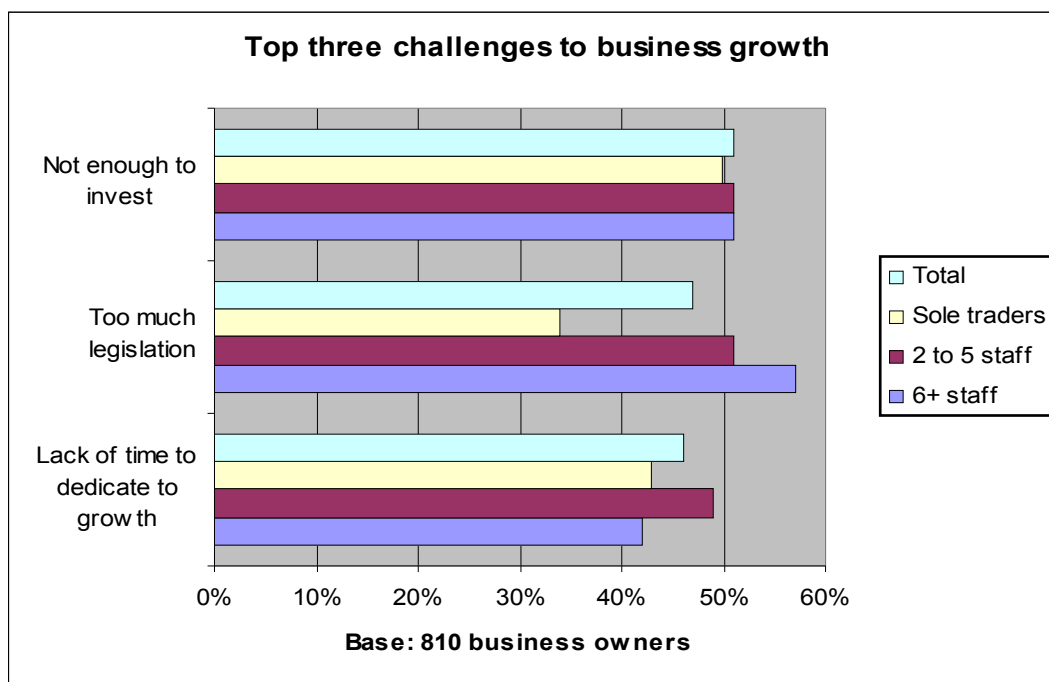
Among the minority of respondents who did find start up more difficult, the main reasons given were risk, finance, lack of sufficient business knowledge, and lack of sales and marketing ability/knowledge.

“Massive risk, putting home and income on the line and being accepted as a service provider by the NHS”

(Owner of business with 100+ staff, health/ education/ social services, East Midlands)

Challenges to business growth

The greatest challenges to business growth were identified as lack of money for investment (51%), excessive legislation (47%), and lack of time to dedicate to growth (46%).



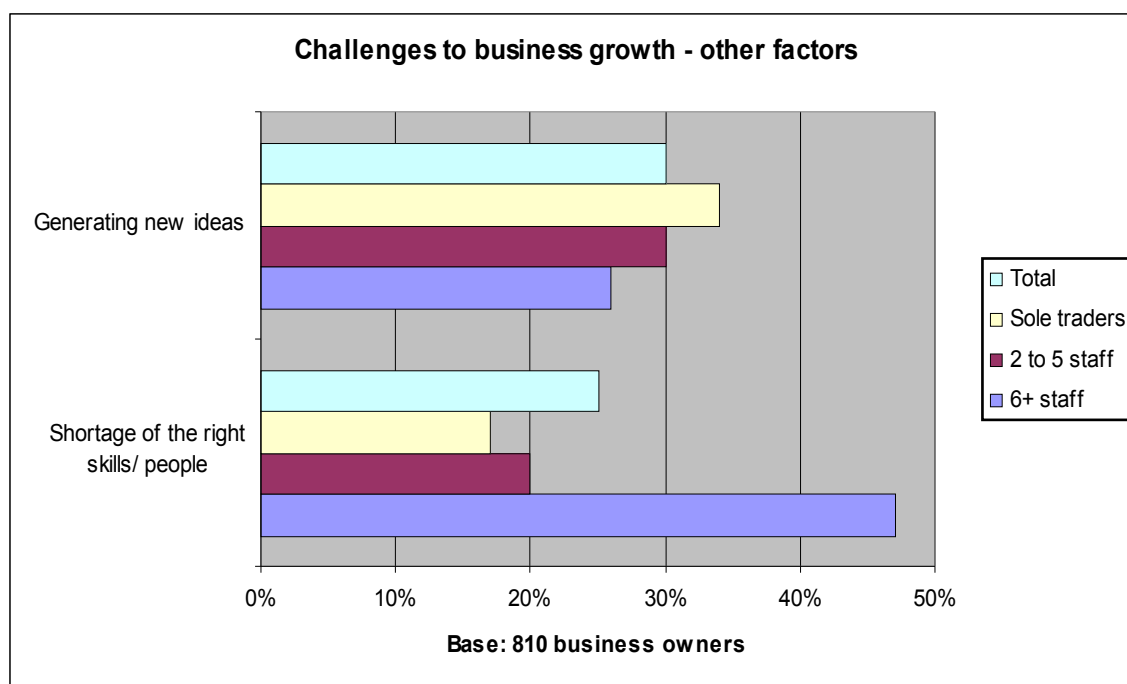
The means to invest in growth was seen as important by all three business sizes, and was given a similar rating by the three groups. Clearly, increased business size does not reduce pressure in this area. Lack of time was also considered key across all three groups (somewhat more so by those with 2 to 5 staff compared to sole trader or larger businesses).

However, there were some significant differences by growth stage.

The research shows that some challenges of growth are less relevant in the early stages of company formation, and increase in significance with increases in company size. For example, excessive legislation is a factor whose ability to restrict or hamper a company's growth increases as the company grows. Of the owners with 6+ employees, 57% cite this as a major challenge, compared to 51% of those with 2 to 5 employees, and only 34% of sole traders.

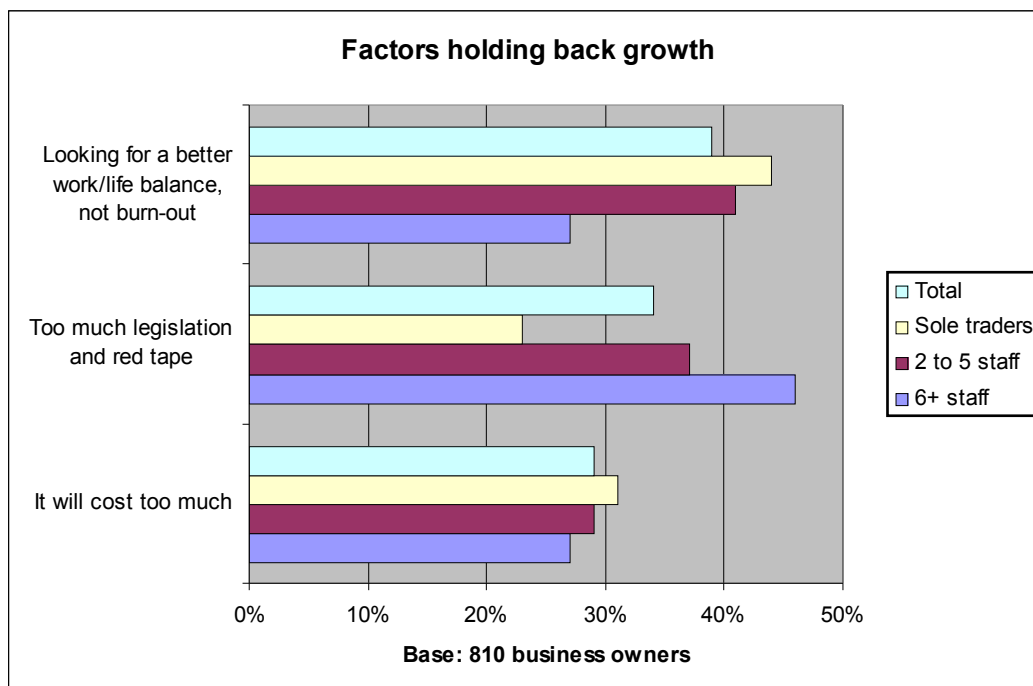
Similarly, shortage of the right skills/ people is seen as a major challenge by only 17% of sole traders and 20% of owners with 2 to 5 staff, but this increases to 47% for those with 6+ staff. This shows a huge variation between the smallest and largest business size.

By contrast, some challenges are more applicable to smaller operations and diminish in importance with company size. Sole traders were most likely to see generating new ideas as a major challenge (34%), compared to 30% of the middle group and only 26% of the largest group.



Factors currently holding back growth

When asked what factors were holding business owners back from growing further, excessive legislation (34%) and the cost of growth (29%) were again found to be important factors. However the highest scoring factor in this category was 'looking for a better work/life balance, not burn-out' (39%). This suggests that in some cases owners are not purely concerned with profit or turnover. They may also have the potential to grow their business more than they are doing, but are trading financial returns for a better quality of life.



Work/life balance is of most concern to sole traders, and diminishes in importance as business size increases. It is likely that solo ventures are more attractive to people who value work/life balance highly, due to the flexibility they offer.

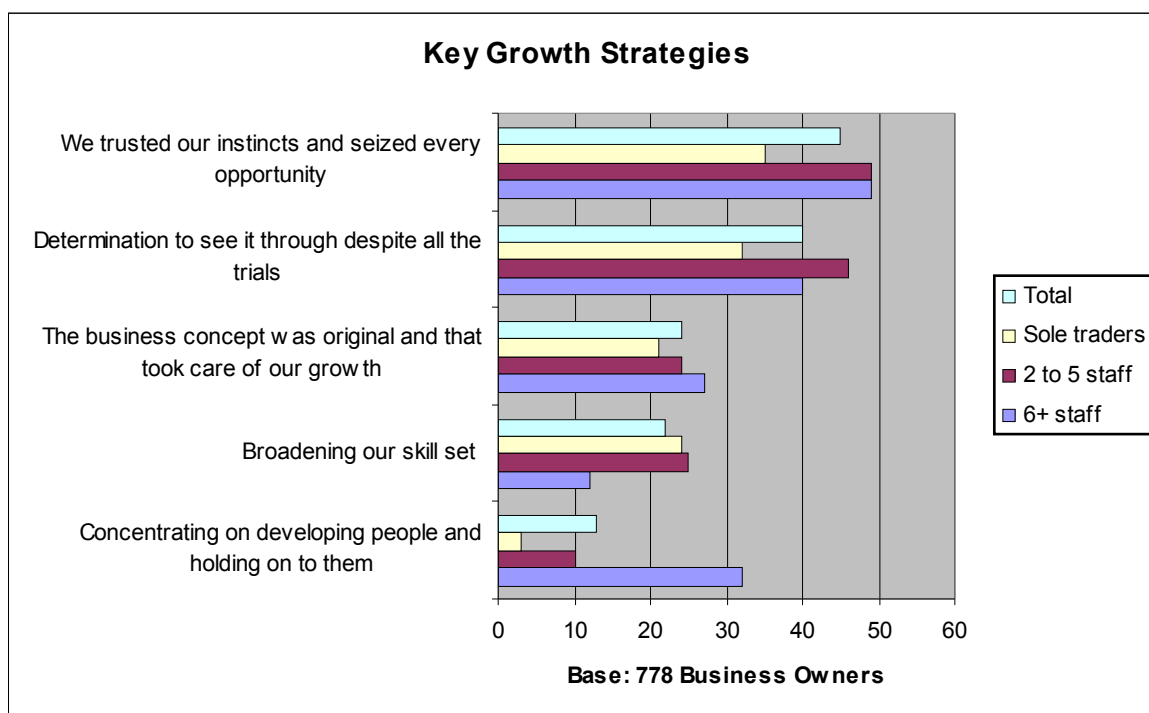
Key growth strategies

The key strategies which respondents identified as most helpful to their growth were trusting their instincts and seizing opportunities (45%), determination (40%), and having an original concept (24%).

Those with 6 or more staff valued employee development and retention highly (32%); clearly this is a factor whose relevance increases with company size. This option was considered key by only 10% of those with two to five staff.

By contrast, owners of smaller company sizes placed more value on developing their own abilities, rather than on those of employees. 24% of sole traders and 25% of those with 2 to 5 staff rated developing their skill set as key, compared with only 12% of those with 6+ staff.

Those with the largest company size were most likely to have an original business concept (27%).

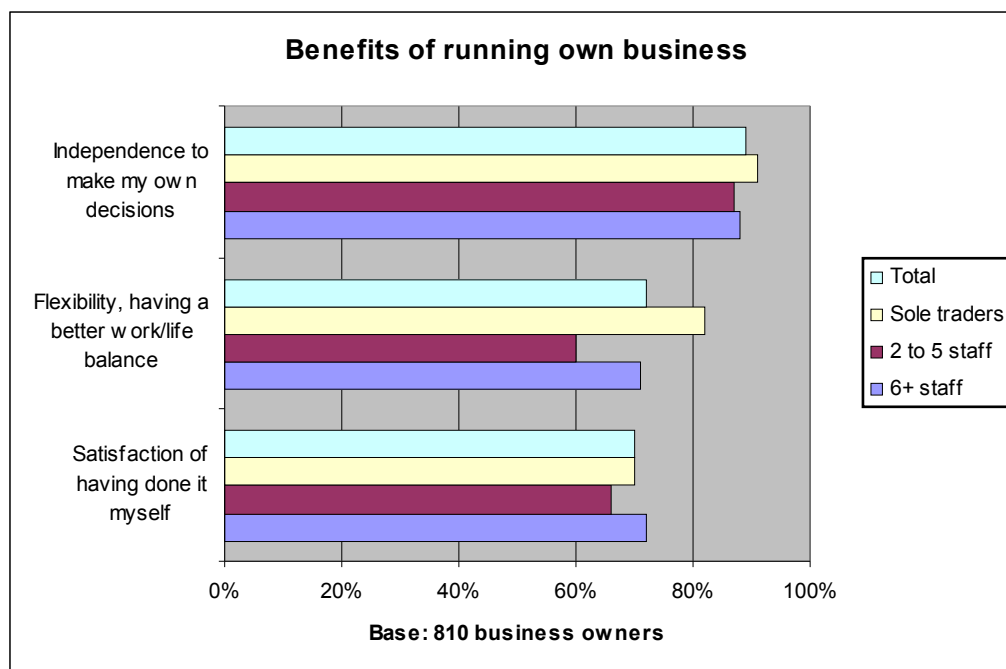


Benefits of running a business



The importance of work/life balance is also demonstrated when respondents are asked what they see as the key benefits of running their own business.

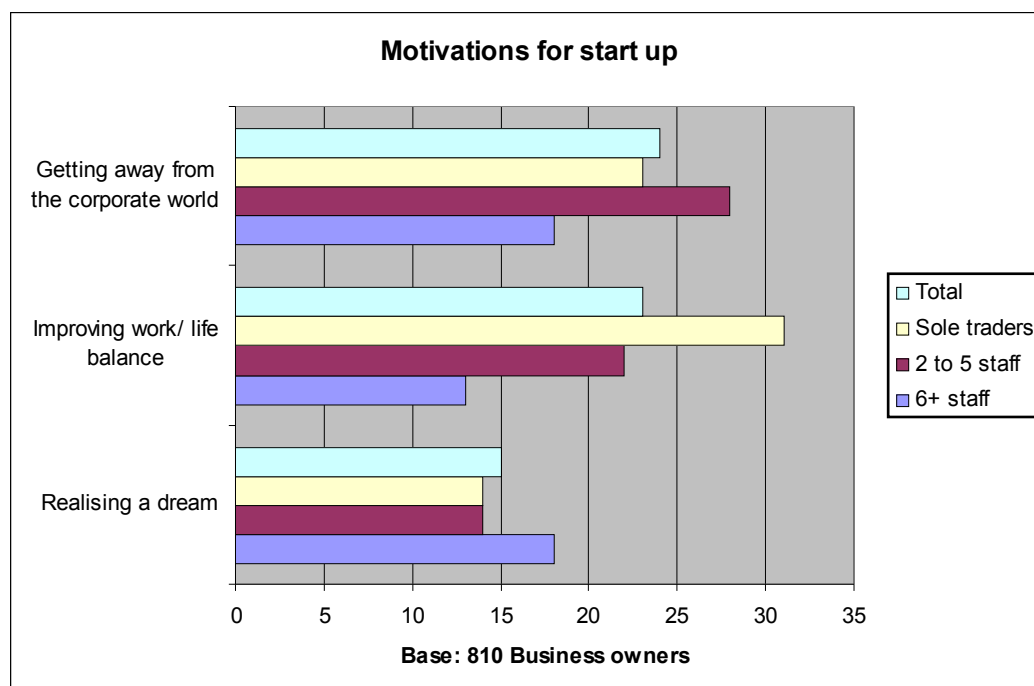
The independence to make decisions (89%) gains the most responses, with flexibility, work/life balance being rated second most highly at 72%. The third most important factor is satisfaction (70%).



Earning more money is cited as a key benefit by 32% of business owners: less than half the amount choosing satisfaction or work/life balance. This clearly shows that lifestyle and satisfaction factors are more important than financial ones. This is the case across all three business sizes surveyed.

Motivators

Key motivators for starting up a business were found to be getting away from the corporate world (24%), improving work/ life balance (23%), and realising a dream (15%). Again, lifestyle and satisfaction were more important than financial motivations.



Sole traders were the most motivated by work/ life balance (31%, compared to 22% of those with 2 to 5 staff, and only 13% of those with 6 staff or more). Owners of larger operations were more likely to be motivated by realising a dream (18%).

When asked about what motivated them now (as opposed to when they started up), respondents cited financial security as the most important motivator (21%). There was no significant variation here between different company sizes. The second most popular choice was being perceived as successful (12%). There were no other 'clear winners': responses were spread disparately across the range of different options.

Important business factors

Respondents were asked to rate various factors on a scale of 0 to 10 to indicate how concerned they were about these in relation to growing their business.

Product/ service delivery was found to be the most important of these, with a mean average score of 7.31. The second most important was technology with a mean score of 6.89.

Important business factors (mean scores):

	Total (810)	Sole traders (258)	2 to 5 staff (381)	6+ staff (171)
Product/service delivery	7.31	7.27	7.17	7.66
The right equipment/ technology	6.89	7.07	6.72	7.00
Employee satisfaction	6.67	5.41	6.76	7.66
Government/Council regulations	6.2	5.58	6.31	6.82
Network security, e.g. data privacy or computer virus	6.16	6.28	5.92	6.49
Physical security	6	5.84	5.98	6.28
Health and Safety	5.69	5.19	5.68	6.42
Intellectual property, e.g. patents	4.47	4.60	4.33	4.63
Staff exit	3.08	1.56	2.78	4.87
Employee theft	2.62	1.63	2.33	4.04

Product/ service delivery was consistently seen as the most important, across all three business sizes. In fact, there is little significant variation between the three groups across most of these measures. The exceptions are the measures related to staff (employee satisfaction, staff exit and employee theft), which are naturally more relevant to larger operations. It is interesting to note that businesses seem only moderately concerned around issues of network and physical security and appear even less bothered by intellectual property matters and employee theft.

The role of technology

Technology was clearly held to be very important by the business owners surveyed. While lack of the right technology was not highly rated as a key challenge to business growth (it is probably seen as secondary to factors such as having money to invest, as these are necessary before such things as technology can be utilised), its importance is demonstrated in other areas.

When asked about important factors in relation to growing their business, the right equipment/ technology was given a mean score of 6.89 (on a scale of 1 to 10), coming second only to product/ service delivery.

Elsewhere, respondents were asked how technology had affected their business since its establishment.

What effect has technology had on your business since you established? [Please tick all that apply]	Total (792)	Sole traders (257)	2 to 5 staff (376)	6+ staff (159)
Made it possible to start-up	32	40	30	24
Radically changed how we do business	28	21	28	38
Made expansion easier / possible	24	19	23	36
Changed our business model	8	4	9	14
Helped us reach new customers	38	33	41	38
Helped us improve operations and how we fulfil customer orders	34	26	36	43
Provide a new service that we could not have otherwise done	25	23	27	25
Helped us employ staff in different locations and get the work done	11	4	10	23
None of these	9	10	10	7
Don't know	1	1	0	1
Technology has not had much effect on the business	12	14	13	8

Around a third (32%) said technology had made the start of their business possible in the first place, which clearly demonstrates its importance. Another main effect identified by respondents was 'helped us reach new customers' (38%), a significant benefit given the importance of customer acquisition to business growth which is demonstrated by the survey. The other key effect was 'helped us improve operations and fulfil orders' (34%).

Sole traders were more likely to see technology as essential to their start up (40% compared to 30% for owners with 2 to 5 staff and 24% for those with 6+ staff).

However owners of the larger companies also rated the importance of technology highly in other areas. 43% said technology had helped improve operations and fulfil orders, while 38% said it had radically changed their way of doing business.

Only 12% of business owners said that technology had not affected their business.

While technology is crucial for many businesses, it seems there is also a danger of investing in unnecessary or unsuitable products. 28% of the business owners surveyed had purchased equipment or technology which they later regretted as it was unneeded or no longer used. These purchases included fax machines (9%), buying desktop PCs instead of laptops (8%), unnecessary office space and extensive stationery.

Demographics

The following tables describe the sample achieved in this research.

Business Owners/ Founders	n	%
Total	810	100%
Gender:		
Male	568	70%
Female	242	30%
Age group:		
18 to 24	10	1%
25 to 29	34	4%
30 to 34	68	8%
35 to 39	97	12%
40 to 44	91	11%
45 to 49	117	14%
50 to 54	135	17%
55 to 59	140	17%
60 or older	118	15%
Region (business):		
North East	24	3%
North West	73	9%
Yorkshire and The Humber	54	7%
East Midlands	47	6%
West Midlands	57	7%
East of England	52	6%
London	113	14%
South East	190	23%
South West	63	8%
Wales	24	3%
Scotland	59	7%
Northern Ireland	5	1%
None of these	9	1%
Not based anywhere (e.g. mobile business)	40	5%

Gross personal income:		
Less than £5,000 per year	28	3%
£5,000 to £9,999 per year	32	4%
£10,000 to £14,999 per year	63	8%
£15,000 to £19,999 per year	44	5%
£20,000 to £29,999 per year	95	12%
£30,000 to £39,999 per year	87	11%
£40,000 to £49,999 per year	63	8%
£50,000 to £74,999 per year	88	11%
£75,000 to £100,000 per year	46	6%
More than £100,000 per year	73	9%
Don't know	17	2%
Prefer not to answer	170	21%

Due to the nature of the sample, there are more men than women (70% vs. 30%). The sample included respondents from a range of age groups and regions of the country. A variety of income levels were represented, from low earners to very higher earners.

Staff employed by business:		
1 (just me)	258	32%
2 to 5	381	47%
6 to 9	68	8%
10 to 18	49	6%
19 to 24	13	2%
25 to 38	13	2%
39 to 49	7	1%
50 to 99	9	1%
100 +	12	1%
Don't know	0	0%

A range of company sizes were surveyed. While the majority of respondents were sole traders or owners of businesses with 2 to 5 employees, there was also a significant proportion with 6 employees or more. 5% had 25 employees or more.

Questionnaire

Page 1

Base: All

This research is looking at the challenges of growing a business, from start-up and through the many stages which follow. We are looking here at growth in terms of increased annual gross sales and increased amount of employees, rather than office space, expansion into other countries or specific profits, although these may, of course, form part of the sales/employee growth.

Which of the following BEST describes your role at work?

Owner/ founder/ proprietor	
Financial Director	route page=0
Senior Manager	route page=0
Manager	route page=0
Audit senior	route page=0
Accountant	route page=0
Junior/Trainee	route page=0
Other	route page=0
N/A I don't work	route page=0

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Base Owner/founders

Which sector do you work in?

- Private sector firm or company (e.g. limited companies and PLCs)
- Nationalised industry or public corporation (e.g. post office, BBC)
- Other public sector employer (e.g. central government, Civil Service, LEA, NHS, Police, armed forces)
- Charity/ voluntary sector (e.g. charitable companies, churches, trade unions)
- Other

Which one of the following BEST describes the industry your business operates in...?

- Retail
- Entertainment and Leisure activities
- Construction
- Manufacturing
- Charity
- Health, education, or social services
- Financial services
- Advertising/Marketing/Public Relations
- Electricity/Gas/Heating/Plumbing trades
- Hospitality (including hotels, restaurants, bars & catering)
- IT and Telecoms
- Website/Internet
- Postal/ courier/ distribution
- Real estate and renting
- Servicing and repairs
- Transport/ storage

Travel / tourism
Other

Page 3

Base: Owner/founder

Including yourself, how many people are employed by the organisation you work for, in total in the UK?

- 1 (just me)
- 2 to 5
- 6 to 9
- 10 to 18
- 19 to 24
- 25 to 38
- 39 to 49
- 50 to 99
- 100 +
- Don't know

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Base: Owner/founder

When did you start your business?

- Less than a year ago
- Between a year and three years ago
- Between three years and five years ago
- Between five years and ten years ago
- Over ten years ago
- N/A It was started up by someone else

What are your business's Gross Annual Sales (please think about pre expenses and tax)?

- Less than £1000
- £1,000 to 50,000
- £50,001 to 100,000
- £100,001 to 200,000
- £200,001 to 500,000
- £500,001 to 1,000,000
- More than £1,000,000 +
- Don't know
- Not Applicable
- Prefer not to say

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BASE: Owner/founder

Throughout this survey we will be asking some questions regarding business growth. Please think about business growth in terms of sales and/ or number of employees.

Please think about the past 5 years (2001 to 2006)

Has your business increased its number of employees or decreased of its number of employees?

- Increased
- Decreased

Stayed the same [routepage=7](#)
 Fluctuated (up and down) [routepage=7](#)
 Don't know [routepage=7](#)

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BASE: All who have had an increase or decrease

And by how many employees, has your business increased or decreased?

1 to 5
 6 to 10
 11 to 19
 20 to 34
 35 to 49
 Over 50
 Don't know

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BASE: All Owner/founder

Still thinking about the 5 years (2001 to 2006)...

Has your business increased or decreased its sales?

Increased
 Decreased
 Stayed the same [routepage=9](#)
 Fluctuated [routepage=9](#)
 Don't know [routepage=9](#)
 Not Applicable [routepage=9](#)

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Base: Those whose business has increased or decreased

And by what percentage has your business increased or decreased its sales?

1 to 10%
 11 to 25%
 26 to 50%
 51 to 100%
 Over 100%
 Don't know

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Base: All Owner/founder

Which, if any, of the following qualities do you think are MOST important for STARTING a business? [Please tick up to three]

Risk taking
 Hard work
 Intelligence
 Passion
 Innovation
 Determination
 Self-discipline
 Creativity/ Vision

Persistence
Other
None of these
Don't know

And which, if any, of the following qualities do you think are MOST important for GROWING a business? [Please tick up to three]

Risk taking
Hard work
Intelligence
Passion
Innovation
Determination
Self-discipline
Creativity/ Vision
Persistence
Other
None of these
Don't know

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Base: All Owner/founder

How business defines success can vary dramatically and can depend upon which stage of growth it is....

What, for you, defines success? [Please tick up to three]

Still being in business after 10 years
Having a great idea and making it happen
Creating something from scratch and seeing it in public
Annual sales of over £1m a year
Enough income to support my family
Being a millionaire
Having a strong team working for me
Selling the business to the highest bidder
Floating on the Stock Exchange
Leaving the business to my family
Helping others through our work
Achieving our aim e.g. raising enough money to help others
Other
Don't know

What, in your experience are the ACTUAL benefits of running your own business? [Please tick all that apply]

Independence to make my own decisions
Flexibility, having a better work/life balance
Earning more money
Providing stability for my family
Satisfaction of having done it myself
None of these
Don't know
I don't think there are any benefits to running your own business

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Base: All Owner/founder

On a scale of 0 to 10 (where 0 means 'Not at all concerned' and 10 means 'Extremely concerned') please state how concerned you are about each of the following in relation to growing your business. (Please think about growth in terms of number of employees and sales).

GRID

Staff exits (leaving and taking clients or company data)

Product/ Service delivery

Employee job satisfaction, having a happy team

The right equipment / technology

Intellectual property, e.g. patents

Network security, e.g. data privacy or computer virus

Physical security e.g. burglary

Government, Council regulations

Health and safety

Employee theft

BY:

0 1 2 3 4 5 6 7 8 9 10 Don't know N/A

PAGE 12

Base: All Owner/founder

In your experience, what are the three BIGGEST challenges for business growth?

[Please tick up to three options]

Not enough money to invest

Getting the right technology

Generating new ideas

Lack of time to dedicate to growth

Losing employees to competitors

Too much legislation

Shortage of the right skills/ people

Competitors always one step ahead

None of these

Don't know

What would you characterise as the top three factors holding you back from growing your business? [Please tick up to three options]

It's too much work/effort

It will cost too much

Don't have the right skills/ people

Don't have the right technology

Not sure how to grow the business

Not looking to replicate corporate culture

Looking for a better work/life balance, not burn-out

Too much legislation and red tape

Satisfied with current earnings

None of these

I have not been held back from growing my business
 Don't know
 Not applicable

PAGE 13

Base: those whose business has grown

Which, if any, of the following have been most important in enabling your business to grow? [Please tick up to three][CLEARLAST]

- Winning a big client
- Getting the right technology, equipment
- Introducing new products/ services
- Fast decision-making made possible by technology
- Good location/ office
- Qualified and motivated staff
- Strong economic climate
- Improving new product/ service
- Buying/ merging or partnering with another company
- Solid financial resources
- Access to advisory professionals or a mentor
- More investors/ donations etc.
- Other
- None of these
- Don't know
- N/A (e.g. I have only recently become owner/ not relevant to my business/my business has not grown etc.) [route:page=15](#)

Page14

Base: All whose business has grown and who started business

Which of the following key strategies have helped you the most in growing your business? [Please tick up to three]

- The business concept was original and that took care of our growth
- No clue on how we did it -- We've just muddled through and think we're on track
- We trusted our instincts and seized every opportunity
- Concentrating on developing people and holding on to them
- Determination to see it through despite all the trials
- Broadening our skill set
- Ensuring our growth has been steady, if slow
- Reviewing our business plan and focussing on strategy, not just tactics
- Getting further investment or outside funding
- Bringing consultants in to advise on / manage the next stage of growth
- Other
- None of these
- Don't know
- N/A (e.g. I have only recently become owner)

PAGE 15

Base: All Owner/founder

Please think about the next 5 years....

What do you think will be most important in helping your business grow? [Please tick up to three][CLEARLAST]

- Winning a big client
- Getting the right technology, equipment
- Introducing new products/ services
- Fast decision-making made possible by technology
- Good location/ office
- Qualified and motivated staff
- Strong economic climate
- Improving new product/ service
- Buying/ merging or partnering with another company
- Solid financial resources
- Access to advisory professionals or a mentor
- Other
- None of these
- Don't know
- N/A I am not interested in growing my business

PAGE 16

Base: All Owner/founder

What motivated you to start-up your own business?

- Realising a dream
- Getting away from the corporate world
- Improving work/ life balance
- Having more free time
- Making my first million
- Retiring early
- None of these
- Don't know
- N/A I did not start up this business

What motivates you the MOST now?

- The buzz of the deal
- Being perceived as successful
- Becoming a well known brand
- Growing my team
- Financial security
- Generating a greater turnover in sales
- Making a better product/ expand range of products
- Introducing / improving our service
- Floating on the stock exchange
- Selling my business
- Retiring early
- Other
- None of these
- Don't know

PAGE 17

Base: All Owner/founder

Many businesses make mistakes...

What do you think have been your biggest mistakes in the last 5 years? [Please tick up to three options]

- Growing too quickly
- Starting up with the wrong partner or team
- Spending money too quickly or wastefully
- Taking on a huge client when we weren't ready
- Not integrating or training employees
- Lack of communication internally / externally
- Turning down business because we didn't have capacity
- Not able to ramp up technology quickly enough to give us flexibility
- Not making decisions fast enough
- Other
- Don't know
- I have not made any mistakes

Page 18

Base: All owners/founders

When starting a business it's easy to sometimes assume that you need certain things and realise later that you do not actually need them...

Before starting your business did you invest in any of the following, which you wish you hadn't / no longer use? [Please tick all that apply]

- Expensive office space
- Extensive stationery
- Fax machine
- Landline phone
- Mobile device
- PC rather than laptop
- Coffee machine
- Company Car
- Other
- None of these
- Don't know
- N/A I did not start up the business [route page 23](#)

Page 19

Base: Those who started their own business

What effect has technology had on your business since you established? [Please tick all that apply]

- Made it possible to start-up
- Radically changed how we do business
- Made expansion easier / possible
- Changed our business model
- Helped us reach new customers
- Helped us improve operations and how we fulfil customer orders
- Provide a new service that we could not have otherwise done
- Helped us employ staff in different locations and get the work done
- None of these
- Don't know
- Technology has not had much effect on the business

Page 20

Base: All who started their own business

Which one of the following did you find the hardest...?

- The initial set up of your own business
- Trying to grow your business once it had started [routepage=22](#)
- Both equally as difficult [routepage=23](#)
- Did not find either of them difficult [routepage=23](#)
- Don't know [routepage=23](#)

PAGE 21

BASE: All who found it harder to set up their business

You said you found it harder to start up your business.....

Please explain briefly in the space below why you felt it was harder to start it up then to grow it. If you don't know please leave the space blank.

[Text](#) [routepage 23](#)

Page 22

Base: All who found it harder to GROW their business

You said you found it harder to grow your business.....

Please explain briefly in the space below why you felt it was harder to grown your business then to start it up. If you don't know please leave the space blank.

[Text](#)

Page 23

BASE: All Owner/founders

Are you...

- Male
- Female

Which of the following age brackets do you fall into?

- Under 18
- 18 to 24
- 25 to 29
- 30 to 34
- 35 to 39
- 40 to 44
- 45 to 49
- 50 to 54
- 55 to 59
- 60 or older

Which of the following regions do you live in?

- North East
- North West
- Yorkshire and The Humber
- East Midlands
- West Midlands
- East of England
- London

South East
South West
Wales
Scotland
Northern Ireland
None of these

And which of the following regions is your business based in?

North East
North West
Yorkshire and The Humber
East Midlands
West Midlands
East of England
London
South East
South West
Wales
Scotland
Northern Ireland
None of these
Not based anywhere (e.g. mobile business)

Which of the following best describes your current marital status?

Married
Living as married
Single, never married
In a civil partnership
Widowed
Divorced
Separated
None of these

How many children aged under 18, if any, do you have living at home with you?

No children
One child
Two children
Three children
Four or more children under 18

Gross personal income is an individual's total income received from all sources, including wages, salaries, or rents and BEFORE tax and contributions to national insurance are deducted. What is your gross personal income?

Nothing
Less than £5,000 per year
£5,000 to £9,999 per year
£10,000 to £14,999 per year
£15,000 to £19,999 per year
£20,000 to £29,999 per year
£30,000 to £39,999 per year
£40,000 to £49,999 per year
£50,000 to £74,999 per year

£75,000 to £100,000 per year
More than £100,000 per year
Don't know
Prefer not to answer