

**EARLY ASSESSMENT OF BUSINESS
LINK HEALTH CHECKS**

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Summary

Business Link Health Checks were introduced in November 2008 as part of the government's Real Help for Businesses Now package to help businesses, especially small and medium sized enterprises (SMEs), identify and respond positively to the issues faced as a result of the economic downturn. This early stage assessment has found that the rationale for the Health Checks is valid and there are identifiable benefits to SMEs in the UK economy from having this form of support in place. The evidence shows that Health Checks improve SMEs' ability to survive the current economic downturn. They also enable businesses to enhance their management and strategic capabilities and put in place strategies which will help them achieve growth as the economy emerges from recession.

Background

Health Checks provide a free and impartial assessment of business performance and managerial and strategic competencies. The service is delivered through a national network of Business Link Advisers who aim to identify areas where a lack of capacity makes SMEs more vulnerable to the effects of the current economic downturn. The key characteristics of the Health Check include the provision of a business diagnostic service, identification of areas for improvement and help accessing the full range of government assistance and the services of other providers where it is deemed appropriate. By August 2009, Health Checks have supported over 80,000 businesses, the vast majority being SMEs.

Aims and objectives

This research aims to provide an early assessment of the process through which SMEs access Health Checks, the support they receive and the actions and behavioural changes they subsequently undertake. In addition, this assessment considers the potential benefits likely to accrue to businesses as a result of the Health Check.

The report also considers potential deadweight effects and an assessment is made of the overall effectiveness and additionality of the Health Check service.

Methodology

A total of 456 businesses assisted by a Health Check between November 2008 and March 2009 were interviewed by phone in July and August 2009. The sample was broadly representative of assisted businesses by region, age and sector. Smaller businesses, particularly those with fewer than ten employees, were purposively under-represented in the sample in order to achieve a greater spread of businesses by size. In the initial stages of the analysis a weighting system was constructed and applied alongside the unweighted analysis. Our judgement was to report the weighted statistics as this improves the general validity of the findings on key outcome variables.

In addition, qualitative interviews were held with a member of the Business Link operational staff involved in the design and delivery of Health Checks in each of the nine English regions. This was intended to gather insights from the provider side about how Health Checks were designed and delivered across regions, the processes by

which support was provided, how advisers identified areas for development in assisted businesses, and perceptions of how Health Checks have made an impact on assisted businesses.

Profile of assisted businesses:

The 'typical' firm had between ten and 49 employees and was between 6 and 10 years old. The main partner or managing director in the business was from a minority ethnic group in six per cent of businesses. Of those respondents who were themselves the managing director or a main partner, 31% were female.

In terms of the direction of the business in the past 12 months, around a sixth (15 per cent) of assisted businesses had increased their employment levels and a fifth (20 per cent) had made cuts. In terms of sales turnover, a third (33 per cent) of assisted businesses grew in the previous 12 months, and one third (36 per cent) experienced a decline.

Key findings

The views of Business Link Advisers

- The Business Link Health Check is viewed by Business Link Advisers as a positive marketing tool that sends a favourable signal to SMEs.
- The model by which Health Checks are delivered depend upon the delivery plans negotiated with RDAs. In practice most regions operate a very similar model based on a variation of Intensive Assists.
- Health Checks deliver solutions quickly to businesses where needed. They work best when businesses seek support early, they are honest about their situation and they make timely plans to implement the Health Check action plan.

The journey through the Health Check process

- 93 per cent of all SMEs accessing Health Checks had found it easy to make contact with Business Link.
- The initial approach came from businesses to Business Link in almost two-thirds (65 per cent) of cases. This was often in response to Business Link marketing of this service. In a third of cases the initial contact was made by Business Link making direct phone contact with the business.
- More than two-thirds (69 per cent) of businesses accessing Health Checks wanted basic advice, and 32 per cent sought longer-term, in-depth, assistance.
- The 'typical' business accessing a Health Check was looking for support in four areas of business and strategic management. The most popular areas of support sought related to finding out more about grants and other financial support (sought by 71 per cent of assisted businesses), help with improving marketing (54 per cent) and help with increasing their customer base (53 per cent).
- When asked about the single most important reason for seeking support, responses included: accessing information about grants and other financial support (31 per cent of assisted businesses), help with improving marketing (18 per cent), and identifying ways of increasing the customer base (eleven per cent).

- A fifth of assisted businesses (20 per cent) reported that the key business issues identified by the Health Check were a direct result of the current economic downturn, and more than two thirds (71 per cent) reported that the issues were more general than this.
- Health Checks appear to address the full range of businesses' initial concerns. They also provide a fuller review of the business, identifying areas requiring further support and generating new ideas for improving the business.
- 61 per cent of businesses accessing Health Checks were offered further support. 43 per cent of those who were offered further support took it up.
- Of those businesses that took up the offer of further support, 36 per cent received this directly from Business Link, 34 per cent from another provider suggested by Business Link, and 30 per cent from a combination of both.
- Half of businesses accessing Health Checks had used the Business Link service at some point in the past, and 23 per cent had used the service within the past two years. Two-thirds of businesses accessing Health Checks had not previously used any Business Link or any other business advice or support in the past two years. Of those that had, the most common source was accountants (20 per cent).

Customer satisfaction

- 79 per cent of SMEs accessing Health Checks were satisfied with the information provided; just eight per cent dissatisfied. Dissatisfaction was higher amongst businesses that did not take up further assistance beyond the initial Health Check and those looking for advice on a number of issues.
- Of those who accessed additional support, 93 per cent were satisfied with this further assistance and only two per cent dissatisfied.
- Businesses accessing Health Checks generally found their Business Link Adviser to be welcoming and keen to help (96 per cent), understanding of business needs (87 per cent) and quick to respond (90 per cent).
- 96 per cent of businesses considered the advice given to be professionally delivered, high quality (84 per cent), focused on real business outcomes (78 per cent) and useful to their business (78 per cent).
- There was little variation in levels of satisfaction by type of business suggesting that Health Checks are meeting the needs of businesses generally
- 86 per cent of all assisted businesses would recommend Health Checks to other businesses.

Impact of Health Checks on business behaviours and outcomes

- As a result of the Health Check, 65 per cent of businesses had a better understanding of areas for development and improvement in their businesses. 64 per cent had new ideas for future actions to help improve their business.
- Of those with new ideas to improve their business, 72 per cent had already fully, or partially, implemented them and a further 26 per cent intended to do so in the future. Only two per cent had taken no action or do not intend to do so.

- 22 per cent of those businesses that identified changes to improve their business as a result of the Health Check considered the changes to be very significant, 36 per cent fairly significant and 35 per cent moderately significant. Overall, three-fifths (59 per cent) of all assisted businesses were making significant changes to their business practices as a direct result of the Health Check.
- The evidence suggests that as a conservative estimate, nearly two-fifths of assisted businesses experienced at least some additional gain to their business as a result of the help they received through the Health Check and a further fifth will achieve similar outcomes but more quickly. Importantly, outcomes are enhanced for businesses that take up additional support from Business Link or a brokered external service.
- On the timing of potential benefits attributable to Health Checks, eight per cent of assisted businesses had already realised *all* the expected benefits, 30 per cent expect to realise them in the next year, 40 per cent expect the benefits to be realised over a longer time period.
- In terms of immediate impacts directly attributable to Health Checks, 52 per cent of assisted businesses reported that they were better positioned to take advantage of an economic upturn, 46 per cent that they had improved their marketing capabilities, 43 per cent were better positioned to cope with the economic downturn and 45 per cent better at business planning. In general, younger and smaller businesses had the most positive immediate impacts.
- 56 per cent of assisted businesses expected that their turnover will increase as a direct result of their Health Check, 37 per cent that they would employ more staff, 54 per cent that profits would increase, 58 per cent that they were more likely to survive the current economic downturn, 50 per cent that they would invest more in their business and 45 per cent that they would increase staff training. Generally, businesses that are younger, smaller or growing were most likely to report the most positive immediate or anticipated impacts on their business.

It is likely that there will be additional benefits occurring, and lasting, beyond the initial time period under consideration here and so this assessment probably underestimates the full potential benefits from the service.

Conclusion

This study has confirmed both the rationale for and effectiveness of the Health Checks Initiative. In other words, Health Checks are meeting a real need and providing clear benefits for many businesses. Health Checks improve SMEs' ability to survive the economic downturn, and builds management and strategic capabilities to help them grow as the economy emerges from recession.

1 Introduction

Background to Health Checks

Business Link Health Checks were introduced in November 2008 as part of the government's Real Help for Businesses Now package to help businesses identify and respond positively to the issues faced as a result of the economic downturn. The free Health Check offers an impartial assessment of business performance to identify key strengths, prioritise areas for improvement and highlight business opportunities. Available to any business, regardless of size, region or sector, the Health Checks are tailored to focus on the specific needs and circumstances of each business. By August 2009, over 80,000 businesses have benefited from this form of support.

Aims and objectives of the Health Check Assessment

The overall aim of the study is to provide an early assessment of Health Checks in terms of the effect it has on business behaviours and the anticipated longer term outcomes. In particular, it intends to answer the following questions:

- How effective is the process by which businesses access Health Checks working?
- What concerns do SMEs have about their businesses and what support do Health Checks provide?
- Have businesses changed their behaviours and strategies as a result of the Health Check?
- What effect has the support had on business outcomes at this early stage, and what are the potential longer term benefits for businesses expect to see as a result of the Health Check?

The report also considers potential deadweight effects and an assessment is made of the overall effectiveness and additionality provided by the Health Check service.

Methodology

There are two core elements to this early assessment:

- **Qualitative interviews with Business Link Advisers:** In each of the nine English regions, a senior adviser involved in the design and delivery of Health Checks was interviewed over the phone using a pre-designed discussion guide. This aimed to gather insights from the delivery side about the design of Health Checks, the processes through which support was provided, how advisers identified areas for development in assisted businesses, and adviser perceptions of how Health Checks have impacted on assisted businesses
- **A quantitative survey of assisted businesses.** In total, 456 businesses, broadly representative of the businesses accessing Health Checks by region, sector and age of business, were surveyed using a pre-designed

CATI¹ questionnaire. The sample was drawn from records of SMEs accessing Health Checks in each of the nine English regions between November 2008 and March 2009, and interviews took place in July and August 2009. The survey was designed to collect information on the core issues outlined in the research objectives above. Additionally, information was collected on the strategic direction of businesses, the dynamics of employment and sales growth, and core business and entrepreneur demographics.

Micro businesses, who make up the bulk of businesses who received a Health Check, were purposively under-sampled in order to achieve sufficient interviews with larger firms to allow cross-break analysis by size. This sampling strategy meant that it was apposite to construct a weighting system to adjust the achieved sample back to the population of assisted businesses.

Analytically, a mixed approach was adopted. Core responses are presented at a univariate level with cross-breaks where interesting differences were apparent across core business demographics. This univariate analysis was supplemented by econometric modelling to identify key relationships in the data.

For definitional purposes in relation to cross-break analysis, the classifications are as follows;

- Young businesses – established within the last three years
- Micro businesses – less than ten employees²
- Small businesses – ten to 49 employees
- Medium businesses – 50-249 employees
- SMEs – Small and Medium Enterprises. This standard terminology includes micro businesses
- Service sector businesses – classified as operating in wholesale, retail, hotels, restaurants, transport, communications, financial services, business services, education, health or community services.
- Non-service sector businesses – classified as operating in agriculture, forestry, fishing, manufacturing, mining, utilities or construction.
- Distressed businesses – classified as recording a decline in sales of greater than ten per cent in the preceding 12 months.
- Stable businesses – classified as recording a sales decline of less than ten per cent and up to a sales increase of five per cent in the preceding 12 months.

¹ Computer Assisted Telephone interview.

² Only 2 of the 456 businesses interviewed had no employees in the current year.

- Growing businesses – classified as recording a sales increase of greater than five per cent in the preceding 12 months.

Structure of the report

In Chapter Two the qualitative interviews with Business Link Health Check advisers is presented and discussed in the context of how Health Checks are defined and delivered across English regions. Chapter Three introduces the quantitative business survey and presents a profile of assisted businesses. Chapter Four discusses, in detail, the customer journey from their initial awareness of the Health Check, to their first contact with Business Link. This chapter also considers the types of support offered and received, and general perceptions about the process and relevance of the support provided. Chapter Five considers the impacts on business behaviours resulting from the Health Check to date and goes on to identify potential improvements in performance and when businesses expect these will occur. It also contains estimates of additionality and deadweight. Chapter Six draws together the conclusions.

2 Definition and Delivery of Health Checks

Introduction

This chapter presents and discusses information gathered from nine qualitative interviews with Business Link Health Check Advisers to provide an overview of how Health Checks are defined and delivered across English regions.

Definition

The precise model implemented by Business Links can differ between regions as delivery plans are negotiated and agreed with individual Regional Development Agencies (RDAs). Most simply, the Health Check is a process that helps to fully assess businesses' strengths and weaknesses and the opportunities available to them. It also identifies what forms of support the company needs at that moment in time and brokers further Business Link or external support where necessary.

In practice, most regions are operating a very similar model for the Health Checks, based on the 'Intensive Assist' model and the terms were seen as interchangeable in some regions. This was mainly due to the similarities of the process, and in part because of the way their systems had already been set up to record Intensive Assists. However, in a few regions, the relationship between the Intensive Assist and the Health Check was not as straightforward; in one region all Intensive Assists are part of the Health Check but the Health Check does not have to include an Intensive Assist (they can offer immediate solutions). In some areas, the Health Check is a two-stage process, with an initial diagnostic carried out by a customer service team, which acts as a gateway to a further in-depth diagnostic by a Business Link Adviser. Conversely, in one region, the Health Check is considered to be just the initial diagnostic the 'front end' of the Intensive Assist. It is for these reasons that the interaction is recorded as a Health Check at different points in different regions, however, for the majority of regions the business is recorded as having received a Health Check at the point when the action plan has been agreed and signed.

Delivery and Process

Making contact

There were similarities across the regions in the ways that businesses make contact with Business Link. In the first instance, most businesses ring a telephone helpline where they have a brief interview with a member of a customer service team. This initial phone call acts as a filter to decide which businesses require more intensive face-to-face support. In two regions, this is a standardised process. This team can also caseload businesses for more intensive support and one region stated that 86 per cent of their customers are dealt with, and their issues resolved, on the phone either during the initial call or in a follow-up call.

In all regions, if further support is required, the client is referred to a face-to-face meeting with a business adviser. Although this can be done quickly where urgent assistance is needed, it is most common for this meeting to take place within one to two weeks.

Business Links in all regions also have a programme of proactively contacting companies to see if they need any support, and one of the tools they have to help support businesses is the Health Check. In the one region where comprehensive, comparable assistance, statistics were available, the Health Check accounted for the bulk (60 per cent) of all their support for businesses.

Identifying the issues

Advisers report that businesses typically arrive with an idea of what support they want, but in nearly all cases, the Health Check diagnoses areas of development, support and advice that the businesses had not identified themselves. Most businesses initially make contact looking for grants or funding or wanting advice about financial matters, but once Business Link advisers have conducted the diagnostic, the solutions that they require often relate to strategy, sales and marketing. One region particularly likes the term 'Health Check' because one of the analogies they use is that a customer will think they have a broken leg, but the reality is that he has a heart failure and the Health Check helps to uncover this.

In two regions, managers reported that their Advisers use standard diagnostic tools to identify the issues; the 'Balanced Business Scorecard'³ and 'Forum 21'⁴. In another region they use generic tools like financial diagnostics and productivity ratios. Initial face-to-face meetings with Advisers typically last between one to two hours, with the length of time allocated for follow up varying in each region.

Most regions reported no significant differences in the areas for development across different types of businesses. In one region, businesses from different sectors were identified as often having different initial 'symptoms'; for example, businesses in the creative sector were usually after advice on sales and marketing and those in the restaurant service industries most likely required support with finance.

Next steps

The Business Link Adviser, in all regions, develops an action plan during the face-to-face meeting. This document details the discussion that has occurred, the actions that both the business and Business Link have to take in order to meet quantifiable objectives and sets out when these things need to happen. The document records '*what they want to achieve and how they will get there*'. Business Link Advisers typically write a version of the action plan during the meeting and subsequently type up a finalised version, and send it to the client for checking.

³ The Balanced Business Scorecard assesses businesses' capability across five areas: finance, strategy, operations, customers, and learning and development

⁴ Forum 21 is a segmentation tool which categorises businesses into broad types which guides the nature of support offered.

The action plan is a critical document to the Health Check process, for one region in particular they stated that you cannot have a Health Check if you do not have an action plan. One region created both an action plan in the manner of the other regions, and a separate, 'proposal of solutions' document which is prepared with the support of sector specialists and programme managers after the meeting with the client has taken place. This allows for particularly comprehensive solutions to be proposed to the businesses concerned.

In another region, they have additional funding for accountants to carry out Financial Health Checks. If, during the initial diagnostic a need for a Financial Health check was identified, the client would go through this process before then seeing a Business Link Adviser. The findings from the Financial Health Check are incorporated into the action plan created by the Business Link Adviser.

Monitoring

All regions provide follow up contact as standard. A few regions have a standardised process for monitoring clients with guidance given to Advisers on when follow-up should take place. Notwithstanding the degree of standardisation, the process typically involves a quick follow-up to check the business is in agreement with the action plan, then a further meeting or phone call to see if they are carrying out the actions. The amount of time allocated varies but the importance of the process is universally recognised and some respondents stressed the importance of 'account management', *'project management is part of the process'*.

The monitoring of the action plans and providing further ongoing support is sometimes difficult to balance not least because in some regions no resource is allocated specifically for monitoring. This can mean that despite the *'intention and the desire'* to provide continued monitoring, pressure of time means that this does not happen consistently.

During the follow-up, Advisers typically go through a process similar to the initial diagnostic, calculating the 'gross added value' of the business in terms of potential improvements in the core areas identified in the initial diagnostic and how management practice has changed since the initial meeting.

Expectations

All regions reported that the expectations of businesses are now more realistic than they have been in the past; businesses expect impartial advice and some expect to be able to get a speedy resolution to their problems which Business Links are now able to offer through the Health Check. However, most businesses come to Business Link in search of grants or funding, which there is limited access to in most regions. Advisers thought the reasons for this unrealistic expectation were three-fold; recent government promises of help for small businesses could have been interpreted as direct financial assistance, that historically Business Link have had access to funding, and also the fact that some national publicity says funding is available but it is not in all areas.

⁵ This finding is confirmed by the business survey data⁶ Young businesses are defined as those established within the past three years.

Nevertheless, when addressing access to finance issues, Advisers often deal with the fundamental issues of building managerial capabilities to prepare businesses to be better able to attract conventional funding.

High customer satisfaction rates show that businesses are happy with the services that are on offer. Many regions spoke of managing expectations at the point when the customer calls in to confirm what the Business Link can and cannot do for them.

Do Health Checks compliment other Business Link Services?

The regions were overall positive about the way that Health Checks fit in with other services provided by Business Link and felt that it *'integrates quite closely into our agenda'*, and some considered it *'part and parcel'* of what was already offered.

In some regions, the demand for Business Link services has increased significantly since the start of the current recession. As awareness and understanding of what Business Link can do to help businesses increases, Advisers report that feedback coming through from the business community is increasingly positive.

Use and awareness

Active marketing of the Health Check service differed between regions. Some regions actively promoted the Health Check service as part of their offer to support businesses, while other regions felt that Health Check were such an integral part of what they offer that they did not feel the need to promote the Health Check as a separate package. One region does not refer to it as a 'Health Check', preferring 'Intensive Assist' as a brand. Those who have promoted it have done so in marketing activities such as direct mail, email communications and on their websites.

Advisers report that local and national marketing campaigns have helped to raise awareness of the service and have also helped to increase awareness of Business Link services more generally. The offer of the Health Check alongside Solutions for Business has positioned Business Link as the primary access point for business advice.

None of the regions reported that the offer of Health Checks has brought *different* customers than they have dealt with previously, but that the recession has increased the number of businesses contacting them.

Perceptions of impact

Behavioural change

The biggest challenge of the Health Check process according to Business Link Advisers is getting businesses to change their behaviour. In most regions, Advisers estimate that around 40-50 per cent of businesses do actually change their behaviour because of the Health Check; slightly lower than the business survey data. Only two regions stated that a *'large percentage'* of clients started to take the actions as agreed on the action plan. However, most of the figures were impressions rather than based on empirical evidence. Some Advisers report that businesses tend to 'internalise' the changes they make; saying that they were thinking about doing them anyway and so do not give credit to Business Link.

There was no common consensus from the regions on whether smaller or larger businesses would be more likely to act on solutions proposed as part of the Health Check, or do so more quickly.

There was a consensus that action is taken quickly to tackle the most pressing concerns such as finance, and solutions such as training are more likely to be taken up if the business is funded publicly. The speed with which SMEs typically begin to implement changes also reflects their needs and their aspirations to move forward. One region has found that if after six months the businesses did not change their behaviour it means they are not planning to.

Outcomes

It is too early to say how much difference Health Checks make in terms of improving businesses' chances of surviving the current economic downturn. Regions reported qualitative, anecdotal evidence, but felt that it is still too early to see the full impact. Although one region stated that businesses who had been through the Health Check see an average 14 per cent improvement in business outcomes according to their client monitoring records.

A key message from the regions was that if the businesses ask for support in time, then they would stand a much better chance of surviving. Also, most felt that any of the actions suggested in the action plan would have a positive effect as long as businesses make timely plans to implement them and if the business has been honest about their situation.

Future of Health Checks

Adviser views are that the Health Checks are working well. The pre-questioning ensures that businesses get the right service that they need, and it has been good that they can deliver solutions quickly to those who need them.

Most regions reported that they would not like to see wholesale changes made to the service, but that it should continue to evolve in the same way that the way in which companies operate also evolves. The Health Check should be seen as a *'living, breathing process'*, with face-to-face interaction at the heart.

A range of suggestions for improvements was offered by Advisers, including:

- The positioning of the Health Check should be less about fighting for survival in the current economic climate and have a more positive image.
- Advisers should have more time to spend with customers.
- Alternatively, they should be able to do more than one recorded Intensive Assistance with a business in a year.
- Some are wary of the Health Checks becoming 'political' in that they are encouraged to help one type of business. They should be able to help more businesses in general.
- One region suggested that they would like to do more to link businesses with other businesses in their region i.e. matching local suppliers with local manufacturers.

- Another region wanted to be able to spend more time with businesses that have greater economic impact (larger businesses) and therefore less time with micro enterprises.
- A method for measuring the way that they add value should be devised.

As the Health Check process is slightly different in each region, there is scope for regions to adapt the process to make it most suitable for their customers. Several regions reported that they are trying to make Health Check as flexible as possible and therefore the intensity of the programme of support will adjust to the needs of the customer.

Summary

Advisers consider Health Checks to be working well, and it is a service that can deliver solutions quickly to businesses where needed. Health Checks are seen to work best when businesses seek support early, they are honest about their situation and they make timely plans to implement the Health Check action plan.

Most regions reported that they would like to see the service evolve as the economy moves out of recession, rather than change fundamentally. Advisers see it as a positive marketing tool that sends a favourable signal to SMEs.

3 Profile of Assisted Businesses

Introduction

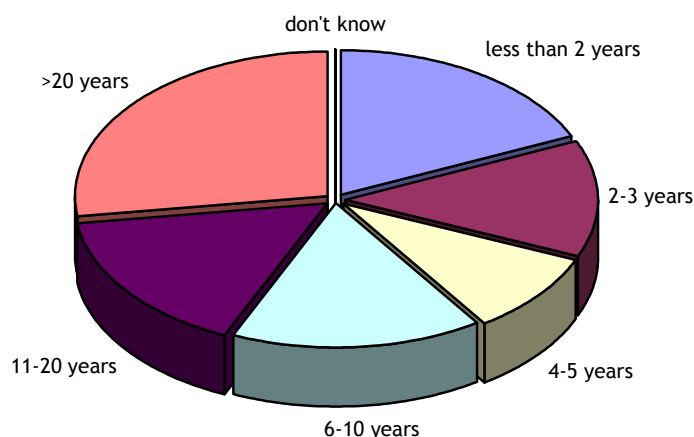
This chapter presents a profile of the basic business and owner characteristics of assisted businesses surveyed for this assessment. Responses have been weighted by size of business to present findings reflective of the wider population of businesses receiving a Health Check. At the businesses level, distributions by age and sector are presented. Data is also presented for employment and change over time, along with sales and change over time. Regarding the owners of assisted businesses, data is presented on age, gender and ethnicity.

Business characteristics

Age

Fig 3.1 shows 18 per cent of businesses are less than two years old and 27 per cent are older than twenty years. The median business is between 6 and 10 years old.

Figure 3.1 How long ago was your business established?

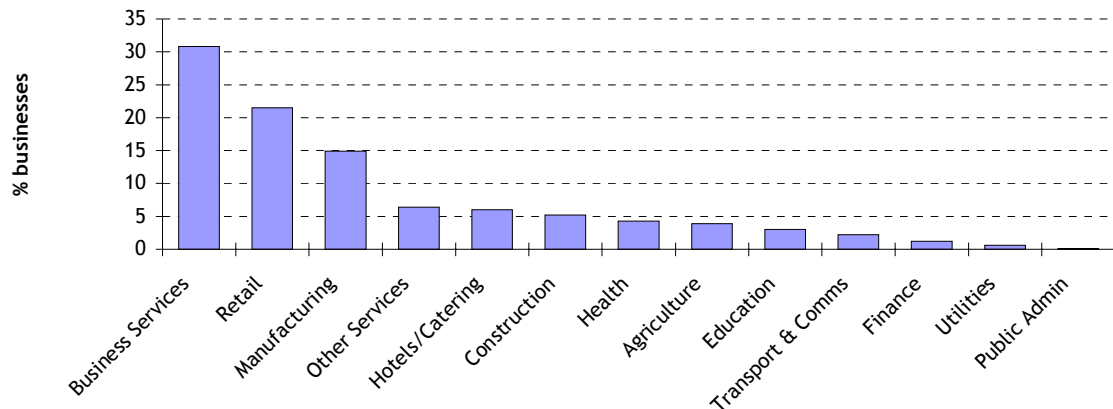


Note: base=456 assisted businesses

Sector

At the sector level, high representations are found in manufacturing (15 per cent), wholesale/retail (22 per cent), and business services (31 per cent), and there are very low representations in utilities and public administration. Compared to the total stock of SMEs in the economy, manufacturing and wholesale/retail were over-represented amongst assisted businesses and construction businesses under-represented.

Figure 3.2 What is the main activity of your business?



Note: base = 456 assisted businesses

Size

Employment levels, sales turnover and change over time

Figure 3.3. Employment and sales growth in last 12 months



Note: base = 453 surveyed businesses

Businesses had a median number of ten employees. Figure 3.3 shows that over the last 12 months, 15 per cent of the businesses had increased their employment, 65 per cent had static employment and 20 per cent had cut employment. To illustrate the extent to which the size of the workforce has changed for these businesses, in the worst performing ten per cent of businesses, employment had declined by 28 per cent and in the best performing ten per cent employment had increased by 23 per cent.

On sales turnover, the median business has £800,000 sales, the smallest ten per cent by sales turnover only £35,000 and the largest ten per cent by sales turnover £7.5m sales. Over the last 12 months, 33 per cent of businesses had increased their sales, 36 per cent had lost sales and 22 per cent had static sales (Fig 3.3).

Looking forward, 35 per cent of businesses expected to increase their employment in the next 12 months, six per cent expected to decrease their employment and 56 per cent expected employment levels to remain static. Regarding sales over the next 12 months, 56 per cent of businesses expected sales to increase, 29 per cent to remain static, and eight per cent expected a decline in sales.

Characteristics of main partner or managing director

Two in three respondents, most of whom were main partners or managing directors, were male and one in three female. Considering only those respondents who were the main partner or managing director, 69 per cent were male and 31 per cent female. The median age of the main partner or managing director was between 45 and 54 years old. Only six per cent were from an ethnic minority background, and of this six per cent the most populous group were black or black British-African.

Summary

The profile of businesses interviewed reflects the broad range of businesses who are attracted to the Health Check services in terms of age and sector, though manufacturing, wholesale and retail were over-represented compared to the wider SME population. Overall, assisted businesses reflected a range of growing, stable and declining businesses over the last year.

The size distribution of those businesses accessing health checks reflects the wider employing business population once the weighting system is employed. Given that only two surveyed businesses had zero employees appears to be the most relevant benchmark.

4 The Customer Journey

Introduction

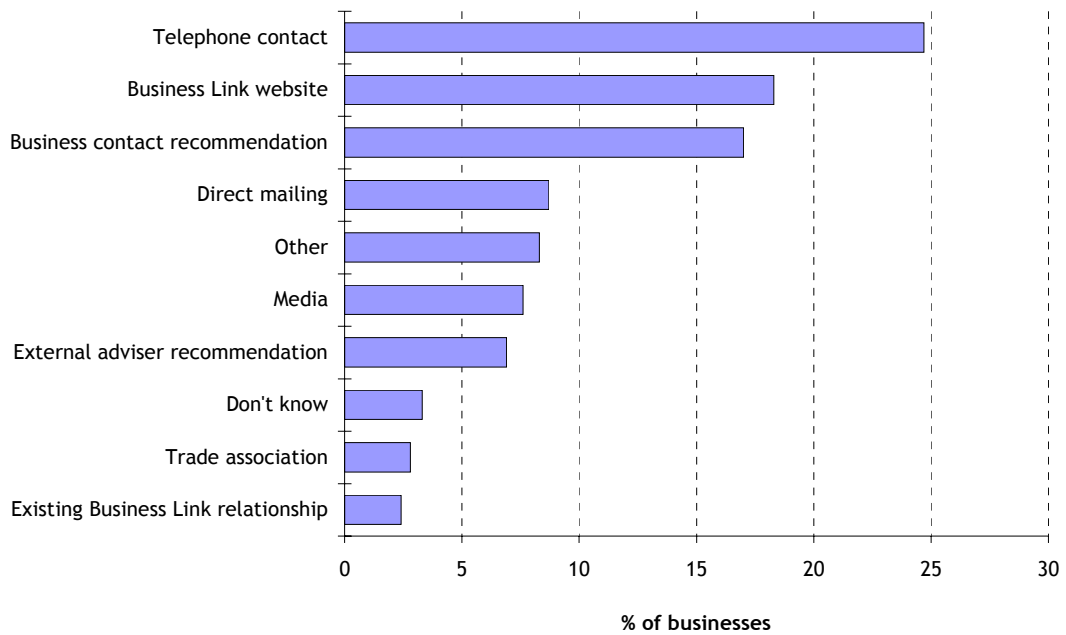
This chapter presents the findings from the survey of businesses assisted through the Health Check programme in terms of:

1. **Initial access to Health Checks:** how businesses found out about and made contact with the service; how easy this process was for businesses; areas where businesses sought support from Business Link; and the nature of support received.
2. **Paths to further support:** the extent to which further support is offered and taken up beyond the initial Health Check; the provider of that further support; and the extent and nature of support used by businesses prior to their Health Checks.
3. **Customer satisfaction:** levels of satisfaction with the Adviser and the advice received as part of the initial Health Check; and levels of satisfaction with further support taken up. Where businesses expressed dissatisfaction, reasons for this are explored.

How did businesses find out about the Health Check service?

The most commonly cited means of finding out about the Health Check was through telephone contact from Business Link, cited by 25 per cent of assisted businesses. Other important means were through a recommendation from a business contact (17 per cent), and through the Business Link website (18 per cent). Direct mailing (nine per cent) and media advertising (eight per cent) were also significant means of raising awareness of the Health Check service.

Figure 4.1: How businesses found out about Business Link Health Check



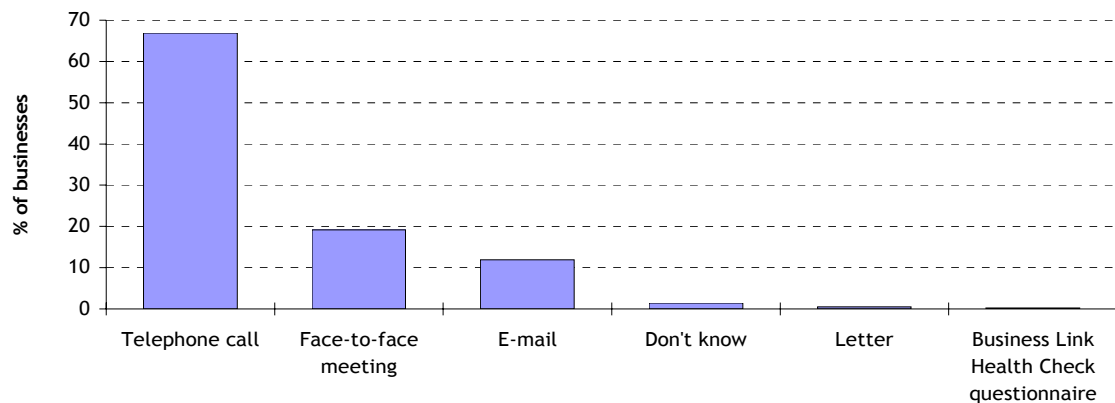
Note: base = 456 surveyed businesses

The means by which businesses first found out about the Health Check differed by age of business. Here the results show that direct mailing was more important for older businesses than young⁶ (nine per cent compared to five per cent), as was telephone contact (29 per cent compared to 18 per cent). By contrast, a recommendation from an external adviser was more important for younger businesses (13 per cent compared to four per cent), as was via the media (11 per cent compared to six per cent).

Who initiated the first contact?

The most common form of initial contact was from businesses themselves to Business Link. This was cited by 65 per cent of assisted businesses. In 31 per cent of cases, the contact was initiated by Business Link. This suggests that once businesses were aware of the Health Check service, they tended to be proactive when seeking to access the service.

Figure 4.2: Form of the first contact with Business Link Health Check



Note: base = 456 surveyed businesses

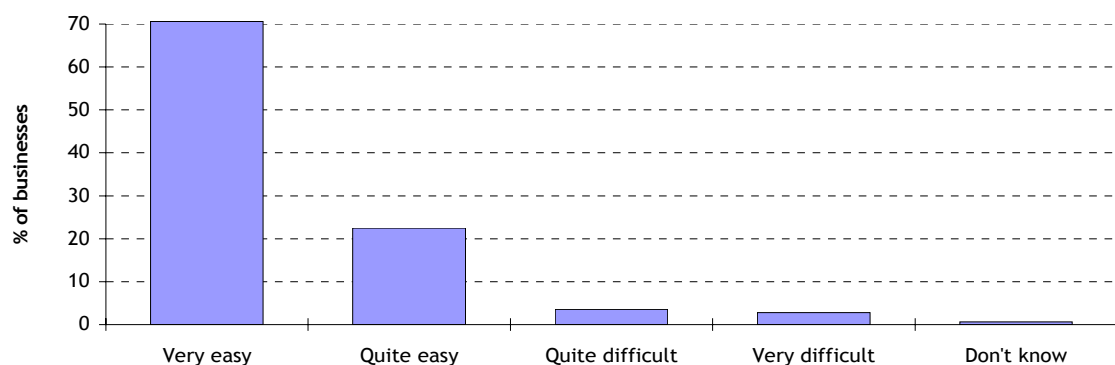
What form did this first contact take?

The most common form of first contact with Business Link about the Health Check was via telephone, cited by 67 per cent of assisted businesses. However, one in five businesses report making their first contact via a face-to-face meeting with Business Link staff. E-mail was also important with 12 per cent of assisted businesses using this mode of contact. By contrast, the on-line Health Check questionnaire was hardly used as a first point of contact (0.2 per cent).

How easy was it to contact Business Link about the Health Check service?

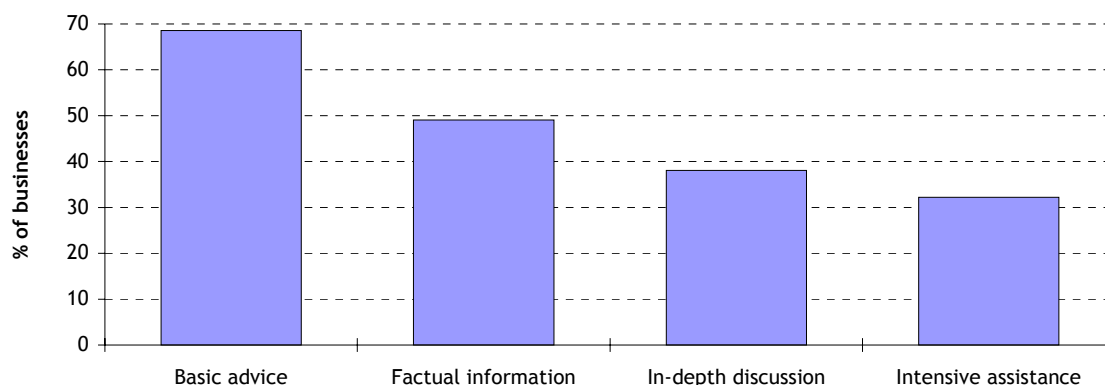
Seventy-one per cent of assisted business found it very easy to make contact with Business Link about the service, and a further 23 per cent found it quite easy. Only six per cent of assisted businesses experienced any degree of difficulty in making contact with Business Link. These findings suggest that access to the Health Check service is well managed by the Business Link network.

Figure 4.3: Ease of first contact with Business Link about Health Check



Note: base = 288 surveyed businesses

Figure 4.4: What form of assistance were business looking for?



Note: base = 448 surveyed businesses

In terms of the nature of the advice and support businesses were seeking, 69 per cent of businesses sought basic information, 49 per cent factual information, 38 per cent wanted an in-depth discussion and 32 per cent longer-term, intensive, assistance. Again, many businesses sought multiple modes of support to help to cover multiple concerns.

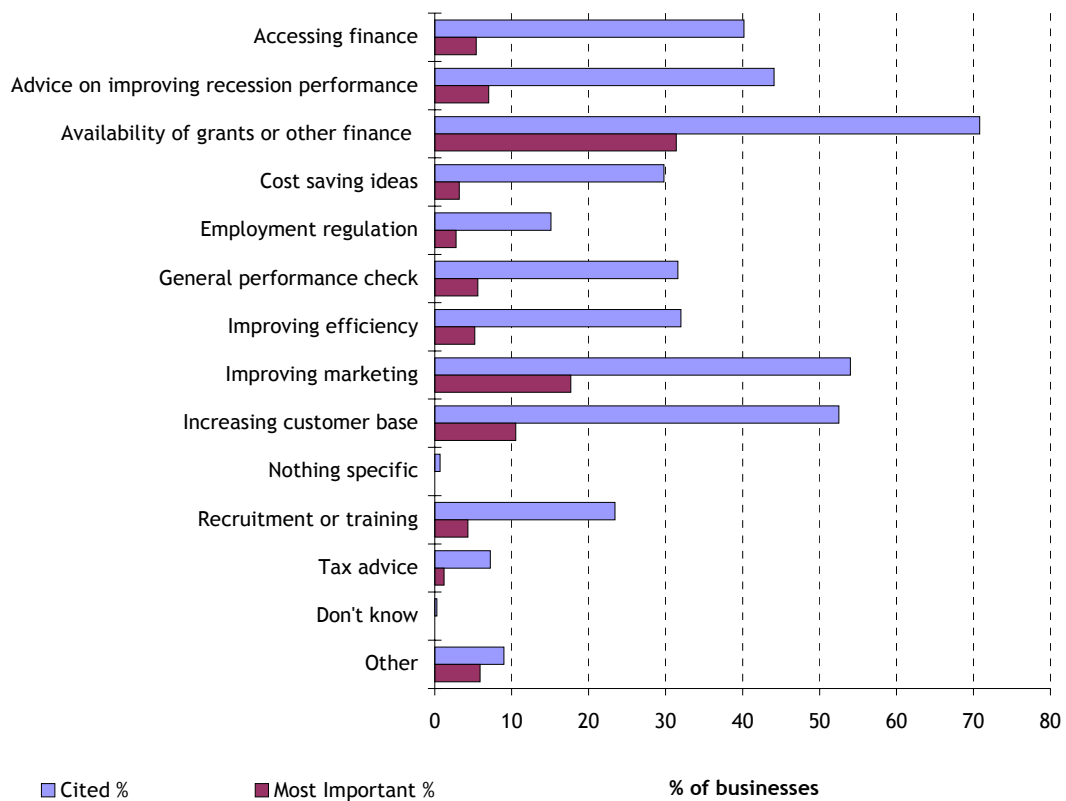
Business characteristics also affected the type of information and support sought. For example, businesses established for three years or more were more likely to seek factual information (56 per cent compared to 44 per cent for younger businesses), and younger businesses were more likely to be seeking basic advice (75 per cent compared to 66 per cent). Further, small and medium businesses were more likely than micro businesses to be looking for factual information (61 per cent compared to 47 per cent), as were non-service sector businesses (61 per cent compared to 51 per cent).

What concerns were businesses looking for advice and support with?

Businesses were looking for a very wide variety of support covering many aspects of management and strategy. Issues of particular concern were finding out information about grants and other financial support (71 per cent), help with improving marketing (54 per cent), ways of increasing the customer base (53 per cent), advice on improving performance in the downturn (44 per cent), and help and advice with accessing finance (40 per cent). By contrast, guidance on employment regulation and tax issues were relatively minor concerns.

Whilst many businesses were looking for advice and support covering a number of issues, the single most important issues were finding out information about grants and other financial support (31 per cent), help with improving marketing (18 per cent), and ways of increasing the customer base (11 per cent).

Figure 4.5: What types of help were business looking for?



Note: base = 456 surveyed businesses

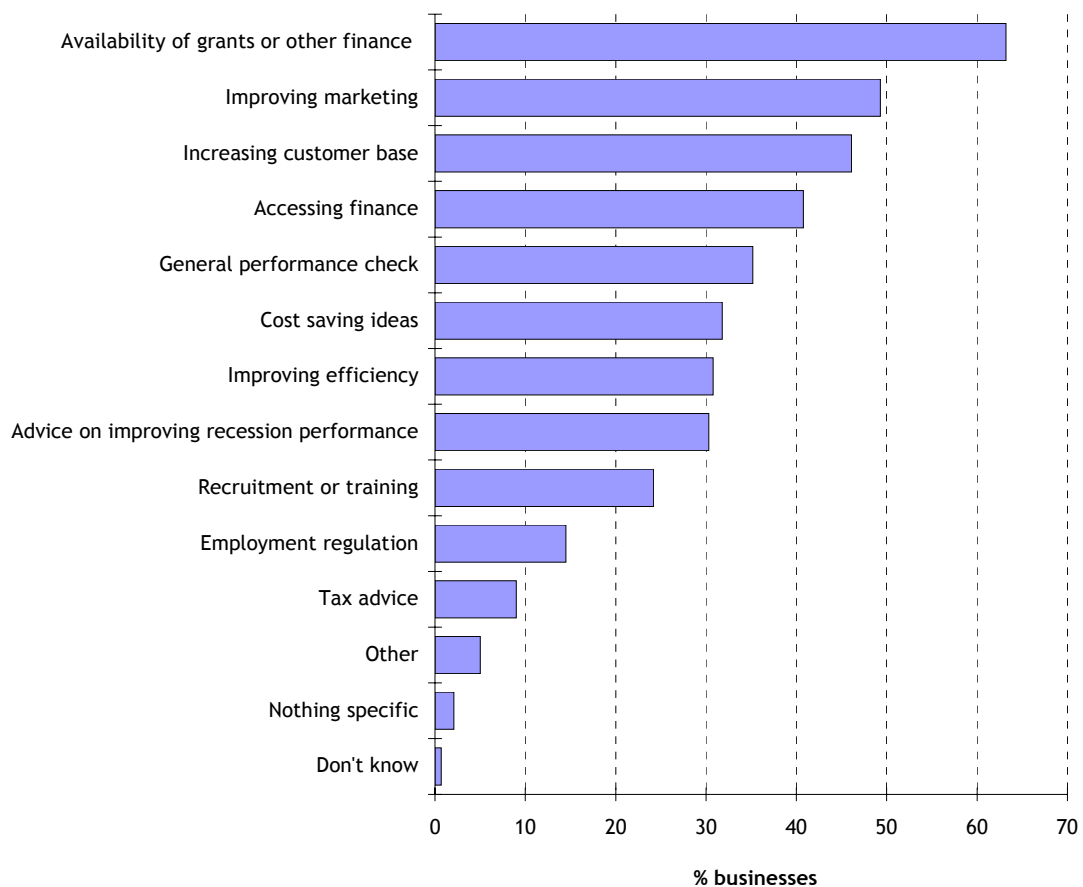
Overall, there were no differences by age of business in terms of the general distribution of importance of alternative modes of help, but nevertheless some interesting features were apparent. For example, businesses over three years old were more concerned about the availability of grants and other financial support than businesses younger than this (37 per cent compared to 29 per cent). Identifying ways to improve the customer base was more of an issue for younger than older businesses (12 per cent compared to seven per cent), as was help with improving marketing (20 per cent compared to 15 per cent).

Regarding size, small and medium businesses were more likely to be concerned about the availability of grants and other financial support than micro businesses (41 per cent compared to 30 per cent). The reverse was true for increasing one's customer base (11 per cent for micro businesses compared to six per cent for small and medium businesses), and help with improving marketing (18 per cent for micro businesses compared to 13 per cent for small and medium businesses). By contrast, sector did not appear to be as important in determining what issues businesses sought help for, although service businesses were less likely to be looking for help with business improvement in the current economic downturn (5 per cent compared to 11 per cent for non-service businesses), and more likely to be looking for help to improve marketing (17 per cent compared to 12 per cent).

What areas did the Health Check actually cover?

There was a symmetry between support sought and support offered: consistent with the multiple strands of support businesses were looking for when approaching Business Link, the nature of support actually received was equally diverse and multi-faceted. In line with the areas of support businesses approached Business Link for, provision was highest in exploring grants and other financial support (63 per cent), improving marketing (49 per cent), increasing the customer base (46 per cent) and, help and advice with accessing finance (41 per cent).

Figure 4.6 Areas that the Health Check covered



Note: base = 456 surveyed businesses

There were also some differences by business characteristics. For example, businesses younger than three years old were more likely to receive support helping them increase their customer base (49 per cent compared to 39 per cent for older businesses). Small and medium sized businesses were more likely to receive help in identifying grants and other financial support than micro businesses (72 per cent compared to 63 per cent), and seek advice about recruitment (32 per cent compared to 24 per cent). In contrast, micro businesses were more likely than small and medium businesses to receive support aimed at increasing their customer base (46 per cent compared to 37 per cent). At the sector level, service businesses were more likely to receive support for increasing their customer base (44 per cent compared to 33 per cent) and improving their marketing (50 per cent compared to 41 per cent).

Source of the issues businesses seek support with

A fifth of assisted businesses (20 per cent) reported that the key business issues identified by the Health Check were a direct result of the current economic downturn. For most (71 per cent), however, the issues they were facing were a more general concern for their business. Seven per cent reported that both were a factor.

The paths to further support

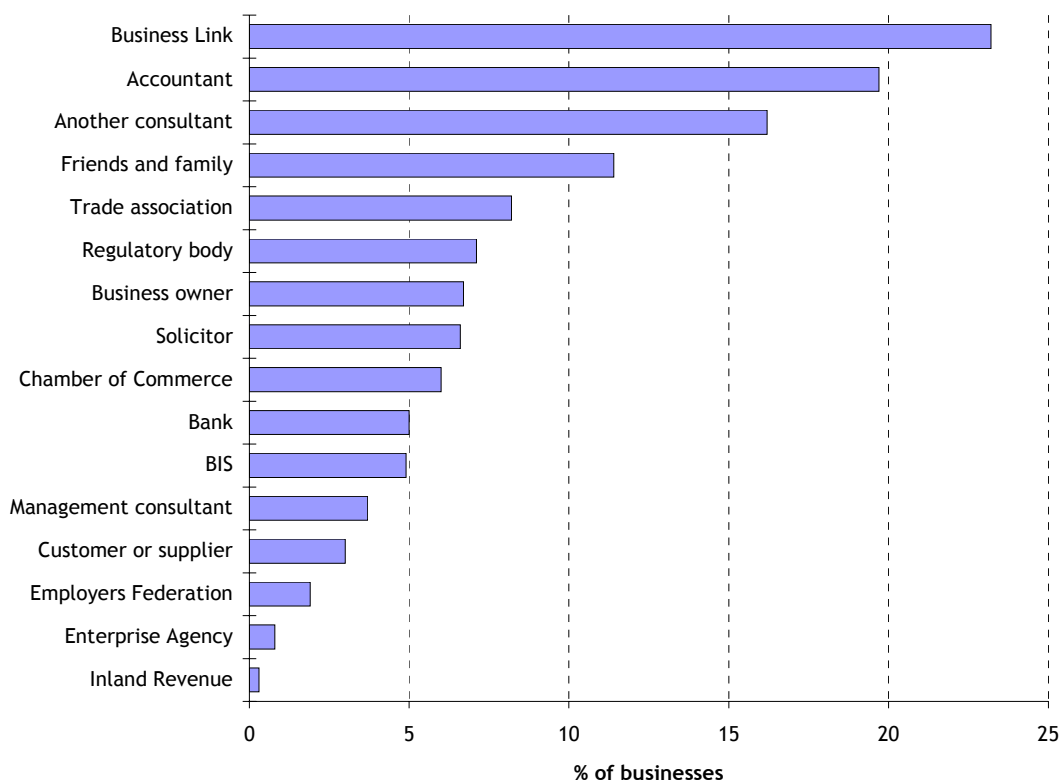
Take-up and provision of further support

Sixty-one per cent of businesses receiving a Health Check were offered further support. Forty-three per cent of businesses who were offered further support took this offer up. Of those businesses offered further support, service sector businesses were less likely to take up this offer (40 per cent compared to 49 per cent). In terms of those businesses who did take up this offer of further support, 36 per cent received this directly from Business Link, 34 per cent from another provider suggested by Business Link, and 30 per cent from a combination of Business Link and another provider. This aspect varied by age of business, with younger businesses were more likely to receive joint support from Business Link and external providers (52 per cent compared to 28 per cent of older businesses). By contrast, older businesses were more likely to receive further support from Business Link direct (35 per cent compared to 29 per cent), and from external providers exclusively (38 per cent compared to 19 per cent).

Previous use of external sources of information and advice

Half of smaller businesses accessing Health Checks had used Business Link services at some point in the past. Within the past two years, 23 per cent of businesses had used Business Link for advice and 31 per cent of businesses had used any external sources of information and advice. As is common in the small business sector, a prominent source of advice is accountants (20 per cent). Use of other, external consultants (including management consultants) was also relatively high at 20 per cent too. Government departments and agencies were also important and were used by 12 per cent of businesses.

Figure 4.7: Sources of external advice in last two years



Note: base = 156 surveyed businesses

There was some variation in the use of external advice in the last two years by size of businesses and with respect to the provider of that advice by age of business. Here, small and medium businesses were more likely to have used any external advice than micro businesses (39 per cent compared to 29 per cent). Where advice was taken, businesses more than three years old were more likely to use Business Link than younger businesses (23 per cent compared to eight per cent).

Satisfaction with Health Checks

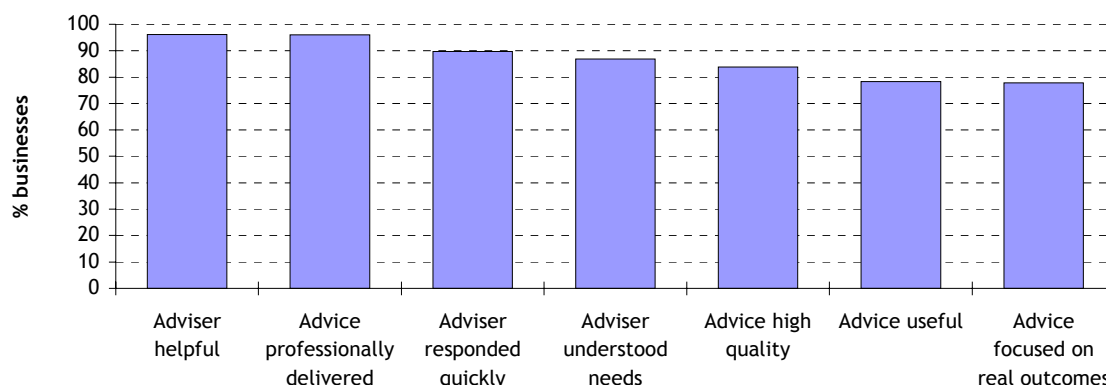
The adviser, the advisory process and the quality of advice

There was overwhelming agreement that Business Link Advisers were welcoming, open and keen to help (96 per cent). In addition, there was strong agreement that Advisers understood the needs of the business (87 per cent) and that they responded quickly (90 per cent). The advice provided was considered to be professionally delivered (96 per cent), high quality (84 per cent), focused on achieving real business outcomes (78 per cent) and useful to the business (78 per cent). Taken together, the evidence suggests that a large majority of assisted businesses found the Health Check process and service delivered to be professionally managed, focused and helpful to their businesses.

There were a few differences according to business characteristics: micro businesses were more likely to agree that advice was professionally delivered than larger

businesses (97 per cent compared to 93 per cent), and service sector businesses were more favourable about the speed of response (91 per cent compared to 83 per cent) than non-service businesses.

Figure 4.8: Agreement with adviser and advice characteristics



Note: base = 456 surveyed businesses

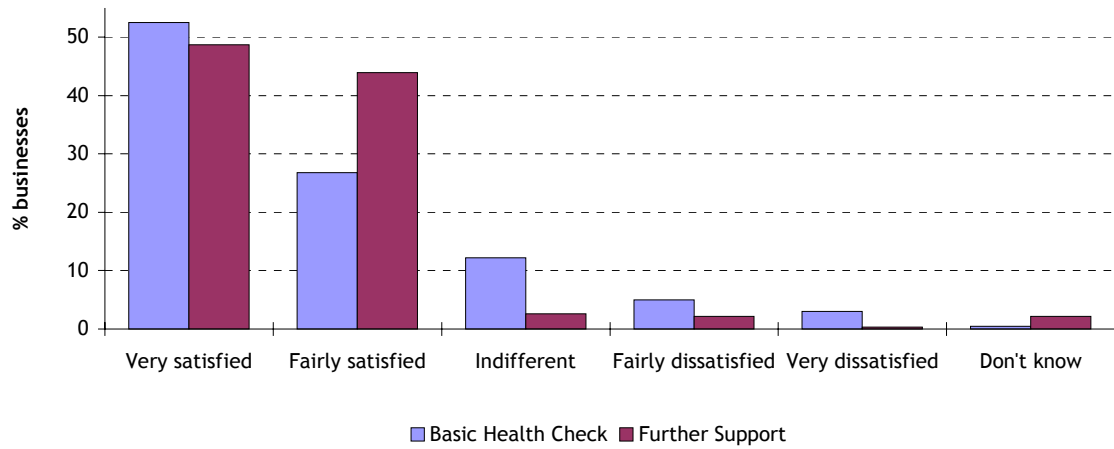
General satisfaction

Fifty-three per cent of assisted businesses were very satisfied with the information provided by Business Link through the Health Check service, 27 per cent fairly satisfied and only eight per cent expressed any level of dissatisfaction. Of the small proportion of businesses expressing dissatisfaction with the Health Check, the main issue was deemed to be that the adviser did not provide a clear and specific solution to their problems. In terms of satisfaction with additional support arising from the initial Health Check, satisfaction levels were even higher with 49 per cent very satisfied and 44 per cent fairly satisfied.

Growing businesses were more likely to express satisfaction with their Health Check than stable or distressed businesses (84 per cent, compared to 80 per cent for stable businesses and 73 per cent for distressed businesses). Equally, dissatisfaction was higher for distressed business, although still a relatively low proportion of assisted businesses (12 per cent for distressed businesses compared to eight per cent for stable and growing businesses). This evidence suggests that satisfaction rates are high and that Health Checks meet the needs of all businesses, not only those struggling in the economic downturn.

Finally, it is noted that 86 per cent of businesses accessing a Health Check would recommend it to other businesses.

Figure 4.9: Satisfaction with basic Health Check and further assistance received



Note: base = 456 surveyed businesses for satisfaction with Health Checks assistance and 119 surveyed businesses for satisfaction with further assistance received.

Summary

Health Checks have attracted many new customers to Business Link, and has provided valuable support for the majority who hadn't received business advice or support from any source within the past two years.

SMEs accessing Health Checks found it easy to make contact with Business Link, and were generally pro-active about getting in touch. Businesses typically sought help on a range of matters and the evidence shows that they received a wide-ranging, professionally delivered and useful review of their business. High satisfaction rates indicate that Health Checks are meeting SME needs and helping them to progress their business within the confines of the economic recession and beyond.

5 Impact of Health Checks on Business Outcomes and Behaviour

Introduction

In this chapter the immediate behaviours of businesses following their Health Check is explored, as are the details of already realised and expected impacts on assisted businesses.

Confidence, understanding and actions to improve the business

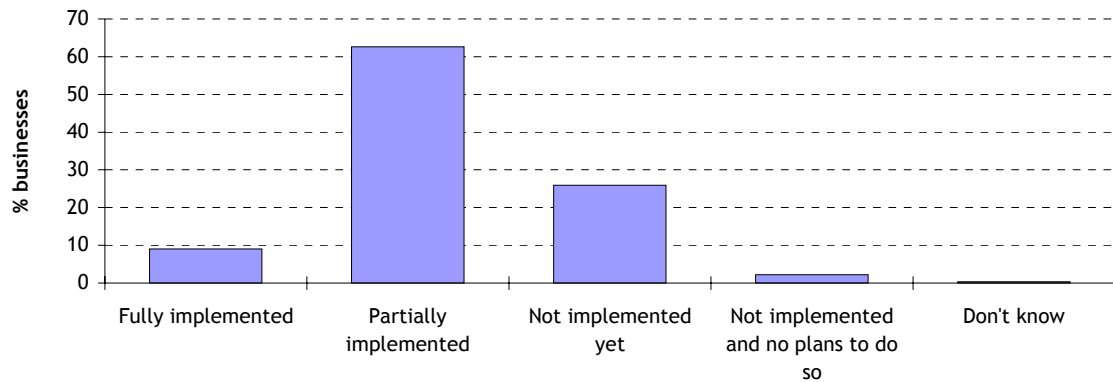
Forty-two per cent of businesses receiving a Health Check felt more confident about the way their business was performing. Younger businesses⁷ in particular felt that the Health Check had made them more confident (51 per cent compared to 39 per cent). 65 per cent of assisted businesses had developed a better understanding of areas in which they could develop their businesses in order to survive and grow in the future. In addition, 64 per cent of businesses had identified new ideas for actions or developments which would help improve their business. This feature was more likely to be true for growing businesses compared to stable and distressed businesses (54 per cent compared to 38 per cent and 37 per cent respectively).

Implementation, scope and scale

Of those businesses that had identified new ideas for business improvement, nine per cent had already fully implemented them, 63 per cent had partially implemented them, and 26 per cent had not yet implemented them, but planned to do so in the future. Only two per cent of businesses had no implementation plans.

⁷ Established within the past three years

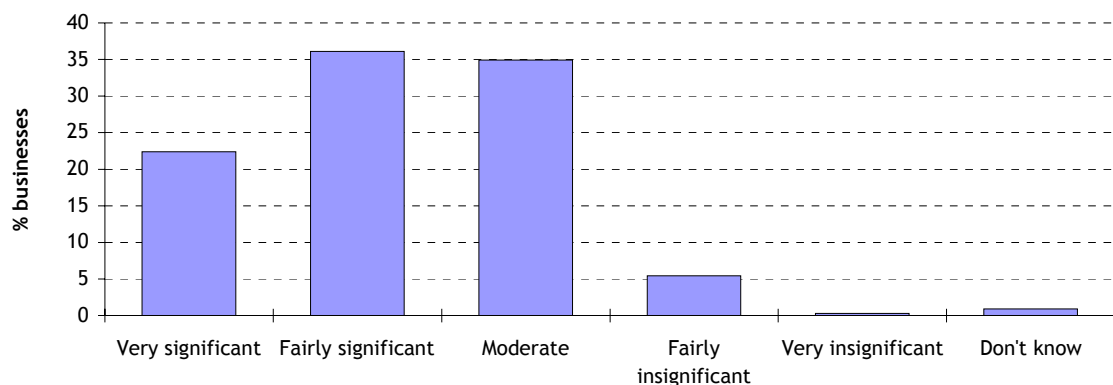
Figure 5.1: Steps taken to implement new ideas



Note: base = 285 surveyed businesses

In terms of the significance of these changes, 22 per cent indicated that they were very significant, 36 per cent that they were fairly significant and 35 per cent that they were moderately significant. Only six per cent of businesses indicated that these changes were relatively insignificant.

Figure 5.2: Significance of changes adopted or planned



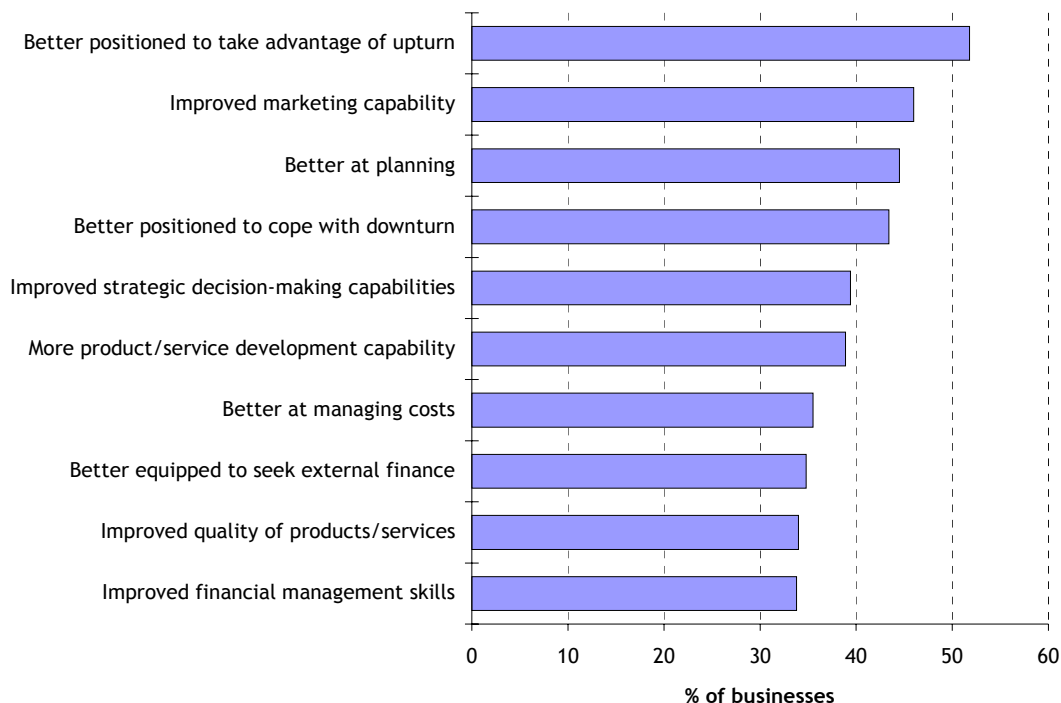
Note: base = 278 surveyed businesses

Business improvements directly resulting from the Health Check

The most commonly cited improvement achieved to date was that businesses were better positioned to take advantage of an economic upturn. This was cited by 52 per cent of all assisted businesses. In addition, 43 per cent of businesses also felt more capable of coping with the current economic downturn. On a more focused level, 46 per cent of businesses had improved their marketing capabilities, 45 per cent were better at planning. The lowest level of agreement was still 34 per cent for businesses in terms of improving their financial management skills and for improving the quality of the

products and services. Overall, 76 per cent of businesses could identify at least one direct positive outcome to their businesses resulting from their Health Checks.

Figure 5.3: Agreement that Health Check directly impacted on business performance



Note: base = 456 surveyed businesses

To some extent, impacts varied by business characteristics. For example, younger businesses, i.e. those established within the past three years, were more likely than older businesses to agree that they: had improved their financial management skills (42 per cent compared to 27 per cent); had improved their product or service quality (40 per cent compared to 32 per cent); were better positioned to cope with the current economic downturn (52 per cent compared to 41 per cent); and had improved their marketing capability (54 per cent compared to 41 per cent).

Also, micro businesses were also more likely to agree that they had improved their financial management skills than businesses larger than this (35 per cent compared to 25 per cent); were better positioned to take advantage of an economic upturn (54 per cent compared to 46 per cent); and were better at planning (47 per cent compared to 37 per cent).

Service sector businesses were less likely to agree that they had improved their product or service quality (32 per cent compared to 36 per cent) or were better placed to cope with the current economic downturn (40 per cent compared to 52 per cent).

Timing, scale and scope of potential benefits

Eight per cent of businesses indicated that they had already achieved all of the benefits resulting from their Health Check, 30 per cent felt that they would realise all of the benefits within the next year, and 40 per cent felt that this process might extend beyond

the first year post-support. However, 20 per cent of business felt that they would realise no benefits.

Table 5.1: Additionality of Business Link Health Check Assistance

Additionality	Question response	Businesses going on to receive further support	Businesses receiving initial Health Check assistance only	All assisted businesses	
		%	%	%	
Deadweight	We would have achieved similar business outcomes anyway	15.4	37.2	31.5	
	Partial Additionality	We would have achieved similar business outcomes, but not as quickly	22.4	20.5	21.0
		We would have achieved some but not all of the business outcomes	47.6	28.1	33.2
Full Additionality	We probably would not have achieved similar business outcome	8.9	6.9	7.4	
	We definitely would not have achieved similar business outcomes	2.6	2.3	2.4	
No Response	(None of these)	3.1	5.0	4.5	

Note: base = 456 surveyed businesses

Source: BL Health Check Telephone Survey (2009)

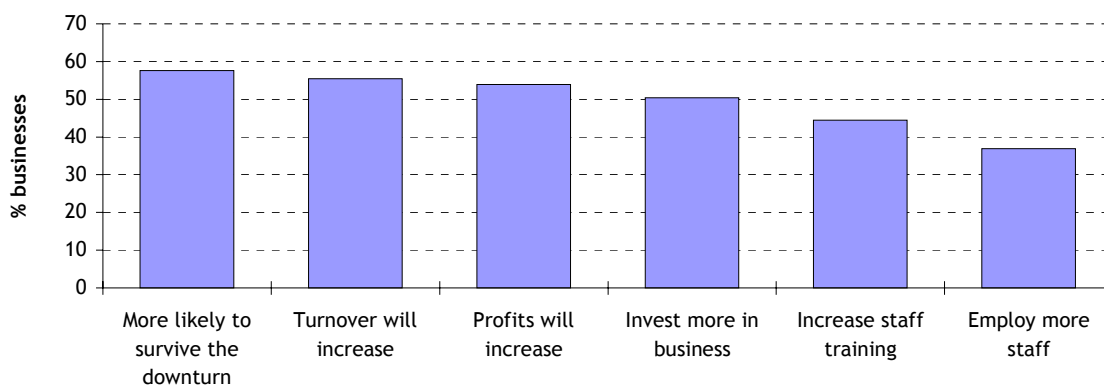
In terms of potential deadweight, 32 per cent of businesses felt that they would have achieved similar business outcomes anyway. However, 21 per cent felt that their Health Check had speeded up business improvements. A further 33 per cent felt that the scope of outcomes achieved was broader after their Health Check, and seven per cent felt that they would have been unlikely to achieve the outcomes they did without support through the Health Check. In a general sense, younger and smaller businesses were more likely to perceive that the Health Check had enabled them to achieve results that would not have been achieved without this support. That is, for businesses established within the past three years, non-additionality was 30 per cent compared to 36 per cent for older businesses), and for micro businesses non-additionality was 30 per cent compared to 39 per cent for small and medium businesses.

The evidence (outlined in Table 5.1) suggests that as a conservative estimate, nearly two-fifths of assisted businesses experienced at least some additional gain to their

business as a result of the help they received through the Health Check⁸ and a further fifth will achieve similar outcomes but more quickly. Importantly, the analysis shown in Table 5.1 highlights that a greater proportion of businesses that go on to take up further support are more likely than others to experience additional gains to their business outcomes.

Businesses were also questioned about future benefits that they expected to occur as a result of the Health Check and, in some cases, further, in-depth intensive assistance. 56 per cent expected turnover to increase, 37 per cent expected to employ more staff, 54 per cent expected profits to increase, 58 per cent felt more likely to survive the current economic downturn, 50 per cent expected to raise investment levels, and 45 per cent expected to increase staff training. A comparison with other statistics⁹ shows that these businesses are significantly more optimistic about future employment and sales growth than the wider SME population.

Figure 5.4: Expected future outcomes resulting from Health Check Assistance



Note: base = 456 surveyed businesses

Young businesses were more likely to expect increased employment (48 per cent compared to 33 per cent) and greater ability to survive the current economic downturn (63 per cent compared to 55 per cent) than older businesses as a direct result of the implementation of actions identified in their Health Check. In addition, micro businesses were more likely to anticipate an increase in sales (58 per cent compared to 47 per cent) and profits (57 per cent compared to 45 per cent) than small and medium businesses. Growing businesses were also more likely to expect sales and employment to increase than stable or distressed businesses. On sales growth the respective proportions were 65 per cent compared to 50 per cent and 48 per cent. On

⁸ This estimate is calculated by adding together those who definitely would not have achieved similar outcomes (two per cent), and those who would have achieved some but not all the same outcomes (33 per cent), and adding this to a conservative estimate that half of the seven per cent who *probably* would not have achieved similar outcomes, did so (four per cent). This equates to 39 per cent who are likely to have achieved additionality from the Health Check.

⁹ June 2009 BIS SME Business Barometer,

employment growth the respective proportions were 51 per cent compared to 31 per cent and 35 per cent.

Summary

Health Checks are improving SMEs' understanding of their business and helping them to identify new ideas and actions for improvement. As a result, businesses have improved their managerial and strategic capabilities and are better positioned to cope with the economic downturn and take advantage of an upturn. The additional gains to businesses resulting from the Health Checks are expected to last beyond the timescale of this early assessment and have good rates of impact on harder business measures such as employment, turnover and profit.

In general, Health Checks have been particularly effective for younger and smaller businesses though its benefits have been felt across all businesses.

6 Conclusions

This early stage assessment has found that the rationale for the Health Checks is valid and there are identifiable benefits to SMEs in the UK economy from having this form of support in place. In other words, Health Checks are meeting a real need and providing clear benefits for many businesses. Business Link Advisers consider Health Checks to be working well, sending favourable signals to SMEs and are able to deliver solutions quickly to businesses where needed.

The evidence shows that Health Checks improve SMEs' ability to survive the current economic downturn. They also enable businesses to enhance their management and strategic capabilities and put in place strategies which will help them achieve growth as the economy emerges from recession.

More specifically, businesses found the Health Check service easy to access, and the support offered was wide ranging. Customers report high levels of satisfaction and that support was generally delivered in a professional manner and focused on real outcomes. The evidence suggests that those that did go on to receive further support had higher satisfaction levels and achieved better outcomes.

Using a conservative estimate, nearly two-fifths of assisted businesses achieved at least some additional gain as a result of their Health Check. A further fifth achieved similar outcomes, but more quickly. In terms of the timing of benefits attributable to Health Checks, often businesses indicated that they might take a year or more to fully materialise, suggesting that the full benefits of the Health Check service have not been captured in this early assessment of their contribution.

7 Appendix

BL HEALTH CHECK QUESTIONNAIRE .

OMB Research and Institute for Employment Studies for the Enterprise Directorate, Department for Business, Innovation and Skills, **July 2009**

Strategic Direction of Business

1. How many people are currently employed by your business at the site where you work? (full-time equivalent, count part-time employees according to the proportion of time that they work)

No. employees	%
0-9	39.9
10-49	40.1
50+	20.0
n=453	

2. If you had to estimate, approximately how many people employed by your business at this site? Median employees = 10
3. How many people are currently employed by your business at the site where you work this time last year? (full-time equivalent, count part-time employees according to the proportion of time that they work)

No. employees	%
0-9	49.5
10-49	35.5
50+	15.0
n=453	

4. In the next 12 months, do you expect the number of people employed by your business to increase, decrease or stay the same?

Increase	35.2
Decrease	6.0
Stay the same	56.3
(Don't know)	2.6
n=453	

5. What is the current annual turnover of your business?

median £800K
10th pct £35k
90th pct £7.5m

6. Compared to a year ago has your turnover increased, decreased, or stayed the same?

Increased	33.3
Decreased	36.1
Stayed the same	21.9
(Don't know)	8.5
(Refused)	0.0
n=453	

7. In the next 12 months do you expect your turnover to increase, decrease, or stay roughly the same?

Increase	56.2
Decrease	7.8
Stay the same	29.1
(Don't know)	6.8
(Refused)	0.0
n=453	

The Health Check Process

8. How did you first find out about Business Link Health Checks?

Through the Business Link website	18.3
Through direct mailing	8.7
Through telephone contact with Business Link	24.7
Through a recommendation by business contacts	17.0
Through a recommendation by external advisers	6.9
Through the media (e.g. newspaper, radio, TV)	7.6
Via a Trade Association	2.8
Existing relationship	2.4
Other	8.3
Don't know	3.3
n=456	

9. Did you initiate the contact with Business Link about this Health Check, or did they contact you first?

Respondent/firm made initial contact	65.4
Business Link made initial contact	31.3
(Don't Know)	3.2
<hr/> n=456	

10. What form did your first contact with Business Link about the Health Check take?

The Business Link on-line Health Check questionnaire	0.2
A telephone call	66.9
A face-to-face meeting	19.2
An email	11.9
Letter	0.5
(Don't know)	1.4
<hr/> n=456	

11. How easy was it to make contact with Business Link to find out more about the Health Check service?

Very easy	70.6
Quite easy	22.5
Quite difficult	3.5
Very difficult	2.8
(Don't know)	0.6
<hr/> n=288	

12. At the start of the process, which of the following types of help were you looking to get from the Health Check?

	%	Most important
A general check on how your business was performing in comparison to others	31.6	5.6
Advice to improve business performance during the downturn	44.1	7.0
Ideas of ways to save costs	29.8	3.2
Ideas about how to improve efficiency or productivity	32.0	5.2
To see whether there were grants or other financial support available	70.8	31.4
Suggestions of ways to increase your customer base	52.5	10.5

Help with improving your marketing	54.0	17.7
Help and advice about accessing finance	40.2	5.4
Advice about recruitment or training	23.4	4.3
Guidance on employment legislation or regulations	15.1	2.8
Tax, National Insurance and VAT guidance	7.2	1.2
Anything else? (SPECIFY – RECORD EXACTLY, AS USED IN NEXT QUESTION)	9.0	5.9
(Not looking for any specific help)	1.3	-
(Don't know)	0.4	-
n=456		

13. With regards to this/these issues were you looking for:

Factual information	49.1
Basic advice	68.6
An in-depth discussion	38.1
Long-term or intensive assistance	32.2
Or, something else (SPECIFY)	
(No issues)	
(Don't know)	
n=448	

14. Which of the following areas did the Health Check actually cover?

A general check on how your business was performing in comparison to others	35.2
Advice to improve business performance during the downturn	30.3
Ideas of ways to save costs	31.8
Ideas about how to improve efficiency or productivity	30.8
To see whether there were grants or other financial support available	63.2
Suggestions of ways to increase your customer base	46.1
Help with improving your marketing	49.3
Help and advice about accessing finance	40.8
Advice about recruitment or training	24.2
Guidance on employment legislation or regulations	14.5
Tax, National Insurance and VAT guidance	9.0
Anything else? (SPECIFY)	5.0
(Nothing/no real advice given)	2.1
(Don't know)	0.7
n=456	

15. Thinking about the key business issues identified by the Health Check, would you say that these were:

	All	>9 employees	0-9 Employees
A direct result of worsening economic conditions	20.4	25.4	19.0
Or, a more general issue for the business	70.6	62.3	72.8
(Both)	6.6	10.5	5.6
(Other - SPECIFY)	-	-	-
(No issues identified at Health Check)	1.6	-	1.6
(Don't know)	0.8	0.0	1.1
n=447			

16. Thinking overall about the Health Check, do you agree or disagree with the following?

	Agree strongly/agree
The adviser was welcoming, open and keen to help	96.1
The adviser understood the needs of the business	86.9
The adviser responded quickly	89.7
The advice was professionally delivered	96.0
The advice received was of high quality	83.8
The advice offered focused on achieving a real outcome for the business	77.9
The advice offered was useful to my business	78.3
n=456	

17. Overall, how satisfied were you with the information provided by your Business Link adviser / Business Link as part of the Health Check?

Very satisfied	52.5
Fairly satisfied	26.8
Indifferent	12.2
Fairly dissatisfied	5.0
Very dissatisfied	3.0
(Don't know)	0.5
n=456	

18. What is the main reason for your dissatisfaction?

Adviser didn't provide a clear and specific solution to my problems	40.1
Adviser didn't understand the specific needs of my business	16.6
Adviser didn't understand my business sector	8.5
I wanted a more in-depth discussion about my business	2.3
The process wasn't quick enough to meet my needs	13.6
Other (SPECIFY)	-
(Don't know)	-
n=40	

19. After your initial Health Check were you offered any further support, either from Business Link directly or from an external organisation or advisor suggested by Business Link?

Yes	61.2
No	36.8
Don't know	2.0
n=456	

20. Did you then go on to receive any further support?

Yes	42.8
No	57.1
(Don't know)	0.2
n=277	

21. Who provided this further support?

Business Link directly	35.8
Another provider suggested by Business Link	33.8
Or, did it involve both Business Link <u>and</u> another provider	30.4
(Don't know)	-
n=119	

22. To the best of your knowledge, how much time have has this provider spent providing this further support?

More than a week	19.0
3-5 days	24.4
1-2 days	19.0
Less than a day	23.8
Less than an hour	5.1
(Don't know)	8.8
n=119	

23. Are you expecting to receive any further assistance from this provider or any other providers in relation to these issues in the future?

Yes	67.5
No	31.3
(Don't know)	1.2
n=119	

24. Thinking just about the additional help or information that you have received since your initial Health Check, how would you rate your satisfaction overall?

Very satisfied	48.7
Fairly satisfied	43.9
Indifferent	2.6
Fairly dissatisfied	2.2
Very dissatisfied	0.3
(Don't know)	2.2
n=119	

25. In the two years before you received your Health Check, had you used any external sources of information, advice or support to help you develop the business?

Yes	30.7
No	67.8
(Don't know)	1.5
n=456	

26. Who did you get this from?

Friends or relatives	11.4
A customer or supplier	3.0
Another business owner	6.7
An accountant	19.7
A bank	5.0
A solicitor	6.6
A management consultant	3.7
Another consultant	16.2
A Trade Association	8.2
An Employers Federation (e.g. Confederation of British Industry)	1.9
The Inland Revenue	0.3
A regulatory body (e.g. Health & Safety Executive, Environment Agency)	7.1
Department of Trade & Industry (Business, Innovation, and Skills)	4.9
An Enterprise Agency	0.8
The Chamber of Commerce	6.0
Business Link	23.2
Other (SPECIFY)	-
(Don't know/can't remember)	-
n=156	

27. Had you used Business Link services at all in the past, before your Health Check?

Yes	47.8
No	50.9
(Don't know)	1.3
n=424	

Impact of Health Checks on Business Actions and Behaviours

For all of these questions, please include the additional support you received from Business Link / the other providers suggested by Business Link / Business Link and the other providers they suggested after the initial Health Check, as well as that received at the Health Check itself.

28. As a result of the Health check do you feel more or less confident that your business is performing as well as it could be?

More confident	41.8
No different	53.6
Less confident	3.9
(Don't know)	0.7
n=456	

29. As a result of the Health Check do you have a better understanding of the sorts of areas you could develop to grow or maintain the business?

Yes	65.2
No	33.8
(Don't know)	1.0
n=456	

30. As a result of the Health Check, did you get any ideas for further actions or developments to help improve your business?

Yes	63.6
No	35.5
(Don't know)	0.9
n=456	

31. Have you taken any steps to implement these new ideas?

Fully implemented them	9.0
Partially implemented them	62.6
Not implemented them but plan to do so in future	25.9
Not implemented them and do not plan to do so	2.2
(Don't know)	0.3
n=285	

32. Thinking about what you're doing / planning to do differently, how significant would you say that these changes have been / will be?

Very significant	22.4
Fairly significant	36.1
Moderate	34.9
Fairly insignificant	5.4
Very insignificant	0.3
(Don't know)	0.9
n=278	

33. As a direct result of the support you've received through your Health Check, how has this impacted on the performance of your business?

	Yes, to a large extent	Yes, to some extent	No
The business has improved its financial management skills	5.7	28.1	65.5
The business is better at planning	7.9	36.6	55.4
The business is better equipped to seek external finance	5.5	29.3	63.4
The business has more capability to develop new products or services	7.7	31.2	60.7
The business has improved the quality of its products or services	6.7	27.0	65.7
The business has improved its strategic decision-making capabilities	5.1	34.3	59.6
The business is better positioned to cope with the economic downturn	6.5	36.9	55.8
The business is better positioned to take advantage of an upturn	12.0	39.8	46.6
The business has improved its marketing	10.0	36.0	54.0

capability

The business is better at managing its costs	7.0	28.5	63.3
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n=456

34. Looking to the future, as a result of the Health Check and any actions you're planning to take as a result of this, do you think that any of the following will occur?

Turnover will increase	55.5
Will employ more staff	36.9
Profits will increase	53.9
Are more likely to survive the economic downturn	57.6
Will invest more in your business	50.4
Will increase staff training	44.5

n=456

35. Thinking about all of the potential benefits you might achieve as a result of your Health Check, would you say that...?

	Yes
Have already realised all of the benefits	7.8
Expect to realise all of the benefits in the next year	29.9
Expect it to take more than a year to realise all of the benefits	40.2
(No benefits from Business Link Health Check support)	19.6
(Don't know)	2.4

n=456

36. Which ONE of the following statements best describes your view on the contribution the Health Check has made/or will make, to your firm?

Would have achieved similar business outcomes anyway	31.5
Would have achieved similar business outcomes, but not as quickly	21.0
Would have achieved some but not all of the business outcomes	33.2
Probably would not have achieved similar business outcomes	7.4
Definitely would not have achieved similar business outcomes	2.4
(None of these)	3.9
(Too early to tell)	0.6

n=456

37. Would you recommend Business Link Health Checks to other businesses?

Yes	85.8
No	12.5
(Don't know)	1.7
n=456	

Business Demographics

38. How long ago was your business established?

Less than 2 years ago	18.4
2-3 years ago	12.9
4-5 years ago	9.3
6-10 years ago	16.1
11-20 years ago	16.0
More than 20 years ago	27.2
(Don't know)	0.1
(Refused)	-
(Not yet trading)	-
n=456	

39. What is the main activity of your business?

Agriculture, forestry fishing	3.9
Manufacturing	14.9
Utilities	0.6
Construction	5.2
Retail	21.5
Hotels/restaurants	6.0
Transport & communication	2.2
Finance	1.2
Business services	30.8
Public Admin	0.1
Education	3.0
Health	4.3
Other services	6.4
n=456	

40. Are you the main partner or managing director in this business?

Yes	85.7
No	14.3
n=456	

Questions about the main partner or managing director.

41. Gender of respondent

Male	66.2
Female	33.3
n=456	

42. Which age band?

Under 25	0.7
25 - 34	9.4
35 - 44	24.1
45 - 54	34.2
55 - 64	20.0
65 and over	8.3
(Don't know)	1.3
(Refused)	2.0
n=456	

43. From an ethnic minority group?

Yes	5.8
No	92.1
(Don't know)	1.1
(Refused)	1.0
n=456	

44. Which ethnic minority group?

Mixed – White and Black Caribbean	4.0
Mixed – White and Black African	4.0
Mixed – White and Asian	0.0
Mixed – Other	4.0
Asian or Asian British – Indian	12.0
Asian or Asian British - Pakistani	4.0
Asian or Asian British - Bangladeshi	4.0
Asian or Asian British – Other	-
Black or Black British - Caribbean	12.0
Black or Black British – African	20.0
Black or Black British – Other	
Chinese	12.0
Any other ethnic group	-
(Don't know)	-
(Refused)	-
n=25	

45. Would you be willing to take part in any future research by Business Link or the Department for Business, Innovation & Skills about the Health Checks? If you say yes you are not obliged to take part and can always decline if it's not convenient at the time

Yes	75.9
No	23.5
(Don't know)	0.7
n=456	
