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Paul Braidford, Ian Stone

Providing business support to SMEs – how to encourage firms’ engagement

Objectives. While most governments operate a support system for SMEs aiming to encourage improved business performance, there is a widespread problem of having such firms engage with schemes of this kind. This policy issue is tackled here through work to develop a better understanding of SMEs’ attitudes towards the accessing and use of support programmes with a view to their business objectives being achieved. A typology of SMEs based on past interactions with the support system is identified, and consideration given to the way in which this influences their attitude to public (and private) support; as well as the way in which the recession has affected use and attitudes.

Prior Work. Prior work has concentrated on models relating the propensity to use support to business and owner characteristics (Han and Benson, 2009), growth strategies (Johnson & Webber, 2007) or delivery mechanisms (Mole, Hart and Roper, 2014); or simply to a desire to solve a problem (Mole and Keogh, 2009). Targeting support on this basis is difficult.

Approach. 100 in-depth, semi-structured face-to-face interviews were conducted across England with users of schemes delivered by one or more of four publicly-funded support services (UKTI, MAS, GrowthAccelerator and TSB). Questions were based around progression of usage on a customer journey (rationale for using support, awareness of schemes, investigation, application, use of the service) and attitude formation through contact with support schemes, network contacts, etc.

Results. Four different types of user were identified by reference to experience with and use of support, reasons for use and attitude towards future use. These were: (i) experienced and sophisticated consumers of support; (ii) experienced users, but with a more narrow, transactional-focused outlook; (iii) returning/lapsed users, who had often not used support since before the recession or since their establishment; and (iv) inexperienced users, many of whom were accessing support for the first time. Common across all types were (i) the identification of a lack of a common entry point for support or diagnostic advice; (ii) a low level of investigation into support available before the service was approached; and (iii) a low level of cross-referral between services during or after support.

Implications. The use of evidence based on attitudes and rationales, rather than owner/business characteristics, allows for a more nuanced analysis of the behaviour of businesses in seeking and using business support. In particular, it facilitates an understanding of how businesses see support schemes working together to cover potential needs.

Value. Achievement of an optimal use of support through engagement of firms entails a recognition that the process involved is of importance. The identification of different types of user, and of differences and similarities in the use they make of support, allows for better targeting of support and design of delivery, thereby facilitating tailoring in regard to the way in which businesses become aware of, and make use of, support. The aim is to better inform the approach to and delivery of SME support schemes, in order that take-up and effectiveness can be improved. Although the paper is based upon a UK case study, its findings have broader policy relevance, especially given a widespread trend towards the provision of support online, rather than by more direct methods. The research shows that firms seem to require bespoke advice (i.e. information, diagnosis and brokerage), and that this plays an influential ‘gateway’ role encouraging firms to engage with support organisations.

Key words: business support, attitudes, business growth, innovation.

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Introduction

The process by which business support is conferred upon SMEs is often thought to exhibit signs of market failure, in that businesses only seem to take advantage of a sub-optimal amount. They apparently find it hard to locate or judge the quality of suitable support, and are unsure about the benefits (especially harder, financial returns) accruing from any given support scheme.

Given how it has tried to offer support to SMEs in various ways, the UK’s business-support landscape can be characterised as in a near-continuous state of flux (Mole et al., 2008; Bryson et al., 1997). Public-sector schemes have been introduced or changed on a regular basis, and, following this pattern, the coalition government of 2010–15 expressed its intention to reduce the role played by government in favour of private-sector providers, while also devolving more responsibility for economic development to a local level (see e.g. HMG, 2010). This left the UK example as a good case study on how changes to the delivery of support have ramifications for its uptake in both quantitative terms and – as the focus of this study – more qualitatively, given the analysis into the impact of different support regimes on SME owners’ attitudes to engagement with support in a more general sense, e.g. by reference to the factors drawing owners into engagement or re-engagement with support, as well as ways in which this changes in line with the service received.

Among other changes, there has been a rationalisation of the only-recently-introduced Solutions for Business (SfB) suite of 30 business-support products (DBERR, 2009). The rationale for such change so relatively soon was that intensive face-to-face support was to be targeted more restrictively at (potential) growth businesses, following the arguments of Shane (2009), among others, that such a policy represented a more effective use of resources than subsidising start-up, and could lead to greater cost-effectiveness and economic impact.

Following the same kind of rationale, the services delivered by the main government-funded provider of face-to-face Information, Diagnosis and Brokerage (IDB) services – Business Link – were also changed. The universal support offer of face-to-face IDB was confined to online and telephone support intended to provide information only, with more bespoke guidance and advice excluded from the new services’ remit. The Business and Enterprise Minister indicated that this change was driven by ‘moving away from centralised advice and focusing on targeted programmes. This streamlining is firmly based on developing those services which work, and which private providers do not offer.’ (Department of Business, Innovation and Skills, 2011). The concern was thus to increase the uptake of the intensive services offered by the government amongst those able to benefit most from them, with this support being converted into growth impacts, while reducing usage amongst businesses likely to benefit less, with the latter being redirected to the more-suitable services offered by private providers. As such, the overall change in usage was difficult to predict, but the intention was for uptake to be targeted more effectively.

This left four major targeted support products, which also absorbed several other SfB products. The four encompassed a wide spectrum of different forms of support, covering support on strategy, operational issues, international trade and innovation development. Thus:

• the Manufacturing Advisory Service (MAS) offers strategic and technical advice on business planning and improvement;
• UK Trade and Investment (UKTI) offers support to enhance levels of exports or export-related skills;
• the Technology Strategy Board (TSB) provides support for innovation and technology development.
• the GrowthAccelerator (GA) offers growth coaching and training.

The changes described above – and in particular the loss of Business Link as the national face-to-face signposting service with no consistent local or regional replacements – clearly had ramifications for how businesses became aware of and engaged with both public- and private-sector business support (and vice versa). Businesses could no longer simply engage with a local office signposting them according to their needs, but had to enter the support system through other means.
Specifically, this paper examines how business owners who used one of the four services above during the 2011–13 period gained awareness of support; how/if they were referred to the support and who referred them; how the changes have impacted on business knowledge of and willingness to use support; and the overall attitude towards business support, and publicly-funded support in particular. Reference is made here to in-depth interviews carried out with a view to determining the reasons behind decisions to engage or re-engage, as well as ways in which interactions with the support service have contributed to an evolution of attitudes where seeking support is concerned.

Research questions have thus concerned the way in which and reason for which business owners are encouraged to seek support in the first place; the ways their experiences with the support system alter that attitude as and when further support is sought, and the ways in which the business support system may deliver support more effectively. This is all of importance to both theory and practice, as research, broadly speaking, shows that businesses seeking greater levels of support tend to be more effective.

This paper’s particular contribution is thus to outline ways in which the above mechanism may work, as well to identify the possible drivers underpinning engagement with support.

This approach facilitates nuanced analysis as to the behaviour of businesses in seeking and using business support, the way in which business owners see public-support schemes working together to provide holistic support, and the status of such interaction as in fact desirable or otherwise. The identification of different types of user and user preference allows for improved design of support, in particular as regards business awareness and engagement that encourages a greater number of businesses to make use of more relevant support, with the effectiveness of that support enhanced in consequence. A contribution is thus made to wider analysis of why SMEs make use of support (in particular government-funded support), and of how such use might be rendered deeper and more effective.

The paper is further organised into a next section that reviews the literature on ways in which SMEs in receipt of advice are impacted upon, and ways in which they choose to engage with support systems. This is followed by a brief description of the methods used and sample considered by the research that forms the paper’s main subject matter. A third section then presents an analysis of the evidence, arranged by reference to the four distinct groups of support users identified, with this being followed by a section examining common themes occurring across all types of SME types, as well as ways re-engagement with support organisations can be encouraged to create a journey of business support through public-sector provisioning and/or signposting.

**Literature**

SMEs seek external advice to complement and extend skills and knowledge available in-house (Carey et al., 2005), and of course to improve business performance (Johnson et al., 2007). However, it may prove difficult for SME managers to identify the optimal source of support in their circumstances, given limited capabilities and experience with choosing support (Berry et al., 2006; Johnson et al., 2007), as well as a lack of both time and financial resources (Carey, Simnett and Tanewski, 2000). The type of publicly-funded support represented by the four services under investigation is largely ‘transformational’ (see e.g. North et al., 2011) or ‘subjective’ (which is to say that the relationship between the support user and service provider is crucial to the transmission of content) (Hjalmarsson & Johansson, 2003), in that the services go beyond simple or ‘objective’ information into more complex and context-dependent support (Chrisman & McMullen, 2004).

The process by which business support is engaged with or advice sought is often conceptualised as following a series of stages (see e.g. Gallouj, 1997; O’Farrell and Moffatt, 1991). A typical staged model would flow from recognition of a problem to identification of a need for external support to solve that problem, through a search for support providers, to identification and evaluation of appropriate provision and selection of the most appropriate provider.
A feedback process may also occur, in that the process of using support may have an impact on how future support needs are addressed (O’Farrell and Moffat, 1991). This way of conceptualising engagement with support implies a choice that is proactive and entirely driven by the business owner. However, this may not be the case, especially in smaller businesses, whose owners may be unaware of potential problems or the need for support, until prompted into reflection by a communication from a service provider (e.g. Bennett and Smith, 2004; Mole et al., 2009) or network member.

Inadequate knowledge and experience of support can also lead owners to set excessive store by recommendations from existing contacts (Day and Barksdale, 2003), which may actually lead to a suboptimal choice of provider (Kautonen et al., 2010). As Dyer and Ross (2007) indicate, problems with the delivery of effective support may also arise from differences in business outlook and background between business owners and advisers (e.g. informal and short-term in the former case vs. organised and strategic in the latter), as well as the need for a trust relationship to come into existence between the two, in order that tacit information might be communicated more effectively (Argyris and Schön, 1996). A co-productive relationship is thus crucial (Day et al., 2006), and this implies that owners’ worldview, attitudes to the use of support and view of its value to the business are all highly important in the sourcing, utilisation and re-engagement with support services. These attitudes are likely to vary substantially between businesses (Day et al., 2006).

While debate over the overall effectiveness of non-targeted business support continues (see Cummings and Fisher (2012) for an overview), there is evidence that benefits as regards competitiveness accrue from intensive use of transformational business support (e.g. Bennett & Robson, 2003; Mole et al., 2008; Chrisman et al., 2005), and in particular repeated interaction (Ethiraj et al., 2005; Anand and Khanna, 2000; Eisenhardt and Martin, 2000). This is thought due to the presence of increased strategic knowledge in the business. As Atherton et al. (2010, p260) put it: ‘a broad conceptual case can be made that small businesses that are able to access appropriate and effective expertise that can then be applied to the specific circumstances of the firm are more likely to exploit this knowledge and to address development constraints’. This implies a need for effective targeting, engagement and signposting of businesses vis-à-vis the most appropriate source of support, as well as bespoke tailoring of support to individual business need.

Those businesses predisposed to deliberate learning and engaging with business support willingly are most likely to benefit through capability enhancement (Zollo and Winter, 2002), even in the case of more-experienced owners (Chrisman et al., 2005). Cumm and Fisher (2012) found that the resources possessed by a business prior to engagement with support had no influence on the learning benefits of repeated interaction (though those authors acknowledged that past experience in areas more specific than those investigated may have some moderating effect). This suggests that the attitudes of business owners, and possible changes therein as support is engaged with and utilised, are key issues worthy of attention.

Engagement of business owners and delivery of support

The proportion of SMEs making use of external support is relatively low (40% according to North et al., 2011), especially where it is formal support that is being considered (Johnson et al., 2007). Reasons for this level of use relate to the difficulties outlined above, especially: (a) a lack of reliable and comprehensive information about both support and its benefits (Bennett, 2008); (b) the time and cost of support use; (c) prior poor experience with support among either business owners themselves, or business contacts who are in touch with them (Scott and Irwin, 2009); (d) business owners regarding external support as too ‘smart’ for them (Dyer and Ross, 2007) or as a means by which consultants can earn money, as opposed to providing impartial advice (Hjalmarsson & Johansson, 2003); and (e) distrust of outside influences (Edwards, Sen Gupta, & Tsai, 2010; Curran, 2000). Many studies address how characteristics of a business are able
to impact upon the use of expertise (including size, sector, gender, ethnicity and others, e.g. Bennett, 2008; Johnson et al., 2007; Lambrecht and Pirnay, 2005). However, there is a gap for studies which would examine these issues by analysing owners’ attitudes as well as by reference to feedback on these attitudes offered as business support is sought and used, with consideration also being given to ways in which such perceptions can inform improvements in awareness and the delivery of support.

In the fivefold typology of how firms access external expertise, developed by Viljamaa (2011), most engagement with public support can be seen as ‘opportunistic’, with a firm thus taking advantage of an opportunity they have either come across (e.g. through networks, or online), or had put in front of them in a more proactive way – often by the service itself targeting the potential user, or via a separate diagnostic organisation (Lambrecht and Pirnay, 2005). This latter situation, with a split between diagnosis and intensive support, is similar to the former Business Link model.

In the UK context, many studies have concentrated specifically on engagement through Business Link. The nature of the delivery and the type and characteristics of support offered have been criticised for varying from place to place, due to multiple providers (Mole, 2002). There has also been criticism that the services offered may not be sufficiently bespoke (Hart and McGuinness, 2003; Mole et al, 2009), with points about congruence between support and business need being reiterated. This implies a need for adequate matching between support and the support on offer, especially now that much public support has been tailored to target ‘growth’ businesses more explicitly.

Such an outlook ascribes considerable importance to the ways in which businesses are made aware of and engaged by support organisations. Previous research on this found that the most common ways to receive awareness about Business Link services have been, in decreasing order of frequency, a mailshot, a website visit, and a referral from a contact (Mole et al., 2014). However, referrals were more valuable in encouraging take-up of more intensive capacity- and capability-building advice, as long as there was confidence in the contact’s motives and expertise (Sztompka, 1999). Similarly, word-of-mouth from business owners who are dissatisfied or received poor support will be heeded more than referrals from services or consultants (Mole et al., 2014), and act as an effective deterrent to engagement. This implies that trust relationships, networks, and how reasons for using business support are presented and communicated by various types of contact (including support organisations themselves), are crucial in how the business frames and make decisions relating to support.

Given the difficulty of targeting referrals at the right firm at the right time (Garnsey et al., 2006), businesses either need to have enough awareness of support and of their own business needs to be able to self-refer at the right time, which is clearly difficult, or, as suggested by Mason and Brown (2013), to have an account manager from a public-sector organisation who stays in regular touch in order to undertake such a role. However, there remains the question of the business being engaged in the first place, and how its interactions with support change its attitudes and willingness to engage.

The literature has revealed relatively little research showing how the attitude of owners towards business support encourages or discourages engagement with the publicly funded support system, and how, in turn, that support system can change such attitudes through interaction and the type and quality of services provided. The research described here addresses that gap by aiming to segment owners who have engaged with the system by their reasons for initial engagement, as well as the way in which their attitudes have evolved over the course of their interaction(s), with the ultimate aim being to address deficiencies in the delivery of publicly-funded business support.

Method

In Summer 2014, 100 interviews were conducted with users of one or more of the four support services. The majority were face-to-face, with eight conducted by telephone. The sample was drawn from an extract of 13,197 records from the Inter Departmental Business Register
(IDBR\(^1\)), provided by BIS, consisting of SMEs (under 249 employees during any of the last three years), flagged as having used one of the studied services during the period in question.

Although the sample could not be entirely representative, the sampling strategy aimed for approximate representation by broad sector, allowing for the fact that two services (MAS and TSB) were more orientated towards manufacturing. This meant that 46% of interviewees were classed as in manufacturing, with reasonably good representativeness from the other sectors compared with the structure of the business population as a whole which had used business support: the IDBR sample contains UK Standard Industrial Classification section codes\(^2\), with the sectoral structure of the achieved sample closely approximating the sectoral structure of the entire IDBR extract of flagged support users. As regards sizeband, obtaining of a broad range of opinions was facilitated by under-sampling of micro businesses (under ten employees) – accounting for 29%, as compared with 57% in the original extract, along with over-sampling of both small businesses (10-49 employees, 51% compared with 32%) and those of medium size (50-249 employees, 20% compared with 11%).

The original sample proposed at least 25 interviews from users of each service, aiming for a diverse range of views, and a large oversampling of businesses which had accessed multiple services (a proposed 50 interviews out of the 100), in order to better investigate how the four services interacted, but this was scaled down, due to the low incidence of multiple usage: under 300 businesses (approximately 2% of the records provided) had been flagged as using more than one of the services. Instead, the sampling strategy was altered so that as many multiple users as possible were interviewed, with the questionnaire for other interviews altered slightly to include more detail on why businesses chose not to use more than one source of support. In total, 36 interviews with multiple users were carried out. Table 1 below shows the composition of the sample in terms of service(s) accessed.

Interviews were semi-structured, based around stages of the customer journey. Interviewees were asked to describe each stage of that journey, i.e. (i) past use and prior knowledge of support (if any), before the most recent accessing of the service; (ii) initial awareness of the service(s) used (there was no requirement that the most recent use be their first); (iii) investigation of/first contact with the service; (iv) application; (v) use; (vi) impacts; (vii) subsequent use of business support. Interviewees were probed further as to how the service compared with their expectations and with other uses of support; how it affected their attitude and knowledge of support; and whether they were referred (or felt they needed referring) to other support, either during or at the culmination of usage. Interviews were transcribed and analysed by the research team using an inductive approach. Each researcher separately coded a subset of interviews, which was then checked and recoded by the other, followed by discussion and recoding in line with a set of agreed codes. This was again followed by discussion to further refine and identify concepts and categories which could serve to group points together. This process then allowed for identification of a typology of businesses based on multiple aspects to the use of the support: the business owner’s experience and prior use of support; their initial

| Table 1. Interviewed businesses by service(s) accessed |
|-------------|-------|-------|-----|-----|
|             | TSB   | GA    | UKTI| MAS |
| TSB         | 19    |       |     |     |
| GA          | 5     | 15    |     |     |
| UKTI        | 9     | 9     | 16  |     |
| MAS         | 3     | 6     | 14  | 15  |
| Total       | 36    | 30    | 43  | 32  |

Note: this table counts multiple uses under all services which apply, as they may have used more than two services. Rows/columns sum to more than the totals. The bottom row shows the total number of interviews which covered each service, regardless of how many other services they used.

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\(^1\) A comprehensive list of UK businesses used by government for statistical purposes, covering businesses registered for Value Added Tax and/or Pay As You Earn taxation

\(^2\) A ‘section’, in the UK designation, is a combination of a number of sequentially numbered SIC groups.
rationale for use, and the route via which they were engaged for their latest support usage; and their attitude towards future use and how interaction with the support has affected this.

Results

The analysis of the interview data identified four groups of users of business support, but also a number of cross-cutting topics where the responses of all four groups were similar in a number of respects.

Each group accounted for approximately a quarter of all respondents, though the groups have inherently fuzzy and fluid boundaries, with movement between types entirely possible. It is typical for the service used by the SME not to impact on group belonged to (or vice versa). However, an exception is Type 2, which is more concentrated among users of the more grant-oriented schemes (TSB and, to a lesser extent, UKTI). The typology below is based on the attitudes of the business owner, and previous and current use of support – it does not include sector, size or other similar characteristics.

Type 1: ‘Sophisticated’/experienced users

These users had a long and diverse history of business-support usage, and regarded it as essential and normal for their business. They saw themselves as (i) highly aware of national and local support schemes; (ii) highly involved in local and/or sectoral networks (e.g. local Chambers of Commerce, membership of which is voluntary in the UK; local chapters of the Women in Business Network and the Federation of Small Businesses; national umbrella organisations tied to a particular industry, such as the GTMA Aerospace Network or the British Woodworking Federation3), to a greater extent than the other types of users here; and (iii) able to make optimum use of support, especially in terms of exploiting established relationships with support advisers. In layman’s terms, then, users assigned to this group knew what to ask for, and whom to ask. However, this did not mean they were indiscriminate in using support. In particular, it was seen partially as a learning exercise – ‘picking the brains’ of advisors to upskill managers and the workforce, to be better able to solve problems internally in the first instance. Personal relationships between managers and advisers, and the transfer of implicit knowledge, were thus seen as important, implying that support was considered and chosen carefully. Competitive advantage was seen as being based on quality and customer service, rather than price, which was facilitated by the effective and selective use of intensive support. External support was thus sourced only in the case of a clearly identifiable gap, or where funding (seen as of secondary importance, but still useful) was available to subsidise an existing or potential project. The converse was usually not true – projects would not be started simply to fulfil funding criteria and obtain finance. Typical comments by members of this group included:

‘[Our knowledge is] pretty good as we are well networked. Advisers keep us up to date with email and phone contact. We belong to the [local] Chamber, [a local] Aerospace Forum, and lots of other networks… We use external support regularly. We know what the eligibility rules are and we know we will have to pay’ (manufacturer, South West)

‘I’m confident using support and accessing support schemes due to my personal career history, I’m aware of different support schemes, I’m well versed in the landscape of support, and a lot of it is down to who you know; asking the right questions to the right people in order to see results’ (nanotechnology, North West)

We’re reasonably clued up; we use the local business press to stay up to date, a member of [local sectoral organisation], relevant sector forums, the CBI, the Chamber, we go to local university events. But we would always use internal expertise first and then available (Department of Business, Innovation and Skills 2016a, 2016b)

3 According to the UK Small Business Survey 2015, 28% of SME employers and 20% of sole traders were part of a formal business network, 25% and 24% (respectively) were members of an informal network and 16% and 7% (respectively) the local Chambers of Commerce. Statistics about the intensity of engagement, or about membership of more than one type of network, are not...
look who we know to help us. (manufacturing, North East)

Type 2: Experienced users with a narrower outlook

Type 1 chose between a diverse range of schemes in line with need, be that funding, management training or highly specific interventions in other areas. A second group also regarded themselves as experienced and knowledgeable about support, but, as probing revealed, they had a far narrower focus, and a somewhat blinkered outlook. Most of this group interpreted ‘business support’ as purely about obtaining funding, rather than being more developmental or strategic for the business or the staff. For example, those asked about support in general, often responded by focusing in on funding, thereby dismissing both the need for other support and support organisations’ knowledge of their field:

‘[Our knowledge and awareness of support is] reasonable but not totally up to speed. So many different pots… When we started, we relied on equity investment, but that’s been in a slump – TSB awards have been very good for the industry in general… We are not looking for advice on strategy – we have a board which are experienced, so getting someone else in who’s not an expert in the area is not ideal’ (pharmaceuticals, South East)

This applied particularly (but not exclusively) to technology-oriented businesses: many had either never investigated more intensive forms of support, or had tried to do so and become frustrated at a lack of signposting. Compared with finance, whose benefits could be regarded as obvious, other types of support yielded uncertain benefits, and had perceived high-resource costs as regards search, investigation and use:

‘We’re good at winning money. That’s quite narrow, and it probably needs widening, but we need time – I’m sure there’s other areas we know nothing about’ (software, London)

‘Management support – I wouldn’t know where to look… and actually I wouldn’t look for it – it’s hard to justify the money’ (high technology manufacturing, London)

The accessing of support did not generally increase willingness or ability to source other support, as it was largely arms-length, with application for funding entailing relatively little contact with advisers. Thus, while businesses’ knowledge of alternative forms of support was not enhanced by their support use, their skills in accessing additional support of the same kind were improved – e.g. through an acquired ability to complete application forms, given greater awareness of the sort of information required by funders:

‘Our knowledge is moderately good – we’re quite good in areas we’re interested in, which is technology ones. [The TSB support] gave us a much better understanding of whether a project is suitable for a grant, but not necessarily an increased knowledge of other things being available’ (medical technology, East of England)

These attitudes were also present in a smaller proportion of users of UKTI, whose focus had entirely been on sourcing subsidies for overseas travel (or similar functional grants in other areas), with little interest in or knowledge of the other services offered by either UKTI or other support services. In the cases of both TSB and UKTI, there had been little, if any, diagnosis offered to the firm, or cross-referral to other support. With hindsight, many users reflected that such diagnosis may have been useful in better pinpointing what sort of funding they required, or how to make use of it (e.g. diagnosing which country they should visit, rather than leaving it up to the business). Some noted that they were open to the possibility of using support if it was easier to investigate and access, but this was generally seen as unlikely.

Type 3: Returning or lapsed users

The third group had used business support some years ago, typically at the time of establishment or during a phase of active growth, and often with access being achieved via Business Link. Looking back with hindsight, the owners expressed confidence as to their knowledge of the support system in operation at the time,
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and a positive attitude to the use of support. In contrast, after years without contact – often caused by a lack of time and finance to search for and make use of support during the downturn from 2008 onwards⁴ – that knowledge had been lost, as had the awareness of available support or awareness of the routes to accessing it. However, those in Type 3 remained well-disposed to using support, and were prepared to use it again should the opportunity arise. It was thus usual for the finding of the support accessed recently to be attributed to ‘chance’, ‘networks’, or (resumed) contact with old advisors:

‘I knew about some support schemes, but my knowledge wasn’t up to date, what I knew about the support on offer, and the ways it was delivered were old fashioned. I wasn’t aware of Growth Accelerator and wouldn’t have known how to search for it or know whether it was relevant to me.’ (software, East of England)

‘I started to research different options online but it was just window shopping, I hadn’t explored the effects on our business financially, the benefits… you have to really go looking for it if you want help. You have to ask for it, but knowing where to ask is important’ (translation, London)

‘Business Link was a loss – a good name that people knew about – usually my first stop, but now I wouldn’t know where to go. I only went to Growth Accelerator because it was pointed out to me, I wouldn’t know where to start to find support. Even if Business Link didn’t know, they would know where to point me… The website has been really useful, but I would like some sort of flowchart or something to signpost where to go, I would still like diagnosis’ (translation, East Midlands)

However, in many cases, a return to regular engagement was discouraged by the apparently random way in which recent support had been identified, as well as the lack of any obvious contact point or referral, and frustrations stemming from attempts they themselves made to identify other relevant support. However, in a minority of cases, a trust relationship with advisors had developed, with the latter encouraging them to continue accessing support, or at least to investigate the possibility of using it on a more regular basis. This gave them the potential to transition towards the status of Type 1 or Type 2 support user.

Type 4: Inexperienced users

For this group, recent use represented the first time of accessing support. At best, past experience had been very limited. Thus, most were not at all aware of the support landscape, and, as with Type 3, awareness was reported to derive from networks or ‘chance’. A large minority emphasised that they had been deterred by (their perceptions of) the highly time-consuming nature of the search for and use of support with an uncertain return, as well as the anticipated bureaucracy that would be encountered. Many thus felt the need for a trusted contact to be in place, or for a detailed discussion with a representative of the support service to have taken place, before any application for business support was even considered:

‘We are too busy to look at what is out there. We are building this business without borrowing – so cash is king.’ (wholesale, Yorkshire & the Humber)

‘[My knowledge is] limited – it’s very hard to obtain and understand what’s available for specific businesses. We’re trying to focus on that through the local Chamber, to communicate this [to government], so that it’s more easily accessible and interpreted as to how things available for individual businesses.’ (construction, East Midlands)

‘[My knowledge is] fairly limited – I don’t think there’s an awful lot out there, not a lot of free of charge business support, there’s always a cost associated. We’re trying to keep costs to a minimum and it would be nice to have help from people who supposedly know a lot about what we do here, how we can do it better – and it would be much better if it was free of charge!’ (precision engineering, North West)

‘[My prior knowledge was] very poor. They are poorly advertised to the target group of small firms.

⁴ At the time of the research (2014), many interviewees considered that the economy was still depressed, and that any general recovery towards a stronger national economic position had been relatively weak to date (albeit with the strength of the said recovery varying by market, sector and location).
I don’t bother to look anymore. Have to dig for them. Hard to put in place. Often have to claim within six months or funds are gone or you have to spend money in short space of time that does not fit with the business seasons. It is usually match funding so you have to be a certain size to be able to use it… I don’t research it, but I might listen to someone who approached me.’ (hotels, East Midlands)

‘Our own knowledge is poor. We use a consultant we trust as a conduit for information, and use him and general word of mouth as the main means to hear about what’s going on. Trust is important here, we don’t have to do the legwork ourselves, screening through the consultant keeps unwanted ‘noise’ at bay.’ (manufacturing, West Midlands)

As in the case of Type 3, a minority of members of this group had been encouraged to remain involved with support more regularly, given the receipt of good advice, and the development of a trust relationship with their adviser; or else a development of skills capable of ensuring that support was put to better use. Several wanted the relationship with the adviser to go further than it had, as well as a greater transfer of information about the use of support (though this varied greatly from one adviser to another). The variability in the nature of the support experience is thus emphasised, as is the importance of the adviser (or other body) being able to diagnose need and make referrals appropriately:

‘There could have been more continuity – the MAS coach left and got a job elsewhere, we lost a bit of contact with MAS, it would nice to have follow up – he left us with all these ideas and a lot of energy, but still in a little bit of deep end… would have been good for someone to have been in touch with new projects… [But the] MAS [adviser, in a personal capacity] did keep in touch about using Growth Accelerator –he advised when a good time to start would be, gave us contacts’ (manufacturer, London)

‘I’m not really aware of support for businesses available, public or private; the referral into UKTI was ‘chance’ rather than through research… I’m more confident with UKTI, it’s a piece of cake now. I don’t feel as confident with any other support scheme but some of the skills developed with UKTI might be transferable, like applying for funding… UKTI has not referred the business or suggested any other supports… I don’t feel I know any more about entry points or how to go about researching them effectively.’ (software development, West Midlands)

‘I had not explored options for business support prior or been approached by support schemes… I’m still not aware of what other services UKTI offer and not confident in sourcing business support. Because we had strong ideas about what they wanted, in hindsight [the consultant] maybe wasn’t as hands on or as forthcoming with ideas as to what support we might benefit from..., neither [UKTI nor MAS] have increased my skills in using business support which seems disappointing…. I did not attend any courses or training or development, maybe this would be beneficial but was not offered.’ (manufacturing, London)

**Common themes across groups**

While there are distinct differences between the four groups in how they access support, develop a relationship with their advisers and continue to use support, there are themes recurring across all groups that represent common barriers to engagement with support. Although these manifest in slightly different ways, the solutions they require are often similar, even if they might need ‘selling’ to businesses in different, targeted ways.

The most common route for all types to gain awareness of support (new types of support in the cases of Types 1 and 2) entails recommendation by a trusted contact, i.e. another business owner, or (in the case of Type 1 especially) a business support advisor. For all groups, discussion with a business advisor is the most useful method by which to gain further information, as opposed to online or printed material. Reiterating the findings of the literature, contacts and discussions with advisers are found to be especially valued when it comes to information about more-intensive support (e.g. training and consultancy). In the case of less-intensive support (e.g. applying for a grant for overseas travel), there tends to be a lower level of discussion with advisers. This latter situation tends not to lead to the use of...
additional support, and leads in some cases to the attainment of funding which is not helpful in achieving their longer-term strategic aims. In this latter case, hindsight prompts interviewees to report that more in-depth guidance should have been received. This again emphasises the need for correct, in-depth diagnosis, as well as signposting to the correct support.

Given the above circumstances, a request common to all four groups (with a view to support being improved) involves the reinstatement of an IDB service to signpost relevant support and provide advice as to how the latter might be best utilised. This same need tended to be expressed slightly differently by different groups, however. Type 1 users sought ‘top-ups’ of knowledge as and when needed, while those of Type 4 more often reported simply being lost or confused where support was concerned, with the wish therefore being for an obvious access point to turn to. Type 2 users, while being confident in their own niche area, desired a cheap and easy way of obtaining suggestions for other support, as well as diagnoses vis-à-vis support in meeting needs as yet unknown. In all cases, a suitable response could take the form of a flexible and local IDB agency, and/or one specialising in – or able to access information relating to – specific niche areas such as high technology in which local support is not necessarily relevant. Comments included:

Type 1

‘I know what is out there through my networks… But business support is a minefield. Great when you can find someone to speak to who is clued up, but no central source of information… you need a navigator. If you started hunting for support products it could be a full time job!’ (sports consultancy, Yorkshire & the Humber)

Type 2

‘There’s space for a nice clear foldout map. I can just see a life-cycle map – all the things available at various points, like going for exports or the stock market, when you should be thinking of going for them and what’s available to help at each stage. But that’s never really happened.’ (high technology manufacturing, London)

Type 3

‘I’ve got limited knowledge now. It’s all very confusing, since every government tries to simplify it. I can remember most [of these changes], but on the ground it’s difficult to work through. Take financing, there’s a plethora of government and quasi government initiatives – but not one coherent source to put it all together.’ (plastics, North West)

‘It’s not clear what’s available. When Business Link was there, it was one phone call, you got signposted. It was so helpful having the Business Link consultant come round, make suggestions about what they could use, but at the moment I’d have to look that up myself on Google. And I’d probably get it wrong!’ (manufacturing, Yorkshire & the Humber)

Type 4

‘I would like a website with everything on there… You should be able to go a funding website, put in your circumstances; find out what you can get. Sometimes they don’t want you to find the funding!’ (precision engineering, North West)

It was clear that, under the system that prevailed in 2010–2013, businesses were more likely to discover support if they were engaged in networking activity of some sort already, or had used support previously. The finding of new types of support was seen to be haphazard, especially for those businesses not networking extensively. There was often a ‘nostalgia’ for Business Link, especially the face-to-face IDB services. However, even if a new IDB organisation was established, the need to make businesses aware of and willing to engage with intensive support in the first case would remain. While an IDB model may attract users looking for transactional support, engagement though a mailshot or online would be less successful (although not entirely ineffective) at attracting interest in intensive, transformational support. This is borne out both by previous research and the attitudes reported by the users here. Engagement with business owners at network events would be effective, but this would mostly capture businesses already predisposed to access such activity. This leaves word of mouth as the most effective route, with
information and recommendations in particular cascading from users with recurrent positive experience of intensive support services. This would mostly be Type 1s, but also, potentially, Type 2–4 users that have been nudged towards Type 1 status by the efforts of their advisors.

One key stumbling block reported across groups entailed a lack of connection between support services. With no central IDB organisation, users had to approach a specific service for access to support. If they could not find a service which matched their need exactly, or the service they approached could not refer them to a more appropriate service, they might well be deterred from the start, with word-of-mouth recommendation then viewed in a negative light. Alternatively, and as in the case of a minority of Type 2–4 interviewees, businesses may be deterred from accessing further support by a poor diagnosis and subsequent poor support experience, and/or by a lack of onward referral. This is also likely to result in poor word-of-mouth, either about a specific service or about business support more generally. On the other hand, users who had received effective support might remain unaware of how or where to progress to other types of support if there is no referral, or no establishment of regular communication that can be accessed for advice as and when needed. A significant minority of businesses thus felt they “had fallen off a cliff” (as one put it) when the support ended.

This situation is exacerbated by a lack of formal mechanisms for cross-referral. Where services had interacted directly, this was often on the initiative of a user that had availed of a combination of services matching their own business plan, and forming an implicit, indirect connection; rather than engagement in formal co-operation or cross-referral. It was also the case that services most often referred users to repeat use of the same support product, or another one offered by the same service – partly because of a lack of knowledge on the part of advisers. This reinforced a limited outlook among many users. In only four interviewed businesses had the recent period been characterised by an explicit chain of referral (as opposed to more vague or informal suggestions about possible further support) between one or more of the four services studied. Indeed, this situation is reflected in the fact that only 2% of the records supplied for our sample indicated use of more than one service.

Finally, and as noted already, advisers were found to differ from one another markedly, with their personal knowledge mostly underpinning suggestions as regards additional support, as opposed to any formalised process of referral or diagnosis. This situation applied regardless of type, as the Type 1 users more likely to receive – and act on – personal recommendations nevertheless mostly obtained these after having requested suggestions, or else when an issue arose as support was in the process of being provided. Even in that group, formal diagnosis and cross-referral remained a very rare event.

Equally, it was felt by many interviewees that it was not in fact the job of the advisers from any particular service to make referrals of the above kind, or make users more aware of other support. Rather, it was deemed to be down to businesses to seek this, even if most were evidently not aware of how to do so, or where to look. Such findings again point to a need for the delivery of IDB to businesses to be improved, with suitable entry – or ‘re-entry’ – points also needing to be put in place.

Conclusions

The analysis is such as to suggest the need for a rationale sustaining a more effective approach to the staged journey through the publicly-funded business support that the system’s users have to make. That journey would be extended prior to first engagement while also being prolonged using methods that encourage repeat and more-intensive use, while also generating a greater willingness to engage with intensive business support among non-users.

It would be fair to state that Type 3 users of support (in particular) detecting signs of possible recovery and wishing to access support found it difficult to locate suitable provision, and all the more so given that their main point of reference for accessing suitable support – the face-to-face IDB service which *Business Link* had provided – had been abolished in the form with which they had been familiar. The current format for
accessing support – online and by telephone, and only later escalating to face-to-face, intensive support – was unfamiliar and did not meet the level of service they expected to be able to access to guide them through the unfamiliar landscape. It was thus typical in the case of many for support needed at the appropriate time to be accessed as much through serendipitous means as anything, not least, for example, a conversation with a business owner known through their own network. The clear and obvious place where users might engage (or re-engage) with support – the ‘one-stop-shop’ with the well-known Business Link brand – was no longer in existence, leaving support-seeking business owners at a loss for a place to turn to systematically. The online service – an ongoing development – seems to have been an imperfect replacement, in terms of both how users wished to access the support (i.e. via tailored recommendations), and in more technical terms, with online information being incomplete, out of date or difficult to search.

In particular, this situation points towards the fundamental role advisers play in the support system. Their role in publicly-funded business support services is crucial, not only in the delivering of support, but in also in the engagement, diagnosis and signposting of users and potential users. Potentially more important, they also have a role in (a) shifting users towards more intensive forms of support; (b) referring them to other support, as appropriate, either through personal knowledge or – preferably, and via a more thorough and informed referral – through an organisation dedicated to IDB; and (c) forging an effective working relationship whereby the support user is diagnosed correctly, has a positive experience (almost regardless of the actual short-term impact), and develops or retains a positive attitude towards business support in general and more intensive support in particular (i.e. beyond simply gaining information or funding). This last point is key to generating positive word-of-mouth among the many business owners who do not make use of intensive support or – as important – to prevent negative and potentially ill-informed perceptions spreading widely.

At the same time, the analysis shows a complex trust relationship pertaining between users and their advisers, and between users and non-users, when it comes to the encouragement or deterring of the (recurrent) use of support. In this respect, the paper supports the recent findings of Mole et al. (2014), as to the centrality of the role of networks in increasing ability and knowledge to access advice and support, the relevance of word-of-mouth in generating willingness to engage with the support system, and the importance of correct diagnosis and referral. Furthermore, it enhances these findings by offering specific analysis of a period in recent UK policy during which an IDB specialist organisation did not exist at a national level. This helps to establish the value of such an organisation to users as it is shown just how difficult engagement or re-engagement with the support system was found to be, when there was no suitable organisation to act as guide through the support landscape. However, care must be taken to ensure that it is not simply a case of businesses regretting the loss of something they made little use of in the first place, with no guarantee that those who wished to see the return of an IDB organisation will actually use something similar. Furthermore, this research involved only businesses which had actually progressed to using transformational support (at varying intensities), meaning it is difficult to make predictions about how non-users may react to such proposals.

Nonetheless, the situation at the time of the research was clearly problematic in terms of facilitating access to and engagement with business support. Even with positive word-of-mouth, businesses may have been confused about how to access support, or where to gain more information about suitable support, or an impartial diagnosis (i.e. one not provided by the service itself). This ensured that there was a gap for some form of local (or sectoral) entry point by which users may access an IDB service that can then make referrals to a wide range of support, both public- and private-sector. This also fits well with the current government’s rationale for business support: Cummings and Fisher (2012) report high levels of cost-effective impacts from publicly-funded hubs that target potential high-growth firms for advice and support.
It should be noted that, subsequent to the research being carried out, moves by government have been made to address some issues noted in this paper. In terms of cross-referral, schemes have been launched to encourage users of TSB and UKTI to apply for GrowthAccelerator. These have involved emails to TSB users on completion of support, and financial incentives for both TSB and UKTI users; e.g. a reduction in fees if both GrowthAccelerator and UKTI’s Passport to Export scheme are used; and TSB covering GrowthAccelerator costs for certain qualifying businesses that have used their services. However, the impacts of these are not yet known, and nor is the degree to which diagnosis of need for GrowthAccelerator is carried out when a referral is made. Thus, schemes such as these only go a little way to addressing the issues outlined above.

Of potentially greater value is the establishment of Growth Hubs throughout England, which provide an IDB service under the control of Local Enterprise Partnerships. These have now been rolled out through the country, but with little over-arching evaluation or research into their impact as yet.

Research by the author on the UK’s Business Support Helpline comes to a similar conclusion (Braidford et al, 2016). Much government-funded business support in the UK is primarily made available online, and restricted to the provisioning of factual information rather than advice and guidance, with a telephone Helpline to support users with queries which cannot be answered by this material. Broadly, users indicated they called the Helpline because they sought interpretations as to how given information applied to their situation, or else reassurance that they had understood correctly, or a conversation with an adviser to the effect that all support relevant to their business had been found. This all shows that what was desired by businesses, over and above the information provided online, was a nuanced, in-depth conversation with an expert to advise and guide their choices.

The very existence of the Hubs, and the popularity of, and reasons for, calling the Helpline as opposed to simply relying on the online provision of support information, act as an acknowledgment of the value of a locally-delivered IDB service for SMEs in navigating the support landscape effectively. This suggests that a purely market-based system is likely to lead to sub-optimal support usage, which in turn implies lower average growth or efficiency among SMEs as a whole. The use of support depends greatly on trust and experience, at least in part as the returns to the investment of time or money in support are inherently uncertain and longer-term: the fulfilment of the needs of the SME user and a more optimal use of support both depend greatly on the skill and knowledge of the advisers and the IDB services they provide. At the same time, the findings point to the importance of trusted networks: any centrally-delivered, top-down system would be inherently less trusted than recommendations from other businesspeople known to the owner personally. An ongoing relationship with a Business Link adviser, of the kind that was able to develop previously, would go some way to trying to replicate these networks of business owners.

The latter would clearly have more latitude in praising or criticising particular services than would be possible in a service delivered publicly, which would inevitably be more restrained in its expression of any recommendations, be these positive and negative. Therefore, there is still a case for bolstering any centrally delivered guidance (which is explicitly not referred to as ‘advice’ on which service to use, given that this would be overly partisan) using enhanced networks where owners can access highly-valued advice and opinions from their peers. An essentially factual approach from public services does not rule out the tailoring of this information to particular business situations, as long as that is provided in a ‘neutral’ manner, with the support available to a business in a particular situation being explained, along with the way in which that support may help the business, but without the line into an outright recommendation that the owner should use a particular service being crossed. This factual approach could then be complemented by the less-neutral advice possible in the case of private networks, a rationale therefore being provided for the maximum possible support of those networks with a view to higher levels of take-up and engagement with the support system.
being encouraged. This could, for example, range from basic encouragement of use, e.g. by the online publicising of a range of networks or the provisioning of cheap access to rooms for networks to use for meetings; through to more active ways of promoting networking, such as obligatory membership of the local Chamber of Commerce.

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Jak zachęcić firmy do uczestnictwa w programach wsparcia adresowanych do małych i średnich przedsiębiorstw (MŚP)?

Cele. Większość państw oferuje programy wspierania MŚP, mające na celu poprawę uzyskiwanych przez nie wyników, istnieje jednak liczne trudności z zachęceniem wspomnianej grupy przedsiębiorstw do uczestnictwa w tego rodzaju przedsięwzięciach. W niniejszym artykule poruszone to zagadnienie z perspektywy wysiłków mających na celu lepsze zrozumienie postaw MŚP w odniesieniu do ich uczestnictwa w programach pomagających im osiągać zakładane cele ekonomiczne. Stworzono typologię MŚP w oparciu o ich wcześniejsze doświadczenia z tego rodzaju systemami z uwzględnieniem wpływu, jaki te ostatnie wywarły na stosunek firm do wsparcia publicznego (i prywatnego), jak również oddziaływania recesji na skłonność do korzystania z programów wsparcia oraz na postawy przedsiębiorstw.

Wcześniejsze prace. Wcześniejsze prace koncentrowały się na modelowaniu skłonności do korzystania z systemów wsparcia oraz na charakterystyce właścicieli (Han, Benson 2009), na strategiach rozwoju (Johnson, Webber 2007), na mechanizmach świadczenia wsparcia (Mole, Hart, Roper 2014) lub po prostu na możliwościach rozwiązania konkretnego problemu (Mole, Keogh 2009). Ukierunkowanie wsparcia na tej podstawie przysparza trudności.

Podejście. Z użytkownikami programów oferowanych przez jeden lub więcej spośród czterech systemów wsparcia finansowanych ze środków publicznych w Anglii (UKTI, MAS, GrowthAccelerator i TSB) przeprowadzono 100 pogłębionych, półustrukturyzowanych, bezpośrednich wywiadów. Pytania dotyczyły drogi do uzyskania wsparcia z punktu widzenia klienta (uzasadnienie decyzji o skorzystaniu ze wsparcia, znajomość istniejących propozycji w tej dziedzinie, analiza, proces kwalifikacji i wykorzystanie wsparcia) oraz kształtowania się postaw w wyniku kontaktu z przedstawicielami systemów wsparcia, kontaktów w sieci itp.

Wyniki. Na podstawie doświadczeń z wykorzystywanym wsparciem, powodów skorzystania z niego i postaw wobec tego rodzaju działań w przyszłości zidentyfikowano cztery grupy użytkowników: (i) doświadczeni i świadomi odbiorcy wsparcia, (ii) doświadczeni odbiorcy realizujący węższy, skoncentrowany na transakcji cel działania, (iii) powracający/byli odbiorcy, którzy często nie wykorzystywały wsparcia od początku recesji lub od chwili powstania firmy, oraz (iv) niedoświadczeni odbiorcy, z których wielu po raz pierwszy korzystało ze wsparcia. We wszystkich grupach zidentyfikowano następujące wspólne cechy: (i) brak wspólnego punktu dostępu do źródła wsparcia oraz do porad diagnostycznych, (ii) niewielką orientację w dostępnych źródłach wsparcia przed podjęciem decyzji o skorzystaniu z niego, oraz (iii) niski poziom wzajemnych kontaktów między usługodawcami w trakcie i/lub po udzieleniu wsparcia.

Wnioski. Wykorzystanie informacji opartych na postawach i przesłankach, a nie na cechach właścicieli/przedsiębiorstw umożliwia bardziej zniutansowaną analizę zachowań firm poszukujących i korzystających ze wsparcia. W szczególności ułatwiają one zrozumienie jak MŚP postrzegają systemy wsparcia oraz współdziałanie różnych podmiotów w celu zaspokojenia własnych potencjalnych potrzeb.

Wartość. Optymalne wykorzystanie wsparcia poprzez zaangażowanie firm wymaga zrozumienia wagi tego procesu. Identyfikacja różnych grup użytkowników oraz podobieństw i różnic w korzystaniu ze wsparcia pozwala na jego lepsze ukierunkowanie oraz zaplanowanie, co ułatwia dobór właściwych, zindywidualizowanych działań do potrzeb przedsiębiorstw. Ma to na celu usprawnienie podejścia do sposobu świadczenia usług w ramach systemów wspierania MŚP, co zwiększy ich efektywność oraz liczbę korzystających z nich firm. Mimo że prezentowany artykuł opiera się na brytyjskim studium przypadku, płynące z niego wnioski mają szersze zastosowanie w dziedzinie planowania polityki, zwłaszcza jeżeli uwzględni się coraz popularniejszą tendencję do udzielania wsparcia online, a nie z wykorzystaniem bardziej bezpośrednich metod. Przeprowadzone badanie wykazało, że firmy oczekują zindywidualizowanych porad (tzn. informacji, diagnozy sytuacji i pośrednictwa), stanowiących pierwsze kroki na drodze do zacieśnienia kontaktów z organizacjami świadczącymi wsparcie.

Słowa kluczowe: wsparcie dla firm, postawy, rozwój firm, innowacyjność.